



GREGG COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2020**

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**FOR THE YEAR ENDED
SEPTEMBER 30, 2020**

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

GREGG COUNTY, TEXAS

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INTRODUCTORY SECTION



March 16, 2021

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, 2020. 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, 2020 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 estimated 2019 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 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 has successfully diversified to sustain slow growth.

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

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

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

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

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

FINANCIAL INFORMATION

Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these

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

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

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

As a part of the County's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the County's single audit for the fiscal year ended September 30, 2020 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 FY20 budget increased from \$8.80 billion to \$9.3 billion.

The 2019 population estimate is 123,945. Median household income, 2015-2019 is \$50,180. Housing units for 2019 were 52,069 compared with 52,103 in 2018. The 2019 Median Age of the population is 35.6 years and the Veteran population is 8.1%. Homeownership rate, 2015-2019 is 59.1%, slightly lower than 59.3% the prior year. The median value of owner-occupied housing units for the same time period is \$136,700 compared to \$132,000 the prior year. The impact of the Covid-19 pandemic had an unprecedented impact on the County's unemployment rate. The December, 2020 Statewide unemployment rate was 7.2%, well above the 3.5% Statewide rate at the same time a year earlier. The December, 2020 County preliminary unemployment rate was 8.0%, well above the 3.6% rate at the end of 2019 but an decrease from a 12.2% high in April, 2020 at the beginning of the pandemic.

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 General Fund budget for 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 year. 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 the federal Single Audit Act of 1984 and OMB Circular A-133. The auditor's report on the general-purpose financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the compliance section.

Awards and Acknowledgements The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in financial Reporting to Gregg County for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2019. This was the eighth 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, 2019

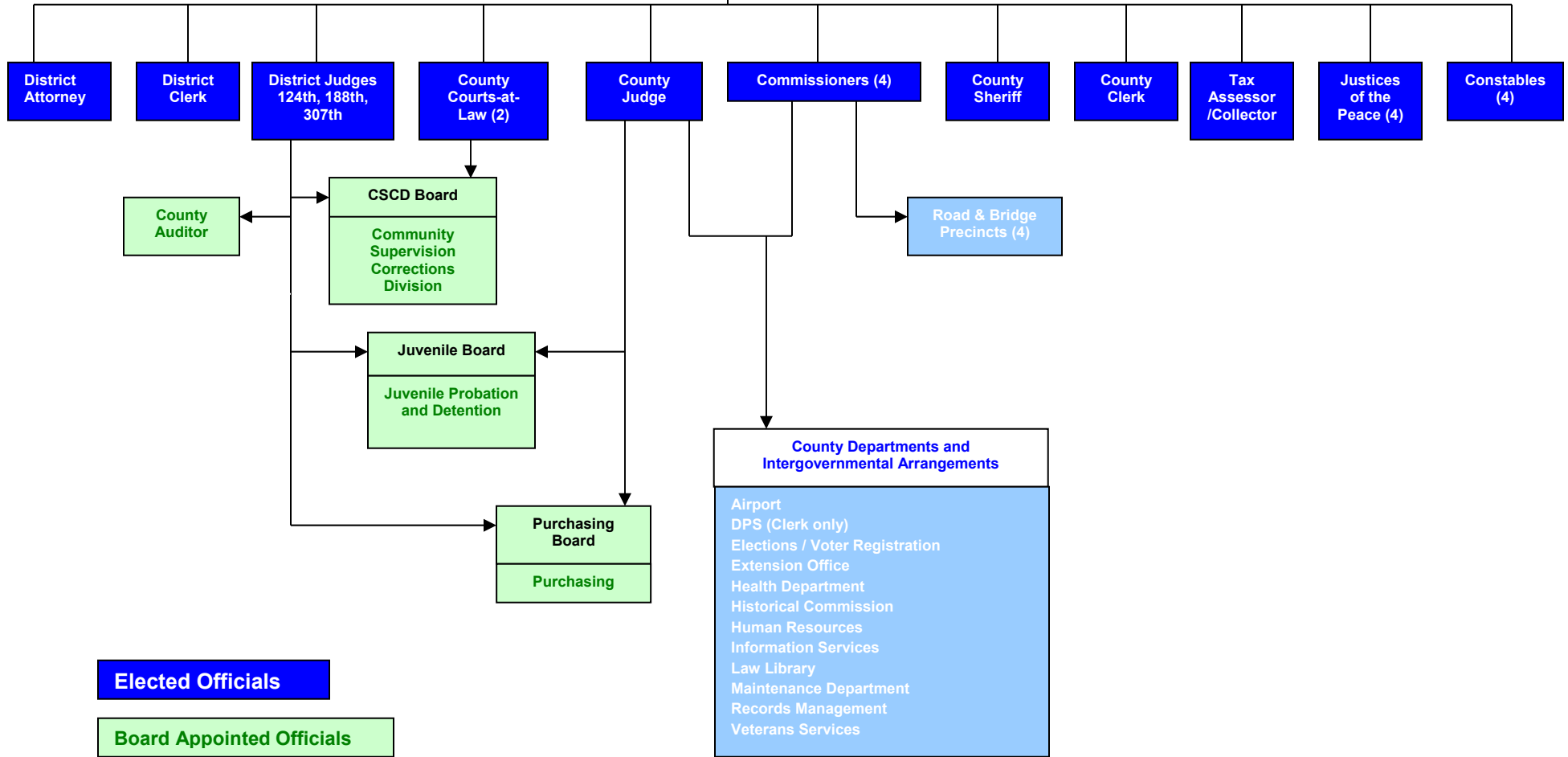
Christopher P. Morrill

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, 2020**

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

Appointed:

**Laurie Woloszyn
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, 2020, 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, 2020, 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 16, 2021, 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 & Peters, PC

Longview, Texas
March 16, 2021



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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, 2020. 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 2020 by \$129,203,345 (*net position*). Of this amount, \$56,553,741 (*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 \$809,501.
- The County's total assets and deferred outflows decreased by \$20,030,129 and total liabilities and deferred inflows of resources decreased by \$19,220,628 during the current fiscal year.
- As of September 30, 2020, the County's governmental funds reported combined ending fund balances of \$67,212,869, an increase of \$655,197 or 1% in comparison with the prior year. \$39,810,868 (59%) is *available for spending* at the County's discretion (*unassigned fund balance*). \$14,310,151 (21%) 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 2020, total unassigned fund balance for the General Fund was \$39,810,868 or 96% of total General Fund expenditures, compared to \$41,665,065 or 106% in 2019 and \$34,153,891 or 90% in 2018.
- Total revenue for governmental activities increased 0.28%.
- Total expenses for the County increased by \$98,566 or 0.17%. The program to have the largest increase in expenses was health and human services at \$898,136 or 41.01%.

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 – 46 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 47 – 65 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 69 – 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 \$129,203,345 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 48% 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 (\$10,860,836) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$56,553,741 (44%) 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	
	2020	2019
Current and other assets	\$ 78,873,791	\$ 88,870,029
Capital assets	61,790,112	63,602,690
Total assets	<u>140,663,903</u>	<u>152,472,719</u>
Deferred outflows of resources	2,902,615	11,123,928
Long-term liabilities	5,440,649	16,332,276
Other liabilities	4,042,163	15,455,202
Total liabilities	<u>9,482,812</u>	<u>31,787,478</u>
Deferred inflows of resources	4,880,361	1,796,323
Net position:		
Net investment in		
capital assets	61,788,768	63,600,358
Restricted	10,860,836	10,553,106
Unrestricted	<u>56,553,741</u>	<u>55,859,382</u>
Total net position	<u>\$ 129,203,345</u>	<u>\$ 130,012,846</u>

Governmental Activities: Governmental activities decreased the County's net position by \$809,501 for a 0.6% decrease of the total net position of the County similarly to last fiscal year.

Gregg County's Changes in Net Position

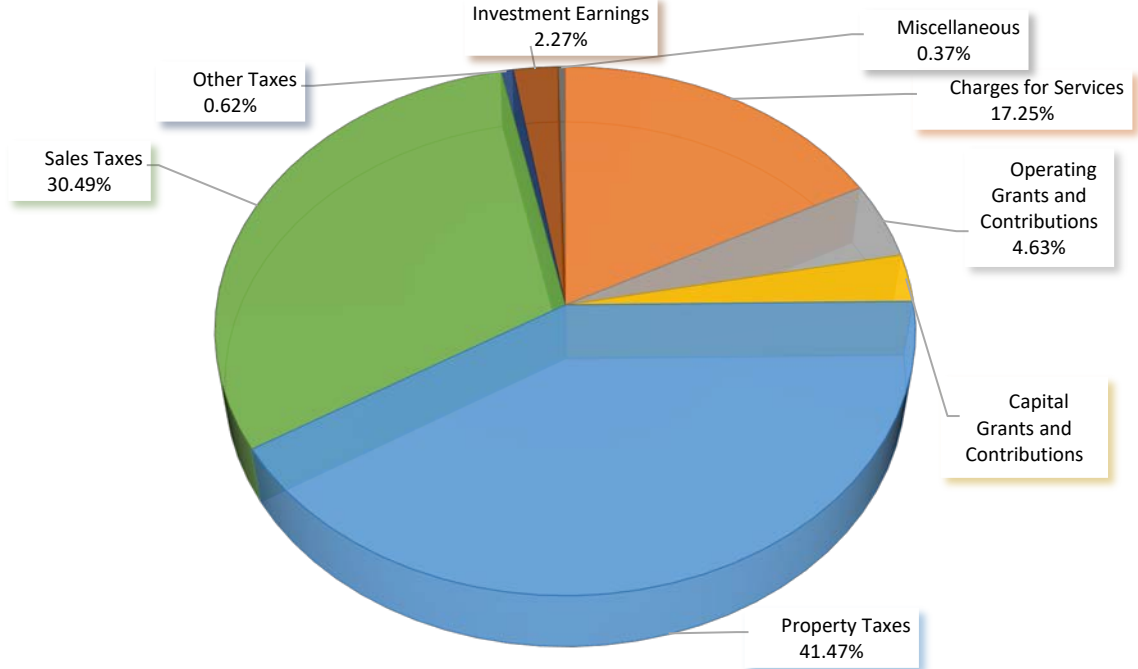
	Governmental Activities	
	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 9,770,591	\$ 10,587,601
Operating grants and contributions	2,620,919	1,236,127
Capital grants and contributions	1,639,363	1,059,468
General revenues:		
Property taxes	23,486,627	22,412,596
Sales taxes	17,267,702	18,380,283
Other taxes	353,646	406,809
Investment earnings	1,283,662	2,109,272
Miscellaneous	207,183	282,213
Total revenues	<u>56,629,693</u>	<u>56,474,369</u>
Expenses:		
General government	14,395,419	14,797,092
Judicial	8,725,085	8,900,412
Public safety	21,221,134	21,021,882
Health and human services	3,086,783	2,188,647
Public buildings	3,756,749	3,778,985
Transportation and roads	6,253,874	6,642,772
Interest on long-term debt	150	10,838
Total expenses	<u>57,439,194</u>	<u>57,340,628</u>
Change in net position	(809,501)	(866,259)
Net position, beginning	<u>130,012,846</u>	<u>130,879,105</u>
Net position, ending	<u>\$ 129,203,345</u>	<u>\$ 130,012,846</u>

The net cost of County services decreased \$1,049,11 or 2% compared to a 7% increase in fiscal year 2019.

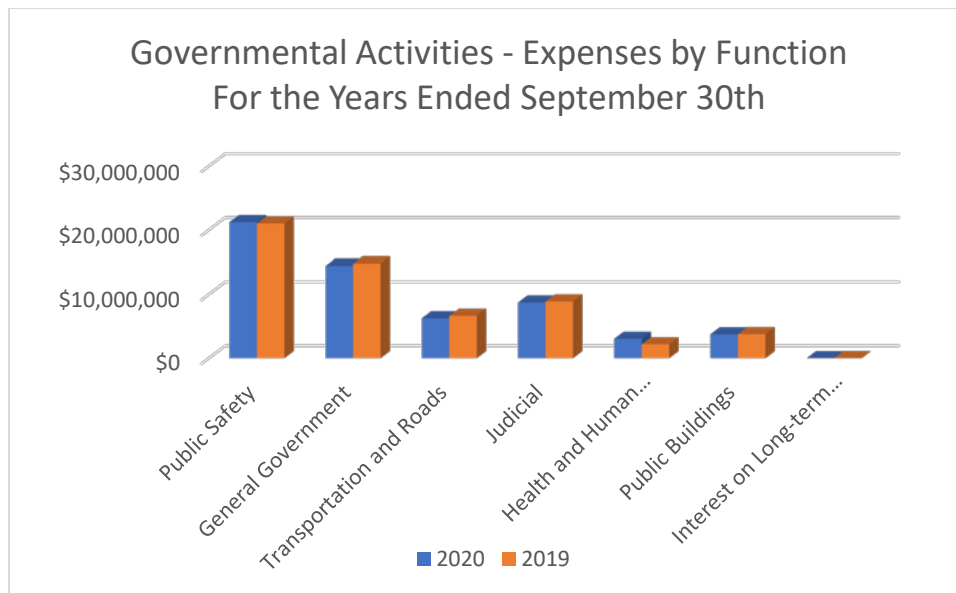
**Net Cost of Governmental Activities for Gregg County
By Function for the Fiscal Years Ended September 30**

Function/Program	Net Cost of Services	
	2020	2019
General Government	\$ (9,084,514)	\$ (10,531,106)
Judicial	(6,641,818)	(6,663,301)
Public Safety	(19,545,065)	(19,118,034)
Health and Human Services	(1,967,497)	(1,724,966)
Public Buildings	(2,120,725)	(2,163,152)
Transportation and Roads	(4,048,552)	(4,246,035)
Interest on long-term debt	(150)	(10,838)
Total	<u>\$ (43,408,321)</u>	<u>\$ (44,457,432)</u>

REVENUE BY SOURCE FISCAL YEAR 2019



Comparison of government-wide expenses by function. Total expenses increased by \$98,566 or 0.17%.



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

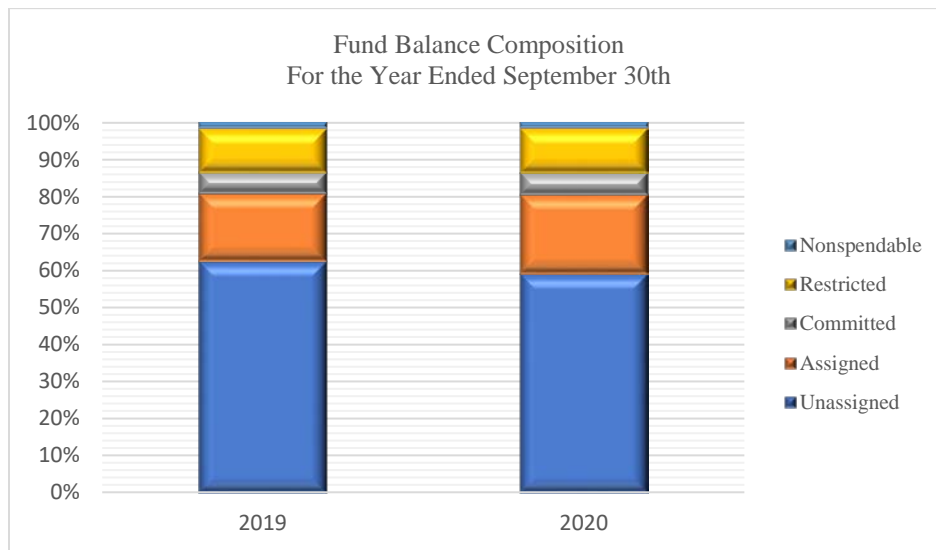
- Program revenues for governmental activities of \$14,030,873 equaled 24% of total governmental activities expenses of \$57,439,194. As expected, general revenues of \$42,598,820 provided the additional support and coverage for expenses. Program revenues consist of charges for services, operating and 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 (\$21,221,134) reflecting the continuing demands on law enforcement. This program provided 12% (\$1,676,069) 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 \$14,395,419 or 25% of total expenses. General government provided 38% or \$5,310,905 of the government activity revenue and 9% of the total of all revenues for the year.
- Judicial expenses for the County for the year accounted for 15% or \$8,725,085 of the expenses while this category provided for 15% or \$2,083,267 of the governmental activities revenue and 4% of the total of all revenues for the year.
- Transportation and Roads accounted for \$6,253,874 or 11% of the governmental activities expenses while this category provided for 16% or \$2,205,322 of government activities revenue and 4% of the total of all revenues.
- Capital Grant Revenues and Contributions comprised 12% of the general government activity revenue and 3% of the total government activities revenue, 100% of which was in the general government program. Operating grants and contributions accounts for 5% 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 2020, the County’s *governmental funds* reported combined ending fund balances of \$67,212,869, an increase of \$655,197 (1%) in comparison with the prior year. Unassigned fund balance accounts for 59% or \$39,810,868 of the total. An additional \$14,310,151 (21%) is assigned fund balance and is constituted mostly of CIP funds. Committed fund balance total is \$4,086,651 or 6% of total fund balance and would require a Commissioners’ Court order to use for any other purpose. \$8,061,343 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 (\$918,280) and prepaids (\$25,576).

General Fund

The General Fund is the chief operating fund of the County. At the end of fiscal year 2020, the General Fund had an ending fund balance of \$41,265,862 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 \$39,810,868 represents 96% of total General Fund expenditures

The General Fund balance decreased by \$1,065,497 (3%) during the 2020 fiscal year as detailed below.

General Fund Highlights:

- Property tax revenue decreased \$526,868, 3% due to the decrease in the distribution of the tax rate to the General Fund from \$0.23690/\$100 to \$0.21690/\$100.
- Sales tax revenues decreased 7% or \$1,172,921 compared to FY19 collections. Last year the sales tax increase from the prior year was 5% or \$896,132.
- Actual total expenditures of \$41,376,685 were \$4,424,299, or 10% under final budget appropriations and are \$2,164,924 or 6% higher than FY19 expenditures.
- Actual total revenues of \$44,572,373 were 0.9% or \$417,627 below the estimated revenues in the FY20 General Fund revenue.
- Total General Fund revenues decreased by \$2,718,941, a 6% decrease from FY19. This was due to lower than expected sales tax revenue, decline in the interest rate and the tax rate redistribution from the General Fund to the Road and Bridge Fund and Airport Fund.
- Total other financing uses totaled \$4,375,674 due to transfers primarily to fund capital projects now and planned for the future. Other financing sources were \$114,489, 57% for sales of assets.
- Differences between the original budget and the final amended budget can be briefly summarized as follows:
 - An increase of \$10,000 in budgeted revenue.
 - An increase of \$746,632 in budgeted expenditures mostly due to an emergency amendment to provide for the unexpected expense not budgeted for due to the Covid-19 pandemic.

Road and Bridge Fund Highlights:

- The Road and Bridge Fund had an ending fund balance of \$2,770,074, a decrease of \$159,866. Of the ending fund balance, \$885,131 or 32% is nonspendable for inventories and \$125,743 or 4.5% is assigned for other projects. The remaining balance of \$1,759,200 or 64% is restricted for use on road and bridge projects.
- Road and Bridge FY20 revenue increased 42% or \$1,220,749 from the prior year. The increase can be attributed mostly to the increase in the distribution of the tax rate from \$0.00230/\$100 in FY19 to \$0.01730/\$100 for FY20 to maintain the appropriate funding for Road and Bridge maintenance throughout the year. Road and Bridge projects over \$100,000 are accounted for in capital account 420.

- Total FY20 Road and Bridge operating expenditures increased only slightly for \$30,139 or 0.7% from FY19.
- Other financing sources totaled \$223,416 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 and the sale of capital assets for \$95,963.
- Road projects when the 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.
- The difference between the original revenue budget and final budget was \$36,770 or 0.9%. Final expenditures budgeted for Road and Bridge were \$4,889,701, which was an increase of \$166,129, a 4% increase the original budget.

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 FY20 Road and Bridge infrastructure upgrades totaled to \$573,074.
- Capitalized road and bridge projects completed this year include the following:
 - Pleasant Green Road
 - Bar K Ranch West
 - Crews Road
 - Sheppard Road
- Capital Road Projects in Progress at year end were:
 - Airline Road
 - Mt Pisgah

Airport Capital Improvement Fund Highlights:

- During FY20 Airport Capital Improvements completed, both in infrastructure and capital other than buildings totaled \$1,777,158
- Major infrastructure project completions for the year include the following:
 - South Public Apron Improvements Non FAA
 - Construct Apron SW GA Phase I
 - Completion of Master Plan
 - Lucy Road Fencing Project
- Construction in Progress at year end were:
 - Construct Apron SW GA Area Phase 2
 - Taxiway November Bypass
 - Perimeter Road Phases 2 & 3
 - Runway 13/31 Design Rehab

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, 2020, the County's investment in capital assets amounts to \$61,790,112 (net of accumulated depreciation). This investment in capital assets includes land, buildings, building improvements, machinery and equipment, construction in progress and airport infrastructure.

	Governmental Activities	
	2020	2019
Land	\$ 2,670,667	\$ 2,670,667
Construction in progress	4,366,818	3,359,399
Buildings and improvements	23,477,976	25,088,729
Machinery and equipment	4,753,682	4,338,735
Infrastructure	<u>26,520,969</u>	<u>28,145,160</u>
Total	<u>\$ 61,790,112</u>	<u>\$ 63,602,690</u>

Capital Improvements and Asset Acquisitions

- During FY20 capital equipment expenditures total \$1,560,091.
- Major capital assets acquired during fiscal year 2020 include the following:
 - Various vehicle, trucks and van replacements for law enforcement and other departments
 - X-rays machines, backup battery pack and numerous radios and vehicle cameras ,
 - Track Loader, Tractor, Generator at Precinct 3,
 - IT storage network and storage array
- During FY20 capital improvements and renovations completed totaled \$330,155.
- Major capital improvements during fiscal year 2020 include the following:
 - South Jail Control System upgrade
 - Video Surveillance upgrades
 - Precinct 4 Fuel Station
- Expended in FY20 for Construction in Progress was \$629,496 and include:
 - Courthouse Elevator Upgrade
 - North Jail Fire Alarm System and Roofing Project
 - County Court Renovation Project Design
 - Juvenile Buildings Renovation
 - Elevator Upgrades
 - Elderville Community Building
 - Parking Garage Preliminary Project
 - Various Computer Upgrade Projects
 - County Court Renovations

Additional information on the County's capital assets can be found in Note 4 on page 37 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 \$5,440,649, which is for an accrual for compensated absences of \$1,383,791 (24.98%), capital lease payables of \$1,343 (.02%) and a net pension liability of \$4,055,515 (75%).

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 2021, the Court considered and/or approved the following:

- A slight increase in the tax base valuation was realized from \$9.27 billion in the prior year to \$9.32 billion. As of December 2020, the preliminary county unemployment rate was 8.0%.
- The continued economic impact of the pandemic Sales tax revenue is expected to continue to dip slightly and hopeful with pandemic recovery the economy recovery should follow.
- There is no plan to issue debt in the fiscal year 2021 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 FY21 budget was .2625 per \$100 valuation, the same as the prior year. This rate has been adopted since 2012. This rate along with excess reserves will adequately fund the FY21 budget.
- Budgeted revenue adopted County-wide for FY21 is \$51,159,664 and the budgeted expenditures are \$55,888,703. Total ending fund balance for all funds is estimated at \$53,058,293.
- Reserves continue to fund capital projects on the "pay-as-you-go" the Commissioners Court encourages. Additionally, other financing sources are budgeted at \$7,153,118 and other financing uses are budgeted at \$7,450,618. These sources and uses consist mainly for transfers into or out of funds for large capital projects.
- Major new capital acquisitions and capital infrastructure improvements budgeted for FY21 include Road and Bridge upgrades totaling \$934,972, \$750,000 for continuation of a Parking Facility Design Project, completion of the Courthouse Elevator Upgrade (\$152,000), Heavy Equipment for the Road Departments (\$133,000) and Sheriff and Precinct vehicles (\$229,185). The Airport budgeted, funded most with federal grants, a multiyear project with the first \$1,000,000 for the Overlay of Runway 13/31 and Taxiway Charlie.

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.

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**BASIC
FINANCIAL STATEMENTS**

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GREGG COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Government Governmental Activities	Component Unit Child Welfare
ASSETS		
Cash and cash equivalents	\$ 8,878,749	\$ 187,835
Investments	56,272,282	-
Receivables (net of allowances for uncollectibles):		-
Taxes	570,673	-
Accounts	7,639,473	-
Interest	105,367	-
Due from other governments	4,459,178	-
Inventory	922,494	-
Prepays	25,575	-
Capital assets (net of accumulated depreciation):		-
Land	2,670,667	-
Buildings and improvements	57,504,661	-
Equipment	22,457,920	-
Infrastructure	98,527,697	-
Construction in progress	4,366,818	-
Less: accumulated depreciation	<u>(123,737,651)</u>	<u>-</u>
Total capital assets	61,790,112	-
Total assets	<u>140,663,903</u>	<u>187,835</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	<u>2,902,615</u>	<u>-</u>
Total deferred outflows of resources	2,902,615	-
LIABILITIES		
Accounts payable	1,810,037	18,436
Due to other governments	73,340	-
Accrued liabilities	2,158,786	-
Noncurrent liabilities:		-
Due within one year	1,151,062	-
Due in more than one year	<u>4,289,587</u>	<u>-</u>
Total liabilities	9,482,812	18,436
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	<u>4,880,361</u>	<u>-</u>
Total deferred inflows of resources	4,880,361	-
NET POSITION		
Net investment in capital assets	61,788,768	-
Restricted for:		
Archive restoration	396,223	-
Transportation and roads	4,210,888	-
Public safety operations	769,306	-
Bail bond board	51,278	-
Judicial operations	189,141	-
Airport operations	270,030	-
Court technology and security	638,603	-
Records management and preservation	1,134,622	-
Voting and elections	139,687	-
Health and human services operations	40,723	-
Vehicle inventory tax administration	14,411	-
Permanent improvements	3,005,924	-
Unrestricted	<u>56,553,741</u>	<u>169,399</u>
Total net position	<u>\$ 129,203,345</u>	<u>\$ 169,399</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, 2020**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 14,395,419	\$ 3,003,846	\$ 667,696	\$ 1,639,363
Judicial	8,725,085	1,608,365	474,902	-
Public safety	21,221,134	1,381,048	295,021	-
Health and human services	3,086,783	38,428	1,080,858	-
Public buildings	3,756,749	1,636,024	-	-
Transportation and roads	6,253,874	2,102,880	102,442	-
Interest on long-term debt	150	-	-	-
Total governmental activities	<u>57,439,194</u>	<u>9,770,591</u>	<u>2,620,919</u>	<u>1,639,363</u>
Total primary government	<u>57,439,194</u>	<u>9,770,591</u>	<u>2,620,919</u>	<u>1,639,363</u>
Component unit:				
Child Welfare Board	<u>71,980</u>	<u>23,694</u>	<u>-</u>	<u>-</u>
Total component unit	<u>\$ 71,980</u>	<u>\$ 23,694</u>	<u>\$ -</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				

Net (Expense) Revenue
and Changes
in Net Position

Primary Government Governmental Activities	Component Unit Child Welfare
\$ (9,084,514)	\$ -
(6,641,818)	-
(19,545,065)	-
(1,967,497)	-
(2,120,725)	-
(4,048,552)	-
(150)	-
(43,408,321)	-
(43,408,321)	-
	(48,286)
	(48,286)
23,486,627	-
17,267,702	-
238,313	-
115,333	-
1,283,662	-
207,183	-
42,598,820	-
(809,501)	(48,286)
130,012,846	217,685
\$ 129,203,345	\$ 169,399

**GREGG COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	General	Road and Bridge	Capital Improvement
ASSETS			
Cash and cash equivalents	\$ 2,270,286	\$ 212,027	\$ 2,909,298
Investments	37,299,946	1,816,155	13,350,066
Receivables (net of allowance for uncollectibles):			
Accounts	4,635,062	2,498,876	-
Taxes	515,016	16,522	-
Interest	81,936	5,640	12,040
Due from other funds	967,876	-	-
Due from other governments	2,855,988	-	-
Inventories	3,795	885,131	-
Prepaid expenses	25,576	-	-
Total assets	<u>48,655,481</u>	<u>5,434,351</u>	<u>16,271,404</u>
LIABILITIES			
Accounts payable	1,150,821	92,417	23,073
Due to other governments	66,227	337	-
Accrued liabilities	1,281,643	139,341	-
Due to other funds	-	-	-
Total liabilities	<u>2,498,691</u>	<u>232,095</u>	<u>23,073</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	442,258	8,942	-
Unavailable revenue - court fines	4,448,670	2,423,240	-
Total deferred inflows of resources	<u>4,890,928</u>	<u>2,432,182</u>	<u>-</u>
FUND BALANCES			
Nonspendable:			
Inventories	3,795	885,131	-
Prepays	25,576	-	-
Restricted for:			
Archive restoration	396,223	-	-
Transportation and road improvements	19,507	1,759,200	-
Public safety operations	-	-	-
Bail bond board operations	51,278	-	-
Judicial operations	-	-	-
Airport operations	-	-	-
Court technology and security	-	-	-
Records management and preservation	-	-	-
Voting and elections	-	-	-
Health and human services operations	16,614	-	-
Vehicle inventory tax administration	-	-	-
Permanent improvements	-	-	3,005,924
Committed for:			
Airport operations	-	-	-
Donations to healthcare organizations	-	-	-
Assigned for:			
Capital projects	-	-	13,242,407
Transportation and road improvements	605,952	-	-
Public safety	232,758	-	-
Drug court operations	103,291	-	-
Other projects	-	125,743	-
Unassigned	39,810,868	-	-
Total fund balances	<u>41,265,862</u>	<u>2,770,074</u>	<u>16,248,331</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 48,655,481</u>	<u>\$ 5,434,351</u>	<u>\$ 16,271,404</u>

Airport Capital Improvement	Total Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 3,029,900	\$ 8,421,511
-	3,806,115	56,272,282
-	389,663	7,523,601
-	39,131	570,669
-	5,751	105,367
-	-	967,876
547,203	1,055,987	4,459,178
-	29,354	918,280
-	-	25,576
<u>547,203</u>	<u>8,355,901</u>	<u>79,264,340</u>
185,914	352,420	1,804,645
-	6,774	73,338
-	94,222	1,515,206
<u>122,677</u>	<u>845,199</u>	<u>967,876</u>
308,591	1,298,615	4,361,065
-	31,417	482,617
-	335,879	7,207,789
<u>-</u>	<u>367,296</u>	<u>7,690,406</u>
-	29,354	918,280
-	-	25,576
-	-	396,223
-	-	1,778,707
-	769,306	769,306
-	-	51,278
-	156,190	156,190
238,612	-	238,612
-	555,424	555,424
-	914,858	914,858
-	139,687	139,687
-	24,109	40,723
-	14,411	14,411
-	-	3,005,924
-	830,330	830,330
-	3,256,321	3,256,321
-	-	13,242,407
-	-	605,952
-	-	232,758
-	-	103,291
-	-	125,743
-	-	39,810,868
<u>238,612</u>	<u>6,689,990</u>	<u>67,212,869</u>
<u>\$ 547,203</u>	<u>\$ 8,355,901</u>	<u>\$ 79,264,340</u>

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

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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, 2020**

Total fund balances - governmental funds balance sheet		\$ 67,212,869
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.		61,790,112
Certain receivables will not be collected soon enough to pay for the current periods expenditures and are therefore deferred in the funds:		
Property taxes	482,617	
Court fines and fees	<u>7,207,789</u>	
		7,690,406
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences	(1,383,791)	
Capital leases	(1,343)	
Net pension liability	<u>(4,055,515)</u>	
		(5,440,649)
Internal Service Fund is used by management to charge the cost of group health insurance and printing costs to individual funds. The assets and liabilities of the Internal Service Fund are included in the governmental activities in the statement of net position.		(71,647)
Deferred outflows related to pension are not recognized as an outflow of resources until a future period of the statement on financial position.		2,902,615
Deferred inflows related to pensions are not recognized as an inflow of resources until a future period on the statement of financial position		<u>(4,880,361)</u>
Net position of governmental activities:		<u>\$ 129,203,345</u>

GREGG COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General	Road and Bridge	Capital Improvement
REVENUES			
Taxes:			
Current property	\$ 19,071,293	\$ 1,987,309	\$ -
Delinquent property	473,002	15,169	-
Sales	15,387,770	-	-
Motor vehicle sales	1,879,933	-	-
Alcoholic beverage	238,313	-	-
Bingo	115,333	-	-
Licenses and permits	112,350	1,543,616	-
Intergovernmental	923,820	102,429	-
Charges for services	3,043,845	36,770	-
Fines and forfeitures	474,163	381,648	-
Investment earnings	943,624	38,834	216,091
Rents and commissions	1,734,527	-	-
Miscellaneous	174,400	1,692	-
Total revenues	<u>44,572,373</u>	<u>4,107,467</u>	<u>216,091</u>
EXPENDITURES			
Current:			
General government	9,353,374	-	-
Judicial	8,807,897	-	-
Public safety	19,053,994	-	-
Health and human services	1,664,500	-	-
Public buildings	2,298,970	-	-
Transportation and roads	-	4,512,042	-
Debt service:			
Principal	989	-	-
Interest and fiscal charges	150	-	-
Capital outlay	196,811	74,670	2,323,920
Total expenditures	<u>41,376,685</u>	<u>4,586,712</u>	<u>2,323,920</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,195,688</u>	<u>(479,245)</u>	<u>(2,107,829)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	30,535	223,416	4,025,249
Transfers out	(4,375,674)	-	(531,970)
Sale of capital assets	65,692	95,963	-
Insurance recoveries	18,262	-	12,720
Total other financing sources (uses)	<u>(4,261,185)</u>	<u>319,379</u>	<u>3,505,999</u>
NET CHANGE IN FUND BALANCES	<u>(1,065,497)</u>	<u>(159,866)</u>	<u>1,398,170</u>
FUND BALANCES, BEGINNING	<u>42,331,359</u>	<u>2,929,940</u>	<u>14,850,161</u>
FUND BALANCES, ENDING	<u>\$ 41,265,862</u>	<u>\$ 2,770,074</u>	<u>\$ 16,248,331</u>

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

Airport Capital Improvement	Total Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,022,450	\$ 23,081,052
-	35,937	524,108
-	-	15,387,770
-	-	1,879,933
-	-	238,313
-	-	115,333
-	-	1,655,966
1,639,363	2,120,277	4,785,889
69,962	538,336	3,688,913
-	32,765	888,576
-	84,942	1,283,491
-	707,601	2,442,128
-	43,310	219,402
<u>1,709,325</u>	<u>5,585,618</u>	<u>56,190,874</u>
-	1,653,756	11,007,130
-	301,944	9,109,841
-	1,588,230	20,642,224
-	1,394,313	3,058,813
-	-	2,298,970
-	-	4,512,042
-	-	989
-	-	150
<u>2,103,726</u>	<u>414,425</u>	<u>5,113,552</u>
<u>2,103,726</u>	<u>5,352,668</u>	<u>55,743,711</u>
<u>(394,401)</u>	<u>232,950</u>	<u>447,163</u>
394,401	284,032	4,957,633
-	(49,989)	(4,957,633)
-	-	161,655
-	15,397	46,379
<u>394,401</u>	<u>249,440</u>	<u>208,034</u>
-	482,390	655,197
<u>238,612</u>	<u>6,207,600</u>	<u>66,557,672</u>
<u>\$ 238,612</u>	<u>\$ 6,689,990</u>	<u>\$ 67,212,869</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, 2020**

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

Net change in fund balances - total governmental funds	\$ 655,197
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.	5,274,385
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.	(7,086,112)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-in's, and donations) is to decrease net position.	(851)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	723,991
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. This amount is the net effect of these differences in treatment of long term debt and related items.	
Principal payment on capital leases	989
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 the governmental funds.	
Compensated absences liability	(207,250)
Governmental funds report all payments for postretirement healthcare coverage. However, in the government-wide statement of activities the other post employment benefit (pension) expense is actuarially determined. This amount is the combined effect of the current year changes in deferred outflows related to pension, net pension liability, and deferred inflows related to pension reported on the government-wide statement of net position.	(207,466)
Accrued interest reported as an expense in the statement of activities does not require the use of current financial resources.	
Internal Service Funds are used by management to charge the cost of group health insurance and printing costs to individual funds. The net revenue of certain activities of Internal Service Funds is reported with governmental activities.	<u>37,616</u>
Change in net position of governmental activities	<u>\$ (809,501)</u>

**GREGG COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020**

	Governmental Activities
	Internal Service Funds
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 457,839
Accounts receivable, net of allowances	115,876
Due from other funds	9,835
Inventory	4,213
Total current assets	587,763
Noncurrent assets:	
Capital assets:	
Equipment	49,288
Less: accumulated depreciation	(49,288)
Total capital assets	-
Total noncurrent assets	-
Total assets	587,763
LIABILITIES	
Current liabilities:	
Accounts payable	5,995
Due to other funds	9,835
Accrued liabilities	643,578
Total current liabilities	659,408
Total liabilities	659,408
NET POSITION	
Unrestricted	(71,645)
Total net position	\$ (71,645)

**GREGG COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Governmental Activities
	Internal Service Funds
OPERATING REVENUES	
Charges for services	\$ 9,046,879
Total operating revenues	9,046,879
OPERATING EXPENSES	
Salaries	28,408
Fringe benefits	18,457
Materials and supplies	20,706
Insurance consultant	65,001
Claims	7,971,682
Administrative	905,180
Total operating expenses	9,009,434
OPERATING INCOME	37,445
NONOPERATING REVENUES:	
Interest and investment revenue	171
Total nonoperating revenues	171
CHANGE IN NET POSITION	37,616
TOTAL NET POSITION, BEGINNING	(109,261)
TOTAL NET POSITION, ENDING	\$ (71,645)

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

**GREGG COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	Governmental Activities
	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts from interfund charges for print shop services	\$ 40,807
Cash receipts from interfund charges for self-insurance services	7,646,032
Payments to suppliers for goods and services	(7,770,057)
Payments to employees for salaries and benefits	(46,285)
Net cash used in operating activities	(129,503)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments from other funds	9,835
Payments to other funds	(9,835)
Net cash provided by noncapital financing activities	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on investments	171
Net cash provided by investing activities	171
NET DECREASE IN CASH AND CASH EQUIVALENTS	(129,332)
CASH AND CASH EQUIVALENTS, BEGINNING	587,171
CASH AND CASH EQUIVALENTS, ENDING	\$ 457,839
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES	
Operating income	\$ 37,445
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Changes in assets and liabilities:	
Decrease (increase) in assets:	
Inventory	4,222
Accounts receivable	(69,178)
Increase (decrease) in liabilities:	
Accounts payable	(6,521)
Accrued liabilities	(95,471)
Net cash used in operations	\$ (129,503)

GREGG COUNTY, TEXAS
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2020

ASSETS

Cash and cash equivalents

\$ 22,686,827

Total assets

\$ 22,686,827

LIABILITIES

Due to others

\$ 22,686,827

Total liabilities

\$ 22,686,827

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Gregg County is a political subdivision of the State of Texas. The Commissioner’s Court, which is made up of four commissioners and the County Judge, is the governing body of the County. The accompanying financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government.

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.

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 funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Basis of Presentation – Fund Financial Statements – Continued

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. These funds are held for various reasons including legal, contractual, or operational. Examples include funds placed in trust for minors and funds placed in escrow awaiting a court order, tax collections on behalf of other governments and the state, state funds held for adult and juvenile probation services, and funds held for the Local Provider Participation Fund. Agency funds do not present results of operations. A full listing and description of the County’s agency funds can be found in the fund financial statements.

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, 2020

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 trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance of the uncollected balance for court fines and fees receivable is currently 25% for CSCD, 35% for Court Collections, 40% for County Clerk – Civil, and 90% for Justices of the Peace. The property tax allowance is calculated by year as a percentage of the outstanding levy. The allowance for property taxes for the current year, with this calculation, is approximately 60% of the uncollected balance at September 30, 2020.

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, 2020**

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 estimated 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, 2020, 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, 2020

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, 2020

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, 2020

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:

GASB Statement No. 84, *Fiduciary Activities* is effective for reporting periods beginning after December 15, 2019. 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.

GASB Statement No. 87, *Leases* is effective for reporting periods beginning after December 15, 2020. 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.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* is effective for reporting periods beginning after December 15, 2020. 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.

GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61* is effective for reporting periods beginning after December 15, 2020. 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.

GASB Statement No. 91, *Conduit Debt Obligations* is effective for periods beginning December 15, 2021. The objective of this statement is to enhance the reporting of conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements with conduit debt obligations and related note disclosures.

GASB Statement No. 92, *Omnibus 2020* is effective for periods beginning June 15, 2021. The objective of this statement is to enhance comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issued that have been identified during implementation and application of certain GASB statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates* is effective for periods beginning June 15, 2021. The objective of this statement is to assist state and local governments in the transition away from existing interbank offered rates (IBORs) to other reference rates.

GASB Statement No. 94, *Public-Private and Public – Public Partnerships and Availability Payment Agreements* is effective for periods beginning June 15, 2022. The objective of this statement is to improve accounting and financial reporting for public-private and public – public partnership arrangements (commonly referred to as P3s) and availability payment arrangement (APAs).

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accounting Pronouncements – Continued

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* is effective for periods beginning June 15, 2022. The objective of this statement is to provide accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs).

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32* is effective for periods beginning June 15, 2021. The objective of this statement is to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform, mitigates costs associated with the reporting of certain defined contribution plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements, and enhances the relevance, consistency, and comparability of the accounting and financial reporting for Inter Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The County will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The County is evaluating the impact of GASB 84, but otherwise 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.

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.

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

2. DEPOSITS AND INVESTMENTS - CONTINUED

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 the 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 officer 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 the 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, 2020. 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, 2020.

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

2. DEPOSITS AND INVESTMENTS - CONTINUED

At of September 30, 2020, the County held the following fair value measurements:

	9/30/2020	Fair Value Measurement Using			Percent of Total Portfolio	Weighted
		(Level 1)	(Level 2)	(Level 3)		Average Maturity (Days)
Primary government						
Cash and cash equivalents						
Cash deposits - County	\$ 8,878,749					
Cash deposits - Agency funds	22,686,827					
Total cash and cash equivalents	31,565,576					
Investments measured at net asset value per share:						
Investment pools:						
TexPool	8,980,500				16%	161
Investments by fair value level:						
Ally Bank	499,096	-	499,096	-	0.89%	223
American Express Natl Bk	247,351	-	247,351	-	0.44%	65
Anchor Bay MI Sch Dist	2,213,948	-	2,213,948	-	3.93%	578
BMW Bank North America	255,043	-	255,043	-	0.45%	454
Capital One Bank USA NA	504,214	-	504,214	-	0.90%	725
Citibank NA	250,952	-	250,952	-	0.45%	250
Federal Agricultural Mortgage Corporation	1,205,784	-	1,205,784	-	2.14%	863
Federal Farm Credit Bank	9,514,345	-	9,514,345	-	16.91%	767
Federal Home Loan Bank	1,997,840	-	1,997,840	-	3.55%	1002
Federal Home Loan Mortgage Corporation	15,305,444	-	15,305,444	-	27.20%	899
Federal National Mortgage Association	4,571,460	-	4,571,460	-	8.12%	883
First Technology Federal Credit CD	249,623	-	249,623	-	0.44%	131
Grant County WA Public Utility District #2	2,611,929	-	2,611,929	-	4.64%	93
Laredo College TX	284,768	-	284,768	-	0.51%	670
Morgan Stanley Bank NA	246,373	-	246,373	-	0.44%	310
New York St Dorm Auth Sales Tax	1,510,125	-	1,510,125	-	2.68%	176
Ocean City MDTaxable	283,458	-	283,458	-	0.50%	472
Oklahoma city OK Taxable Ref	1,043,394	-	1,043,394	-	1.85%	152
Oregon St Taxable	1,689,321	-	1,689,321	-	3.00%	213
Port of Morrow OR Tran Facs Rev	1,027,810	-	1,027,810	-	1.83%	701
Texas St A&M University Rev Taxable	232,119	-	232,119	-	0.41%	592
Tulsa Cnty OK ISD #5 Taxable	1,547,385	-	1,547,385	-	2.75%	609
Total investments	56,272,282	-	47,291,782	-		
Total cash and investments of the primary government	\$ 87,837,858	\$ -	\$ 47,291,782	\$ -		

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020 the total carrying amount of the County's deposits was fully collateralized with securities held by the pledging financial institution in the County's name, in money market instruments, or was covered by FDIC insurance.

Credit Risk. Credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. The County has limited credit risk, in conformance to state statutes and County policy, by investing in only the safest types of securities as permitted by the Public Funds Investment Act, using approved brokers and investing with different issuers. In addition, the County limits its exposure to credit risk by fully insured or collateralized deposits, regulated mutual funds and individually approved investment pools. The investment portfolio of the County is diversified to avoid incurring undue concentration in securities of one type on September 30, 2020, 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, 2020, 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, 2020

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	\$ 1,255,079	\$ 63,728	\$ 9,904	\$ -	\$ 108,499	\$ -	\$ 1,437,210
Accounts	10,348,719	3,780,150	-	-	696,507	115,876	14,941,252
Interest	81,936	5,640	12,040	-	5,751	-	105,367
Due from other governments	2,855,988	-	-	547,203	1,055,987	-	4,459,178
Gross receivables	14,541,722	3,849,518	21,944	547,203	1,866,744	115,876	20,943,007
Less: allowance for uncollectibles	(6,453,720)	(1,328,480)	(9,904)	-	(376,212)	-	(8,168,316)
Net total receivables	<u>\$ 8,088,002</u>	<u>\$ 2,521,038</u>	<u>\$ 12,040</u>	<u>\$ 547,203</u>	<u>\$ 1,490,532</u>	<u>\$ 115,876</u>	<u>\$ 12,774,691</u>

4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,670,667	\$ -	\$ -	\$ 2,670,667
Construction in progress	3,359,399	3,687,806	(2,680,387)	4,366,818
Total assets not being depreciated	6,030,066	3,687,806	(2,680,387)	7,037,485
Capital assets, being depreciated:				
Buildings and improvements	57,111,483	393,178	-	57,504,661
Equipment	21,522,845	1,560,091	(625,016)	22,457,920
Infrastructure	96,214,000	2,313,697	-	98,527,697
Total capital assets being depreciated	174,848,328	4,266,966	(625,016)	178,490,278
Accumulated depreciation:				
Buildings and improvements	(32,022,754)	(2,003,931)	-	(34,026,685)
Equipment	(17,184,110)	(1,144,293)	624,165	(17,704,238)
Infrastructure	(68,068,840)	(3,937,888)	-	(72,006,728)
Total accumulated depreciation	(117,275,704)	(7,086,112)	624,165	(123,737,651)
Total capital assets being depreciated, net	57,572,624	(2,819,146)	(851)	54,752,627
Governmental activities capital assets, net	<u>\$ 63,602,690</u>	<u>\$ 868,660</u>	<u>\$ (2,681,238)</u>	<u>\$ 61,790,112</u>

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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	\$	3,296,601
Health and human services		11,215
Judicial		24,327
Public buildings		1,453,379
Public safety		386,212
Transportation and roads		<u>1,914,378</u>
Total depreciation expense - governmental activities	\$	<u>7,086,112</u>

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2020, is as follows:

Due To/From Other Funds:

Receivable Fund	Payable Fund	Amount
General	Grant	\$ 841,792
General	VIT Operating	3,407
General	Airport Capital Improvement	122,677
Self Insurance	Print Shop	<u>9,835</u>
		<u>\$ 977,711</u>

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

Interfund Transfers:

	Transfer In					Total
	General	Road and Bridge	Capital Improvement	Airport Capital Improvement	Nonmajor Governmental	
Transfer out:						
General	\$ -	\$ 200,000	\$ 4,025,249	\$ -	150,425	\$ 4,375,674
Capital Improvement	30,535	23,416	-	394,401	83,618	531,970
Nonmajor governmental	-	-	-	-	49,989	49,989
Total transfers out	<u>\$ 30,535</u>	<u>\$ 223,416</u>	<u>\$ 4,025,249</u>	<u>\$ 394,401</u>	<u>\$ 284,032</u>	<u>\$ 4,957,633</u>

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, and (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, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Capital leases payable	\$ 2,332	\$ -	\$ 989	\$ 1,343	\$ 1,065
Compensated absences	1,176,541	1,109,293	902,043	1,383,791	1,149,997
Net pension liability	<u>15,153,403</u>	<u>2,277,947</u>	<u>13,375,835</u>	<u>4,055,515</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 16,332,276</u>	<u>\$ 3,387,240</u>	<u>\$ 14,278,867</u>	<u>\$ 5,440,649</u>	<u>\$ 1,151,062</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 TCERS is responsible for the administration of the statewide agent, multiple-employer, public employee retirement system consisting of nontraditional defined benefit pension plans. TCERS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at 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. TCERS provides retirement, disability and survivor benefits for all eligible employees. Benefit terms are established by the TCERS 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 TCERS 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, 2020**

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, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	423
Inactive employees entitled to but not yet receiving benefits	606
Active employees	<u>636</u>
	<u><u>1,665</u></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 11.46% in calendar year 2019 and 11.86% in calendar year 2020. The County’s contributions to TCDRS for the year ended September 30, 2020, were \$3,242,296 and were equal to the required contributions.

Net Pension Liability. The County’s Net Pension Liability (NPL) was measured as of December 31, 2019, 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, 2019 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, 2020

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, 2019 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 2019 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 April 2020 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
SEPTEMBER 30, 2020

7. DEFINED BENEFIT PENSION PLAN - CONTINUED

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

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.20%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	20.00%	8.20%
Global Equities	MSCI World (net) Index	2.50%	5.50%
International Equities - Developed	MSCI World Ex USA (net)	7.00%	5.20%
International Equities - Emerging	MSCI EM Standard (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.20%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	3.14%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.16%
Distressed Debt	Cambridge Associates Real Estate Index ⁽⁴⁾	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% Global Real Estate (net) Index	3.00%	4.50%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	8.40%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	5.50%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	8.00%	2.30%

⁽¹⁾ Target asset allocation adopted at the June 2020 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation rate of 1.80%, per Cliffwater's 2020 capital market assumptions.

⁽³⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ 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, 2020

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	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2018	\$ 144,722,366	\$ 129,568,963	\$ 15,153,403
Changes for the year:			
Service cost	3,194,477	-	3,194,477
Interest on total pension liability ⁽¹⁾	11,651,113	-	11,651,113
Effect of economic/demographic gains or losses	140,771	-	140,771
Refund of contributions	(565,809)	(565,809)	-
Benefit payments	(7,747,942)	(7,747,942)	-
Administrative expenses	-	(112,278)	112,278
Member contributions	-	1,943,539	(1,943,539)
Net investment income	-	21,281,165	(21,281,165)
Employer contributions	-	3,064,477	(3,064,477)
Other ⁽²⁾	-	(92,654)	92,654
Balance at 12/31/2019	<u>\$ 151,394,976</u>	<u>\$ 147,339,461</u>	<u>\$ 4,055,515</u>

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

⁽²⁾ Relates to allocation of system-wide items.

Sensitivity Analysis

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

	Current		
	1% Decrease	Discount Rate	1% Increase
	7.1%	8.1%	9.1%
Total pension liability	\$ 170,227,155	\$ 151,394,976	\$ 135,531,225
Fiduciary net position	147,339,461	147,339,461	147,339,461
Net pension liability/(asset)	<u>\$ 22,887,694</u>	<u>\$ 4,055,515</u>	<u>\$ (11,808,236)</u>

**GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

7. DEFINED BENEFIT PENSION PLAN - CONTINUED

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.

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

For the year ended September 30, 2020, the County recognized pension expense of \$3,449,460. At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 105,578	\$ 1,184,565
Changes in actuarial assumptions	281,827	-
Difference between projected and actual investment earnings	-	3,695,796
Contributions subsequent to the measurement date	<u>2,515,210</u>	<u>-</u>
Total	<u>\$ 2,902,615</u>	<u>\$ 4,880,361</u>

Of the deferred outflows of resources, \$2,515,210 was related to pension employer contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending September 30, 2021. 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>	
2021	\$ (1,216,587)
2022	(1,612,345)
2023	521,076
2024	<u>(2,185,100)</u>
Total	<u>(4,492,956)</u>

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

8. COMMITMENTS AND CONTINGENCIES

Construction Commitments

The County is committed under various contracts, including construction contracts for County facilities and buildings. At year-end, the County’s commitments with contractors are as follows:

Project	Spent To-Date	Commitment
Capital road & bridge	\$ 190,811	\$ 348,990
Airport improvements	4,061,276	5,054,593
Computer upgrades	10,573	139,459
Renovations & capital acquisitions	146,866	1,197,891
Other	314,113	600,132
	<u>\$ 4,723,639</u>	<u>\$ 7,341,065</u>

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 2020, 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, 2020**

10. TAX ABATEMENTS – CONTINUED

For the year ended September 30, 2020, the County abated property taxes totaling \$253,838 under this program, including the following tax abatement agreements:

<u>Type of Business</u>	<u>Purpose</u>	<u>Percent Abated</u>	<u>Amount Abated</u>
Dollar General	Construction and improvement to real property; personal property investment; jobs creation	100%	\$ 245,197
Skeeter Products, Inc.	Construction and improvement to real property; personal property investment; jobs creation	100%	\$ 8,641

During the year ended September 30, 2020, the County entered into tax abatement agreements with multiple entities for construction and improvement to real property, personal property investment, and creation of jobs. As a result, the County estimates abatement of property taxes in the amount of \$325,350 for the year beginning October 1, 2020.

11. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared the novel strain of Coronavirus (COVID-19) a global pandemic. The extent of the operational and financial impact the COVID-19 pandemic will have on the County has yet to be fully determined and is dependent on its duration and spread, any related operational restrictions and the overall economy. The County is unable to accurately predict how COVID-19 will affect the results of its operations because the virus's severity and the duration of the pandemic are uncertain. Potential impacts include, but are not limited to, additional costs for responding to COVID-19, loss of, or reduction to public support, personnel and salary reductions. The County is taking appropriate actions to respond to the pandemic; however, the full impact is unknown and cannot be reasonably estimated at the date the financial statements were available for issuance.

Subsequent events have been evaluated for potential recognition or disclosure in the financial statements through March 16, 2021, the date which the combined financial statements were available to be issues.

**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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Current property	\$ 19,010,543	\$ 19,010,543	\$ 18,976,198	\$ (34,345)
Current penalty and interest	82,000	82,000	95,095	13,095
Delinquent property	410,783	410,783	361,369	(49,414)
Delinquent penalty and interest	96,000	96,000	111,633	15,633
Alcoholic beverage	280,000	280,000	238,313	(41,687)
Bingo	78,000	78,000	115,333	37,333
Sales tax	16,150,000	16,150,000	15,387,770	(762,230)
Motor vehicle sales	1,700,000	1,700,000	1,879,933	179,933
Total taxes	<u>37,807,326</u>	<u>37,807,326</u>	<u>37,165,644</u>	<u>(641,682)</u>
Licenses and permits:				
Alcoholic beverage licenses	44,500	44,500	56,550	12,050
Sexually oriented businesses	10,500	10,500	22,400	11,900
Bail bond applications	2,000	2,000	5,000	3,000
Sewage disposal systems	26,500	26,500	28,400	1,900
Total licenses and permits	<u>83,500</u>	<u>83,500</u>	<u>112,350</u>	<u>28,850</u>
Intergovernmental:				
Juvenile salary supplement	5,000	5,000	5,000	-
State supplement - court at law	150,000	150,000	168,000	18,000
State supplement - assistant prosecutors	20,000	20,000	17,286	(2,714)
State - indigent defense	95,000	95,000	108,661	13,661
State - juror reimbursement	55,000	55,000	33,535	(21,465)
State - commercial waste management fees	175	175	198	23
State supplement - district attorney	4,317	4,317	-	(4,317)
10th judicial region reimbursement	78,500	78,500	78,286	(214)
City of Lakeport - sewer fees	700	700	1,100	400
Fiscal service fee	16,307	16,307	14,610	(1,697)
Social security incentive payment	18,000	18,000	24,400	6,400
Drug enforcement task force	10,000	10,000	18,649	8,649
Sabine ISD resource officer	46,319	46,319	48,635	2,316
City of Longview - prisoner care	350,000	350,000	350,000	-
State - Title IV-E Legal Reimbursement	10,000	10,000	24,259	14,259
Child welfare board reimbursement	8,200	8,200	20,080	11,880
ATF task force	5,000	5,000	11,121	6,121
Total intergovernmental	<u>872,518</u>	<u>872,518</u>	<u>923,820</u>	<u>51,302</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES (Continued)				
Charges for services:				
Sheriff	290,000	290,000	252,438	(37,562)
Constable # 1	52,500	52,500	51,223	(1,277)
Constable # 2	65,000	65,000	40,835	(24,165)
Constable # 3	30,000	30,000	26,670	(3,330)
Constable # 4	56,000	56,000	47,378	(8,622)
County clerk	782,000	782,000	800,617	18,617
County clerk - bond administrative fee	8,000	8,000	3,925	(4,075)
County clerk - archival fee	95,000	95,000	197,995	102,995
Sheriff - bond administrative fee	800	800	1,873	1,073
District clerk - bond administrative fee	-	-	50	50
District clerk - archival fee	20,000	20,000	21,308	1,308
District clerk - electronic trans fee	-	-	1,464	1,464
Tax assessor - collector	735,000	735,000	592,260	(142,740)
Tax collection contract fees	260,000	260,000	275,630	15,630
District attorney	22,000	22,000	15,332	(6,668)
District clerk	328,000	328,000	282,867	(45,133)
Justice of the Peace # 1	45,000	45,000	32,737	(12,263)
Justice of the Peace # 2	30,000	30,000	19,990	(10,010)
Justice of the Peace # 3	20,000	20,000	14,850	(5,150)
Justice of the Peace # 4	23,000	23,000	17,025	(5,975)
Jury	10,500	10,500	11,879	1,379
Probate judge education fees	2,400	2,400	2,915	515
Other arrest fees	80,000	80,000	69,036	(10,964)
Judges fee - probate	2,850	2,850	3,565	715
State fees	80,000	80,000	71,163	(8,837)
State fees - TP - judicial efficiency	2,200	2,200	16,112	13,912
State fee - drug court program	20,500	20,500	21,806	1,306
Court reporter service fees	37,800	37,800	41,645	3,845
DRO fees	150	150	223	73
Guardianship fee	10,000	10,000	11,820	1,820
Parking lot fees	5,600	5,600	5,692	92
Computer services	6,500	6,500	-	(6,500)
Family protection fees	7,750	7,750	8,730	980
Defensive driving fees	57,500	57,500	64,000	6,500
Child safety fees	2,850	2,850	2,629	(221)
Traffic fees	6,200	6,200	3,045	(3,155)
Video fees	5,350	5,350	3,237	(2,113)
Inmate reimbursement	11,500	11,500	9,881	(1,619)
Total charges for services	3,211,950	3,211,950	3,043,845	(168,105)

GREGG COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES (Continued)				
Fines and forfeitures:				
Justice court fines - JP 1	120,000	120,000	71,415	(48,585)
Justice court fines - JP 2	72,500	72,500	73,825	1,325
Justice court fines - JP 3	210,000	210,000	232,052	22,052
Justice court fines - JP 4	130,000	130,000	96,871	(33,129)
Total fines and forfeitures	<u>532,500</u>	<u>532,500</u>	<u>474,163</u>	<u>(58,337)</u>
Investment earnings:				
Interest	850,000	850,000	801,748	(48,252)
Unrealized gains (losses)	-	-	141,876	141,876
Total investment earnings	<u>850,000</u>	<u>850,000</u>	<u>943,624</u>	<u>93,624</u>
Rent and commissions:				
BorgWarner Automotive	33,806	33,806	33,806	-
A & M Tower, Inc.	14,200	14,200	16,867	2,667
Community buildings	21,000	21,000	9,435	(11,565)
Other rent	9,700	9,700	9,600	(100)
Royalties	8,500	8,500	1,681	(6,819)
Telephone coin stations	285,000	285,000	344,680	59,680
Federal - jail lease	1,200,000	1,200,000	1,210,451	10,451
Concession sales	-	-	37,455	37,455
Vending machine sales	-	-	4,785	4,785
Longview community center	-	-	26,207	26,207
Contract jail revenue	-	-	39,560	39,560
Total rent and commissions	<u>1,572,206</u>	<u>1,572,206</u>	<u>1,734,527</u>	<u>162,321</u>
Miscellaneous:				
Miscellaneous	50,000	60,000	174,400	114,400
Total miscellaneous	<u>50,000</u>	<u>60,000</u>	<u>174,400</u>	<u>114,400</u>
Total revenues	<u>44,980,000</u>	<u>44,990,000</u>	<u>44,572,373</u>	<u>(417,627)</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, 2020

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
General government:				
County clerk - administration:				
Salaries	737,030	738,717	715,370	23,347
Fringe benefits	428,015	426,328	403,048	23,280
Operating	71,752	70,752	69,438	1,314
Total county clerk - administration	1,236,797	1,235,797	1,187,856	47,941
County clerk - archive restoration:				
Salaries	63,153	63,383	48,441	14,942
Fringe benefits	25,080	24,851	22,110	2,741
Operating	35,250	35,250	16,456	18,794
Total county clerk - archive restoration	123,483	123,484	87,007	36,477
Telecommunications:				
Salaries	52,375	52,375	45,318	7,057
Fringe benefits	10,075	10,075	7,517	2,558
Operating	350	350	47	303
Total telecommunications	62,800	62,800	52,882	9,918
Purchasing:				
Salaries	225,546	225,546	224,154	1,392
Fringe benefits	107,620	107,620	104,051	3,569
Operating	26,855	26,855	15,163	11,692
Total purchasing	360,021	360,021	343,368	16,653
Human resources:				
Salaries	182,019	172,415	157,518	14,897
Fringe benefits	73,775	74,380	64,954	9,426
Operating	19,103	25,103	26,202	(1,099)
Total human resources	274,897	271,898	248,674	23,224
Nondepartmental - general government:				
Salaries	-	188,256	11,702	176,554
Fringe benefits	348,477	150,000	150,000	-
Operating	2,944,980	3,013,230	2,107,928	905,302
Capital outlay	20,000	20,000	-	20,000
Total nondepartmental - general government	3,313,457	3,371,486	2,269,630	1,101,856

GREGG COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
General government: (Continued)				
County judge:				
Salaries	197,331	198,976	198,226	750
Fringe benefits	76,855	77,732	76,530	1,202
Operating	18,210	15,687	7,543	8,144
Total county judge	<u>292,396</u>	<u>292,395</u>	<u>282,299</u>	<u>10,096</u>
Postal services:				
Operating	14,800	14,800	10,124	4,676
Total postal services	<u>14,800</u>	<u>14,800</u>	<u>10,124</u>	<u>4,676</u>
Concession operations:				
Operating	-	-	31,644	(31,644)
Capital outlay	-	-	3,310	(3,310)
Total concession operations	<u>-</u>	<u>-</u>	<u>34,954</u>	<u>(34,954)</u>
Elections:				
Salaries	230,134	231,331	222,724	8,607
Fringe benefits	107,370	106,173	84,717	21,456
Operating	154,383	154,383	135,332	19,051
Total elections	<u>491,887</u>	<u>491,887</u>	<u>442,773</u>	<u>49,114</u>
County auditor:				
Salaries	615,986	619,122	619,069	53
Fringe benefits	299,280	296,144	261,001	35,143
Operating	24,360	24,360	16,362	7,998
Total county auditor	<u>939,626</u>	<u>939,626</u>	<u>896,432</u>	<u>43,194</u>
Tax assessor-collector:				
Salaries	1,069,135	1,069,135	1,034,265	34,870
Fringe benefits	590,535	590,535	541,014	49,521
Operating	196,140	196,140	155,582	40,558
Total tax assessor-collector	<u>1,855,810</u>	<u>1,855,810</u>	<u>1,730,861</u>	<u>124,949</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
General government: (Continued)				
Information services:				
Salaries	425,261	428,792	428,140	652
Fringe benefits	207,315	203,785	187,033	16,752
Operating	1,116,075	1,144,375	1,049,989	94,386
Capital outlay	37,000	37,000	35,812	1,188
Total information services	<u>1,785,651</u>	<u>1,813,952</u>	<u>1,700,974</u>	<u>112,978</u>
Agricultural extension service:				
Salaries	81,472	81,232	68,381	12,851
Fringe benefits	22,530	22,530	21,825	705
Operating	21,355	21,355	14,456	6,899
Capital outlay	-	-	3,943	(3,943)
Total agricultural extension service	<u>125,357</u>	<u>125,117</u>	<u>108,605</u>	<u>16,512</u>
Total general government	<u>10,876,982</u>	<u>10,959,073</u>	<u>9,396,439</u>	<u>1,562,634</u>
Judicial:				
Court of civil appeals:				
Salaries	16,008	16,008	16,008	-
Fringe benefits	1,230	1,235	1,235	-
Total court of civil appeals	<u>17,238</u>	<u>17,243</u>	<u>17,243</u>	<u>-</u>
County court-at-law no. 1:				
Salaries	276,382	276,833	276,405	428
Fringe benefits	99,780	99,329	97,408	1,921
Operating	14,569	12,569	13,796	(1,227)
Total county court-at-law no. 1	<u>390,731</u>	<u>388,731</u>	<u>387,609</u>	<u>1,122</u>
County court-at-law no. 2:				
Salaries	296,779	297,751	296,751	1,000
Fringe benefits	103,890	102,918	100,784	2,134
Operating	12,595	12,595	11,869	726
Total county court-at-law no. 2	<u>413,264</u>	<u>413,264</u>	<u>409,404</u>	<u>3,860</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, 2020

EXPENDITURES (Continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Judicial: (Continued)				
Attorney general master:				
Operating	1,050	1,050	-	1,050
Total attorney general master	1,050	1,050	-	1,050
124th district court:				
Salaries	115,019	114,928	114,928	-
Fringe benefits	47,975	48,468	48,099	369
Operating	16,744	14,341	10,193	4,148
Total 124th district court	179,738	177,737	173,220	4,517
188th district court:				
Salaries	110,310	111,139	110,739	400
Fringe benefits	47,015	47,577	47,275	302
Operating	17,834	14,443	10,690	3,753
Total 188th district court	175,159	173,159	168,704	4,455
307th district court:				
Salaries	101,416	104,381	104,381	-
Fringe benefits	45,215	46,115	45,723	392
Operating	14,080	14,080	7,136	6,944
Total 307th district court	160,711	164,576	157,240	7,336
Judicial:				
Operating expenditures	2,562,500	2,519,500	1,902,044	617,456
Total judicial	2,562,500	2,519,500	1,902,044	617,456
District clerk:				
Salaries	645,029	644,754	572,922	71,832
Fringe benefits	399,210	399,485	329,951	69,534
Operating	73,060	73,060	45,215	27,845
Total district clerk	1,117,299	1,117,299	948,088	169,211

**GREGG COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Judicial: (Continued)				
Justice of the peace no. 1:				
Salaries	276,408	277,608	275,780	1,828
Fringe benefits	161,080	155,880	145,139	10,741
Operating	72,100	87,150	86,203	947
Total justice of the peace no. 1	<u>509,588</u>	<u>520,638</u>	<u>507,122</u>	<u>13,516</u>
Justice of the peace no. 2:				
Salaries	150,235	150,235	145,645	4,590
Fringe benefits	93,950	93,950	86,599	7,351
Operating	37,685	36,485	18,810	17,675
Total justice of the peace no. 2	<u>281,870</u>	<u>280,670</u>	<u>251,054</u>	<u>29,616</u>
Justice of the peace no. 3:				
Salaries	171,126	171,126	162,389	8,737
Fringe benefits	84,390	84,390	79,147	5,243
Operating	35,106	35,666	24,986	10,680
Total justice of the peace no. 3	<u>290,622</u>	<u>291,182</u>	<u>266,522</u>	<u>24,660</u>
Justice of the peace no. 4:				
Salaries	145,048	145,048	138,352	6,696
Fringe benefits	79,185	79,185	59,924	19,261
Operating	62,900	80,610	70,090	10,520
Capital outlay	-	2,290	2,290	-
Total justice of the peace no. 4	<u>287,133</u>	<u>307,133</u>	<u>270,656</u>	<u>36,477</u>
District attorney:				
Salaries	2,104,560	2,101,439	2,021,679	79,760
Fringe benefits	854,390	857,511	802,129	55,382
Operating	228,570	228,839	170,047	58,792
Capital outlay	9,850	8,000	8,160	(160)
Total district attorney	<u>3,197,370</u>	<u>3,195,789</u>	<u>3,002,015</u>	<u>193,774</u>
10th Admin Judicial Region:				
Salaries	-	65,500	65,500	-
Fringe benefits	-	13,000	12,626	374
Operating	-	2,250	160	2,090
Total 10th Admin Judicial Region	<u>-</u>	<u>80,750</u>	<u>78,286</u>	<u>2,464</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Judicial: (Continued)				
Bail bond board:				
Salaries	3,000	3,000	-	3,000
Fringe benefits	595	595	-	595
Operating	1,605	1,605	35	1,570
Total bail bond board	<u>5,200</u>	<u>5,200</u>	<u>35</u>	<u>5,165</u>
Collections office:				
Salaries	170,546	171,850	171,850	-
Fringe benefits	96,515	97,012	96,734	278
Operating	19,070	17,269	10,521	6,748
Total collections office	<u>286,131</u>	<u>286,131</u>	<u>279,105</u>	<u>7,026</u>
Total judicial	<u>9,875,604</u>	<u>9,940,052</u>	<u>8,818,347</u>	<u>1,121,705</u>
Public safety:				
Constable no. 1:				
Salaries	46,565	46,565	46,565	-
Fringe benefits	22,775	22,775	9,730	13,045
Operating	13,000	8,000	12,619	(4,619)
Total constable no. 1	<u>82,340</u>	<u>77,340</u>	<u>68,914</u>	<u>8,426</u>
Constable no. 2:				
Salaries	46,565	46,565	45,965	600
Fringe benefits	22,775	22,775	22,362	413
Operating	10,385	10,385	7,970	2,415
Total constable no. 2	<u>79,725</u>	<u>79,725</u>	<u>76,297</u>	<u>3,428</u>
Constable no. 3:				
Salaries	69,285	69,285	47,171	22,114
Fringe benefits	26,700	26,700	22,277	4,423
Operating	17,801	17,801	16,538	1,263
Total constable no. 3	<u>113,786</u>	<u>113,786</u>	<u>85,986</u>	<u>27,800</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Public safety: (Continued)				
Constable no. 4:				
Salaries	46,565	45,965	45,965	-
Fringe benefits	22,775	23,795	23,905	(110)
Operating	14,480	13,460	10,014	3,446
Total constable no. 4	<u>83,820</u>	<u>83,220</u>	<u>79,884</u>	<u>3,336</u>
Sheriff - corrections:				
Salaries	3,951,108	3,992,268	3,930,039	62,229
Fringe benefits	1,931,935	1,864,778	1,720,333	144,445
Operating	597,050	573,458	544,824	28,634
Capital outlay	108,000	108,000	109,396	(1,396)
Total sheriff - corrections	<u>6,588,093</u>	<u>6,538,504</u>	<u>6,304,592</u>	<u>233,912</u>
Contract jail operations:				
Salaries	6,643,067	7,006,860	6,546,530	460,330
Fringe benefits	3,424,340	3,237,752	3,091,397	146,355
Operating	1,858,000	2,085,886	2,189,960	(104,074)
Total contract jail operations	<u>11,925,407</u>	<u>12,330,498</u>	<u>11,827,887</u>	<u>502,611</u>
Criminal Justice Center operations:				
Salaries	276,832	301,723	279,985	21,738
Fringe benefits	158,835	146,996	140,500	6,496
Operating	76,980	61,346	56,136	5,210
Total Criminal Justice Center operations	<u>512,647</u>	<u>510,065</u>	<u>476,621</u>	<u>33,444</u>
Department of Public Safety:				
Operating	13,250	13,250	13,247	3
Total Department of Public Safety	<u>13,250</u>	<u>13,250</u>	<u>13,247</u>	<u>3</u>
Parks and wildlife:				
Operating	1,800	1,800	1,785	15
Total parks and wildlife	<u>1,800</u>	<u>1,800</u>	<u>1,785</u>	<u>15</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Public safety: (Continued)				
Pre-trial services:				
Salaries	28,325	28,543	28,543	-
Fringe benefits	18,145	18,427	18,372	55
Operating	1,260	1,260	1,058	202
Total pre-trial services	<u>47,730</u>	<u>48,230</u>	<u>47,973</u>	<u>257</u>
Social security incentive:				
Operating	55,000	55,000	-	55,000
Total social security incentive	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>55,000</u>
Juvenile board:				
Salaries	116,613	116,613	116,613	-
Fringe benefits	61,310	65,072	63,591	1,481
Total juvenile board	<u>177,923</u>	<u>181,685</u>	<u>180,204</u>	<u>1,481</u>
Total public safety	<u>19,681,746</u>	<u>20,033,328</u>	<u>19,163,390</u>	<u>869,938</u>
Health and human services:				
Veterans services:				
Salaries	71,602	71,910	72,150	(240)
Fringe benefits	39,305	39,757	39,458	299
Operating	15,000	14,000	13,111	889
Total veterans services	<u>125,907</u>	<u>125,667</u>	<u>124,719</u>	<u>948</u>
Civil defense:				
Operating	23,150	25,650	24,739	911
Total civil defense	<u>23,150</u>	<u>25,650</u>	<u>24,739</u>	<u>911</u>
911 Addressing:				
Salaries	65,179	67,495	67,495	-
Fringe benefits	26,390	23,616	14,144	9,472
Operating	15,075	32,140	892	31,248
Total 911 addressing	<u>106,644</u>	<u>123,251</u>	<u>82,531</u>	<u>40,720</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Health:				
Salaries	334,834	349,447	339,485	9,962
Fringe benefits	179,875	182,239	177,170	5,069
Operating	723,514	926,572	457,531	469,041
Total health	<u>1,238,223</u>	<u>1,458,258</u>	<u>974,186</u>	<u>484,072</u>
Historical commission:				
Operating	13,500	13,500	668	12,832
Total historical commission	<u>13,500</u>	<u>13,500</u>	<u>668</u>	<u>12,832</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	489,658	482,458	450,457	32,001
Total contributions	<u>489,658</u>	<u>482,458</u>	<u>450,457</u>	<u>32,001</u>
Total health and human services	<u>2,004,282</u>	<u>2,235,984</u>	<u>1,664,500</u>	<u>571,484</u>
Public buildings:				
ADA Compliance				
Operating	50,000	-	-	-
Total courthouse building	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Courthouse building:				
Salaries	422,318	422,322	414,530	7,792
Fringe benefits	217,975	217,971	215,083	2,888
Operating	672,750	672,750	586,252	86,498
Total courthouse building	<u>1,313,043</u>	<u>1,313,043</u>	<u>1,215,865</u>	<u>97,178</u>
Jail building:				
Operating	371,800	339,254	334,242	5,012
Capital Outlay	-	33,900	33,900	-
	<u>371,800</u>	<u>373,154</u>	<u>368,142</u>	<u>5,012</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Service center building:				
Operating	39,900	68,635	62,742	5,893
Total service center building	39,900	68,635	62,742	5,893
Longview Whaley Street community building:				
Salaries	81,391	63,171	28,778	34,393
Fringe benefits	29,410	29,410	7,841	21,569
Operating	39,580	75,580	67,194	8,386
Total Longview Whaley Street community building	150,381	168,161	103,813	64,348
Judson community building:				
Operating	5,750	5,757	3,932	1,825
Total Judson community building	5,750	5,757	3,932	1,825
Greggton community building:				
Operating	38,190	38,234	19,211	19,023
Total Greggton community building	38,190	38,234	19,211	19,023
Gladewater Commerce Street building:				
Operating	4,350	4,361	4,236	125
Total Gladewater Commerce street building	4,350	4,361	4,236	125
Liberty City office/community building:				
Operating	4,575	4,599	4,359	240
Total Liberty City office/ community building	4,575	4,599	4,359	240
Hugh Camp Memorial Park:				
Operating	44,665	39,284	20,301	18,983
Total Hugh Camp Memorial Park	44,665	39,284	20,301	18,983
Olivia R. Hilburn community building:				
Operating	18,050	18,050	9,750	8,300
Total Olivia R. Hilburn community building	18,050	18,050	9,750	8,300
Kilgore office and community building:				
Salaries	35,709	36,080	36,080	-
Fringe benefits	20,560	20,930	20,757	173
Operating	25,550	30,299	26,517	3,782
Total Kilgore office and community building	81,819	87,309	83,354	3,955

GREGG COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Public buildings: (Continued)				
Kilgore South Street building:				
Operating	250	250	-	250
Total Kilgore South Street building	250	250	-	250
Elderville community building:				
Operating	26,300	26,300	18,749	7,551
Total Elderville community building	26,300	26,300	18,749	7,551
Longview Eastman Road building:				
Operating	25,425	25,428	44,755	(19,327)
Capital outlay	24,000	24,000	-	24,000
Total Longview Easton Road building	49,425	49,428	44,755	4,673
Purchasing Surplus Building				
Operating	2,155	2,155	2,072	83
Total Purchasing Surplus building	2,155	2,155	2,072	83
M. A. Smith Criminal Justice Center:				
Operating	53,700	53,954	50,825	3,129
Total M. A. Smith Criminal Justice Center	53,700	53,954	50,825	3,129
Courthouse housekeeping:				
Salaries	180,844	189,497	172,236	17,261
Fringe benefits	127,790	132,625	113,274	19,351
Operating	40,650	45,650	35,254	10,396
Total courthouse housekeeping	349,284	367,772	320,764	47,008
Civil Air Patrol Building:				
Operating	10,500	10,500	-	10,500
Total Civil Air Patrol Building	10,500	10,500	-	10,500
Total public buildings	2,614,137	2,630,946	2,332,870	298,076
Debt service - principal:				
Capital lease	1,000	1,000	989	11
Total debt service - principal	1,000	1,000	989	11
Debt service - interest:				
Capital lease	500	500	150	350
Total debt service - interest	500	500	150	350
Total expenditures	\$ 45,054,251	\$ 45,800,883	\$ 41,376,685	\$ 4,424,198

GREGG COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(74,251)	(810,883)	3,195,688	4,006,571
OTHER FINANCING SOURCES (USES)				
Transfer in:				
Capital improvement fund	-	-	30,535	30,535
Transfers out:				
Grant fund	(9,800,614)	(38,750)	(5,644)	33,106
Road and bridge fund	(200,000)	(200,000)	(200,000)	-
Capital improvement fund	(4,553,932)	(3,953,932)	(3,953,932)	-
Records management and preservation fund	(45,000)	(45,000)	(45,000)	-
Violence against women	(57,000)	(57,000)	(50,876)	6,124
Renovations & capital acquisitions	-	(71,317)	(71,317)	-
Community healthcare grant	(25,000)	(127,134)	(48,905)	78,229
Total transfers out	(14,681,546)	(4,493,133)	(4,375,674)	117,459
Sale of capital assets	15,000	15,000	65,692	50,692
Insurance recoveries	-	18,262	18,262	-
Total other financing sources (uses)	(14,666,546)	(4,459,871)	(4,261,185)	168,151
NET CHANGE IN FUND BALANCE	(14,740,797)	(5,270,754)	(1,065,497)	4,174,722
FUND BALANCE, BEGINNING	42,331,359	42,331,359	42,331,359	-
FUND BALANCE, ENDING	<u>\$ 27,590,562</u>	<u>\$ 37,060,605</u>	<u>\$ 41,265,862</u>	<u>\$ 4,174,722</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Current property	\$ 1,977,977	\$ 1,977,977	\$ 1,976,210	\$ (1,767)
Current penalty and interest	5,000	5,000	11,099	6,099
Delinquent property	13,119	13,119	11,590	(1,529)
Delinquent penalty and interest	6,500	6,500	3,579	(2,921)
Total taxes	<u>2,002,596</u>	<u>2,002,596</u>	<u>2,002,478</u>	<u>(118)</u>
Licenses and permits:				
Motor vehicle registration	1,500,000	1,500,000	1,517,810	17,810
Weight permits	20,500	20,500	25,806	5,306
Total licenses and permits	<u>1,520,500</u>	<u>1,520,500</u>	<u>1,543,616</u>	<u>23,116</u>
Intergovernmental:				
Lateral road	18,000	18,000	18,915	915
Donation of RAP	-	-	32,550	32,550
FEMA reimbursement	-	-	50,964	50,964
Total intergovernmental	<u>18,000</u>	<u>18,000</u>	<u>102,429</u>	<u>84,429</u>
Charges for services:				
Reimbursement of capital projects overhead	-	36,770	36,770	-
Total charges for services	<u>-</u>	<u>36,770</u>	<u>36,770</u>	<u>-</u>
Fines and forfeitures:				
Misdemeanor fines	315,000	315,000	302,803	(12,197)
Felony fines	75,000	75,000	65,889	(9,111)
Civil/BF fines	40,000	40,000	12,956	(27,044)
Total fines and forfeitures	<u>430,000</u>	<u>430,000</u>	<u>381,648</u>	<u>(48,352)</u>
Investment earnings:				
Interest	20,000	20,000	36,410	16,410
Unrealized gains (losses)	-	-	2,424	2,424
Total investment earnings	<u>20,000</u>	<u>20,000</u>	<u>38,834</u>	<u>18,834</u>
Miscellaneous:				
Miscellaneous	1,000	1,000	1,692	692
Total miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>1,692</u>	<u>692</u>
Total revenues	<u>3,992,096</u>	<u>4,028,866</u>	<u>4,107,467</u>	<u>78,601</u>
EXPENDITURES				
Transportation and roads:				
Administration:				
Salaries	267,284	272,784	268,735	4,049
Fringe benefits	110,665	105,165	103,378	1,787
Operating	62,000	62,000	-	62,000
Total administration	<u>439,949</u>	<u>439,949</u>	<u>372,113</u>	<u>67,836</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Transportation and roads: (Continued)				
Road and bridge - general:				
Operating	51,600	51,600	2,037	49,563
Total road and bridge - general	<u>51,600</u>	<u>51,600</u>	<u>2,037</u>	<u>49,563</u>
Road and bridge - precinct no. 1:				
Salaries	692,282	696,073	664,314	31,759
Fringe benefits	340,850	337,059	302,840	34,219
Operating	334,475	321,009	322,282	(1,273)
Capital outlay	8,900	34,997	32,117	2,880
Total road and bridge - precinct no. 1	<u>1,376,507</u>	<u>1,389,138</u>	<u>1,321,553</u>	<u>67,585</u>
Road and bridge - precinct no. 2:				
Salaries	38,587	38,307	37,368	939
Fringe benefits	20,035	20,315	20,011	304
Operating	30,000	30,000	10,519	19,481
Total road and bridge - precinct no. 2	<u>88,622</u>	<u>88,622</u>	<u>67,898</u>	<u>20,724</u>
Road and bridge - precinct no. 3:				
Salaries	722,277	722,277	683,241	39,036
Fringe benefits	346,280	346,280	332,659	13,621
Operating	420,555	417,549	441,605	(24,056)
Capital outlay	-	3,006	3,006	-
Total road and bridge - precinct no. 3	<u>1,489,112</u>	<u>1,489,112</u>	<u>1,460,511</u>	<u>28,601</u>
Road and bridge - precinct no. 4:				
Salaries	618,452	625,798	602,149	23,649
Fringe benefits	323,380	316,034	293,250	22,784
Operating	310,200	438,833	427,654	11,179
Capital outlay	25,750	50,615	39,547	11,068
Total road and bridge - precinct no. 4	<u>1,277,782</u>	<u>1,431,280</u>	<u>1,362,600</u>	<u>68,680</u>
Total transportation and roads	<u>4,723,572</u>	<u>4,889,701</u>	<u>4,586,712</u>	<u>302,989</u>
Total expenditures	<u>4,723,572</u>	<u>4,889,701</u>	<u>4,586,712</u>	<u>302,989</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(731,476)</u>	<u>(860,835)</u>	<u>(479,245)</u>	<u>381,590</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General fund	200,000	200,000	200,000	-
Capital road & bridge projects	-	23,416	23,416	-
Building renovations	-	-	-	-
Total transfers in	<u>200,000</u>	<u>223,416</u>	<u>223,416</u>	<u>-</u>
Sale of capital assets	45,000	58,135	95,963	37,828
Insurance recoveries	-	-	-	-
Total other financing sources	<u>245,000</u>	<u>281,551</u>	<u>319,379</u>	<u>37,828</u>
NET CHANGE IN FUND BALANCE	(486,476)	(579,284)	(159,866)	419,418
FUND BALANCE, BEGINNING	<u>2,929,941</u>	<u>2,929,941</u>	<u>2,929,940</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 2,443,465</u>	<u>\$ 2,350,657</u>	<u>\$ 2,770,074</u>	<u>\$ 419,418</u>

The accompanying notes are an integral part of this schedule.

GREGG COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY SCHEDULES
SEPTEMBER 30, 2020

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, 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, Local Truancy Prevention/Diversion Fund, District Attorney Fund, and Sheriff Fund.

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GREGG COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Plan Year Ended December 31	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	\$ 3,194,477	\$ 3,314,571	\$ 3,503,561	\$ 3,531,610	\$ 3,307,965	\$ 3,352,760
Interest total pension liability	11,651,113	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	140,771	(2,291,235)	(155,792)	90,665	(1,630,892)	(820,005)
Benefit payments/refunds of contributions	(8,313,751)	(7,134,574)	(6,428,980)	(5,327,748)	(5,430,771)	(4,930,501)
Net change in total pension liability	6,672,610	5,177,085	8,675,068	8,162,523	6,474,815	6,433,360
Total pension liability - beginning	<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>	<u>109,799,515</u>
Total pension liability - ending (a)	<u>\$ 151,394,976</u>	<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>
Plan Fiduciary Net Position						
Employer contributions	\$ 3,064,477	\$ 2,786,539	\$ 2,813,979	\$ 2,833,558	\$ 2,700,427	\$ 2,687,677
Member contributions	1,943,539	1,776,371	1,800,635	1,836,277	1,727,961	1,719,683
Investment income (loss) net of investment expenses	21,281,165	(2,540,927)	17,396,356	8,259,029	(264,690)	7,228,206
Benefit payments/refunds of contributions	(8,313,751)	(7,134,574)	(6,428,980)	(5,327,747)	(5,430,771)	(4,930,501)
Administrative expenses	(112,278)	(104,070)	(89,679)	(89,748)	(80,839)	(84,645)
Other	(92,654)	(63,073)	(25,162)	202,729	(123,434)	(155,736)
Net change in plan fiduciary net position	17,770,498	(5,279,734)	15,467,149	7,714,098	(1,471,346)	6,464,684
Plan fiduciary net position - beginning	<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>	<u>106,674,112</u>
Plan fiduciary net position - ending (b)	<u>147,339,461</u>	<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>\$ 4,055,515</u>	<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	97.32%	89.53%	96.63%	91.22%	91.00%	97.34%
Pensionable covered payroll	\$ 26,740,638	\$ 25,376,729	\$ 25,723,351	\$ 25,900,948	\$ 24,685,154	\$ 24,566,896
Net pension liability as a percentage of covered payroll	15.17%	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, 2020**

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
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	-	25,376,729	11.75%
2020	3,242,296	3,242,296	-	26,740,638	12.12%

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, 2020

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:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	10.8 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.0%, net of investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	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.

2018: No changes in plan provisions were reflected in the Schedule.

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.

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**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

Law Library 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.

Local Truancy Prevention/Diversions - This fund accounts for fees collected for Justice of the Peace level misdemeanors pursuant to Local Government Code 134.156. Proceeds can be used to finance the position of a juvenile case manager or programs directly related to the position.

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, 2020**

	Special Revenue			
	Airport	Law Enforcement	Court Technology and Security	Records Management and Preservation
ASSETS				
Cash and cash equivalents	\$ 117,671	\$ 48,524	\$ 574,138	\$ 712,832
Investments	824,623	-	-	200,000
Receivables (net of allowance for uncollectibles):				
Accounts	16,038	-	84,742	228,595
Taxes	39,131	-	-	-
Interest	638	-	-	43
Due from other governments	1,800	-	-	-
Inventory	29,354	-	-	-
Total assets	1,029,255	48,524	658,880	1,141,470
LIABILITIES				
Accounts payable	61,303	32,935	20,275	1,480
Due to other governments	3,731	-	-	224
Accrued liabilities	73,120	-	-	5,145
Due to other funds	-	-	-	-
Total liabilities	138,154	32,935	20,275	6,849
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	31,417	-	-	-
Unavailable revenue - court fines	-	-	83,181	219,763
Total deferred inflows of resources	31,417	-	83,181	219,763
FUND BALANCES				
Nonspendable:				
Inventories	29,354	-	-	-
Restricted for:				
Public safety operations	-	15,589	-	-
Judicial operations	-	-	-	-
Court technology and security	-	-	555,424	-
Records management and preservation	-	-	-	914,858
Voting and elections	-	-	-	-
Health and human services operations	-	-	-	-
VIT operations	-	-	-	-
Committed for:				
Airport operations	830,330	-	-	-
Donations to healthcare organizations	-	-	-	-
Total fund balances	859,684	15,589	555,424	914,858
Total liabilities, deferred inflows of resources and fund balances	\$ 1,029,255	\$ 48,524	\$ 658,880	\$ 1,141,470

Special Revenue

Voting and Elections	Grant	Law Library	Health Care	Code Enforcement	VIT Operating
\$ 34,060	\$ 323,487	\$ 108,779	\$ 469,759	\$ 176,285	\$ 17,818
-	-	-	2,781,492	-	-
-	20,916	39,329	-	-	-
-	-	-	-	-	-
-	-	-	5,070	-	-
-	1,051,712	-	-	-	-
-	-	-	-	-	-
<u>34,060</u>	<u>1,396,115</u>	<u>148,108</u>	<u>3,256,321</u>	<u>176,285</u>	<u>17,818</u>
9,299	224,125	2,403	-	-	-
-	2,819	-	-	-	-
-	14,878	1,079	-	-	-
-	839,317	-	-	-	3,407
<u>9,299</u>	<u>1,081,139</u>	<u>3,482</u>	<u>-</u>	<u>-</u>	<u>3,407</u>
-	-	-	-	-	-
-	-	32,935	-	-	-
-	-	<u>32,935</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	166,264	-	-	176,285	-
-	9,677	111,691	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
24,761	114,926	-	-	-	-
-	24,109	-	-	-	-
-	-	-	-	-	14,411
-	-	-	-	-	-
-	-	-	3,256,321	-	-
<u>24,761</u>	<u>314,976</u>	<u>111,691</u>	<u>3,256,321</u>	<u>176,285</u>	<u>14,411</u>
<u>\$ 34,060</u>	<u>\$ 1,396,115</u>	<u>\$ 148,108</u>	<u>\$ 3,256,321</u>	<u>\$ 176,285</u>	<u>\$ 17,818</u>

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**GREGG COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Special Revenue			Total Nonmajor Governmental Funds
	Local Truancy Prevention/ Detection	District Attorney	Sheriff	
ASSETS				
Cash and cash equivalents	\$ 7,809	\$ 27,570	\$ 411,168	\$ 3,029,900
Investments		-	-	3,806,115
Receivables (net of allowance for uncollectibles):				
Accounts	43	-	-	389,663
Taxes	-	-	-	39,131
Interest	-	-	-	5,751
Due from other governments	-	2,475	-	1,055,987
Inventory	-	-	-	29,354
	<u>7,852</u>	<u>30,045</u>	<u>411,168</u>	<u>8,355,901</u>
LIABILITIES				
Accounts payable	-	600	-	352,420
Due to other governments	-	-	-	6,774
Accrued liabilities	-	-	-	94,222
Due to other funds	-	2,475	-	845,199
	<u>-</u>	<u>3,075</u>	<u>-</u>	<u>1,298,615</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	31,417
Unavailable revenue - court fines	-	-	-	335,879
	<u>-</u>	<u>-</u>	<u>-</u>	<u>367,296</u>
FUND BALANCES				
Nonspendable:				
Inventories	-	-	-	29,354
Restricted for:				
Public safety operations	-	-	411,168	769,306
Judicial operations	7,852	26,970	-	156,190
Court technology and security	-	-	-	555,424
Records management and preservation	-	-	-	914,858
Voting and elections	-	-	-	139,687
Health and human services operations	-	-	-	24,109
VIT operations	-	-	-	14,411
Committed for:	-	-	-	
Airport operations	-	-	-	830,330
Donations to healthcare organizations	-	-	-	3,256,321
	<u>7,852</u>	<u>26,970</u>	<u>411,168</u>	<u>6,689,990</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,852</u>	<u>\$ 30,045</u>	<u>\$ 411,168</u>	<u>\$ 8,355,901</u>

GREGG COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue			
	Airport	Law Enforcement	Court Technology and Security	Records Management and Preservation
REVENUES				
Current property taxes	\$ 2,022,450	\$ -	\$ -	\$ -
Delinquent property taxes	35,937	-	-	-
Intergovernmental	21,960	-	-	-
Charges for services	19,020	-	81,337	302,340
Fines and forfeitures	-	-	-	-
Interest	14,990	-	-	2,302
Rent and commissions	322,054	-	-	-
Miscellaneous	653	-	-	-
Total revenues	<u>2,437,064</u>	<u>-</u>	<u>81,337</u>	<u>304,642</u>
EXPENDITURES				
Current:				
General government	1,178,936	-	-	198,610
Judicial	-	-	11,782	3,422
Public safety	1,054,790	-	20,601	-
Health and human services	-	-	-	-
Capital outlay	65,629	-	69,763	12,460
Total expenditures	<u>2,299,355</u>	<u>-</u>	<u>102,146</u>	<u>214,492</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	137,709	-	(20,809)	90,150
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	83,618	45,000
Transfers out	(49,989)	-	-	-
Insurance proceeds	15,397	-	-	-
Total other financing sources (uses)	<u>(34,592)</u>	<u>-</u>	<u>83,618</u>	<u>45,000</u>
NET CHANGE IN FUND BALANCES	103,117	-	62,809	135,150
FUND BALANCES, BEGINNING	<u>756,567</u>	<u>15,589</u>	<u>492,615</u>	<u>779,708</u>
FUND BALANCES, ENDING	<u>\$ 859,684</u>	<u>\$ 15,589</u>	<u>\$ 555,424</u>	<u>\$ 914,858</u>

Special Revenues

Voting and Elections	Grant	Law Library	Health Care	Code Enforcement	VIT Operating
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
28,325	1,966,272	-	53,528	-	-
6,975	-	91,231	-	-	17,339
-	-	-	-	15,184	-
-	-	-	65,079	865	71
-	-	-	-	-	-
-	42,329	280	-	-	-
<u>35,300</u>	<u>2,008,601</u>	<u>91,511</u>	<u>118,607</u>	<u>16,049</u>	<u>17,410</u>
51,552	215,806	-	-	-	8,852
-	180,064	76,728	-	-	-
-	150,837	-	-	4,337	-
-	1,354,313	-	40,000	-	-
-	89,091	-	-	-	-
<u>51,552</u>	<u>1,990,111</u>	<u>76,728</u>	<u>40,000</u>	<u>4,337</u>	<u>8,852</u>
(16,252)	18,490	14,783	78,607	11,712	8,558
-	155,414	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>155,414</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(16,252)	173,904	14,783	78,607	11,712	8,558
41,013	141,072	96,908	3,177,714	164,573	5,853
<u>\$ 24,761</u>	<u>\$ 314,976</u>	<u>\$ 111,691</u>	<u>\$ 3,256,321</u>	<u>\$ 176,285</u>	<u>\$ 14,411</u>

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GREGG COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenues			Total Nonmajor Governmental Funds
	Local Truancy Prevention/ Diversion	District Attorney	Sheriff	
REVENUES				
Current property taxes	\$ -	\$ -	\$ -	\$ 2,022,450
Delinquent property taxes	-	-	-	35,937
Intergovernmental	-	50,192	-	2,120,277
Charges for services	7,852	6,336	5,906	538,336
Fines and forfeitures	-	-	17,581	32,765
Interest	-	-	1,635	84,942
Rent and commissions	-	-	385,547	707,601
Miscellaneous	-	48	-	43,310
Total revenues	7,852	56,576	410,669	5,585,618
EXPENDITURES				
Current:				
General government	-	-	-	1,653,756
Judicial	-	29,948	-	301,944
Public safety	-	-	357,665	1,588,230
Health and human services	-	-	-	1,394,313
Capital outlay	-	-	177,482	414,425
Total expenditures	-	29,948	535,147	5,352,668
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,852	26,628	(124,478)	232,950
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	284,032
Transfers out	-	-	-	(49,989)
Insurance proceeds	-	-	-	15,397
Total other financing sources (uses)	-	-	-	249,440
NET CHANGE IN FUND BALANCES	7,852	26,628	(124,478)	482,390
FUND BALANCES, BEGINNING	-	342	535,646	6,207,600
FUND BALANCES, ENDING	\$ 7,852	\$ 26,970	\$ 411,168	\$ 6,689,990

GREGG COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 162,000	\$ 162,000	\$ 216,091	\$ 54,091
Total revenues	162,000	162,000	216,091	54,091
EXPENDITURES				
General government	600,000	600,000	-	600,000
Capital outlay	3,121,321	2,316,528	2,323,920	(7,392)
Total expenditures	3,721,321	2,916,528	2,323,920	592,608
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,559,321)	(2,754,528)	(2,107,829)	646,699
OTHER FINANCING SOURCES (USES)				
Transfers in	7,207,230	6,878,547	4,025,249	(2,853,298)
Transfers out	(2,951,031)	3,469,415	(531,970)	(4,001,385)
Disposal of capital assets	470,000	-	-	-
Insurance recoveries	-	12,720	12,720	-
Total other financing sources (uses)	4,726,199	10,360,682	3,505,999	(6,854,683)
NET CHANGE IN FUND BALANCE	1,166,878	7,606,154	1,398,170	(6,207,984)
FUND BALANCE, BEGINNING	14,850,161	14,850,161	14,850,161	-
FUND BALANCE, ENDING	\$ 16,017,039	\$ 22,456,315	\$ 16,248,331	\$ (6,207,984)

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, 2020

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,833,412	\$ 2,719,060	\$ 1,639,363	\$ (1,079,697)
Charges for services	98,000	98,000	69,962	(28,038)
Total revenues	<u>1,931,412</u>	<u>2,817,060</u>	<u>1,709,325</u>	<u>(1,107,735)</u>
EXPENDITURES				
Current:				
Capital outlay	1,417,525	2,387,976	2,103,726	284,250
Total expenditures	<u>1,417,525</u>	<u>2,387,976</u>	<u>2,103,726</u>	<u>284,250</u>
(DEFICIENCY) OF REVENUES				
(UNDER) EXPENDITURES	513,887	429,084	(394,401)	(823,485)
OTHER FINANCING SOURCES				
Transfers in	214,115	478,548	394,401	(84,147)
Total other financing sources	<u>214,115</u>	<u>478,548</u>	<u>394,401</u>	<u>(84,147)</u>
NET CHANGE IN FUND BALANCE	728,002	907,632	-	(907,632)
FUND BALANCE, BEGINNING	<u>238,612</u>	<u>238,612</u>	<u>238,612</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 966,614</u>	<u>\$ 1,146,244</u>	<u>\$ 238,612</u>	<u>\$ (907,632)</u>

GREGG COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
AIRPORT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current property taxes	\$ 2,022,871	\$ 2,022,871	\$ 2,022,450	\$ (421)
Delinquent property taxes	40,412	40,412	35,937	(4,475)
Intergovernmental	17,500	17,500	21,960	4,460
Charges for services	18,750	18,750	19,020	270
Investment earnings	12,500	12,500	14,990	2,490
Rents and commissions	338,300	338,300	322,054	(16,246)
Miscellaneous	-	-	653	653
Total revenues	<u>2,450,333</u>	<u>2,450,333</u>	<u>2,437,064</u>	<u>(13,269)</u>
EXPENDITURES				
Current:				
General government	1,420,744	1,403,012	1,178,936	224,076
Public safety	1,087,866	1,076,667	1,054,790	21,877
Capital outlay	38,350	67,288	65,629	1,659
Total expenditures	<u>2,546,960</u>	<u>2,546,967</u>	<u>2,299,355</u>	<u>247,612</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(96,627)	(96,634)	137,709	234,343
OTHER FINANCING SOURCES (USES)				
Transfers out	(50,000)	(50,000)	(49,989)	(11)
Insurance proceeds	-	-	15,397	15,397
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(34,592)</u>	<u>15,408</u>
NET CHANGE IN FUND BALANCE	(146,627)	(146,634)	103,117	249,751
FUND BALANCE, BEGINNING	<u>756,567</u>	<u>756,567</u>	<u>756,567</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 609,940</u>	<u>\$ 609,933</u>	<u>\$ 859,684</u>	<u>\$ 249,751</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, 2020

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

GREGG COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COURT TECHNOLOGY AND SECURITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 81,900	\$ 81,900	\$ 81,337	\$ (563)
Total revenues	<u>81,900</u>	<u>81,900</u>	<u>81,337</u>	<u>(563)</u>
EXPENDITURES				
Current:				
General government	2,143	-	-	-
Judicial	69,450	85,593	11,782	73,811
Public Safety	6,760	22,378	20,601	1,777
Capital Outlay	<u>102,618</u>	<u>75,300</u>	<u>69,763</u>	<u>5,537</u>
Total expenditures	<u>180,971</u>	<u>183,271</u>	<u>102,146</u>	<u>81,125</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(99,071)	(101,371)	(20,809)	80,562
OTHER FINANCING SOURCES				
Transfers in	<u>83,618</u>	<u>83,618</u>	<u>83,618</u>	<u>-</u>
Total other financing sources	<u>83,618</u>	<u>83,618</u>	<u>83,618</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(15,453)	(17,753)	62,809	(80,562)
FUND BALANCE, BEGINNING	<u>492,615</u>	<u>492,615</u>	<u>492,615</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 477,162</u>	<u>\$ 474,862</u>	<u>\$ 555,424</u>	<u>\$ 80,562</u>

GREGG COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
RECORDS MANAGEMENT AND PRESERVATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 183,800	\$ 183,800	\$ 302,340	\$ 118,540
Investment earnings	-	-	2,302	2,302
Total revenues	<u>183,800</u>	<u>183,800</u>	<u>304,642</u>	<u>120,842</u>
EXPENDITURES				
Current:				
General government	227,191	226,693	198,610	28,083
Judicial	41,050	10,050	3,422	6,628
Capital outlay	12,000	12,500	12,460	40
Total expenditures	<u>280,241</u>	<u>249,243</u>	<u>214,492</u>	<u>34,751</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(96,441)	(65,443)	90,150	155,593
OTHER FINANCING SOURCES (USES)				
Transfers in	55,300	10,300	45,000	34,700
Transfers out	(10,300)	(10,300)	-	10,300
Total other financing sources	<u>45,000</u>	<u>-</u>	<u>45,000</u>	<u>45,000</u>
NET CHANGE IN FUND BALANCE	(51,441)	(65,443)	135,150	200,593
FUND BALANCE, BEGINNING	<u>779,708</u>	<u>779,708</u>	<u>779,708</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 728,267</u>	<u>\$ 714,265</u>	<u>\$ 914,858</u>	<u>\$ 200,593</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, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 28,325	\$ 28,325	\$ -
Charges for services	-	-	6,975	6,975
Total revenues	-	28,325	35,300	6,975
EXPENDITURES				
Current:				
General government	-	28,325	51,552	(23,227)
Total expenditures	-	28,325	51,552	(23,227)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	(16,252)	(16,252)
FUND BALANCE, BEGINNING	41,013	41,013	41,013	-
FUND BALANCE, ENDING	\$ 41,013	\$ 41,013	\$ 24,761	\$ (16,252)

GREGG COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 2,035,493	\$ 2,035,493	\$ 1,966,272	\$ (69,221)
Miscellaneous	23,701	23,701	42,329	18,628
Total revenues	<u>2,059,194</u>	<u>2,059,194</u>	<u>2,008,601</u>	<u>(50,593)</u>
EXPENDITURES				
Current:				
General government	215,829	215,829	215,806	23
Judicial	181,425	181,425	180,064	1,361
Public safety	150,837	150,837	150,837	-
Health and human services	1,341,221	1,341,221	1,354,313	(13,092)
Capital outlay	89,091	89,091	89,091	-
Total expenditures	<u>1,978,403</u>	<u>1,978,403</u>	<u>1,990,111</u>	<u>(11,708)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>80,791</u>	<u>80,791</u>	<u>18,490</u>	<u>(62,301)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	149,781	149,781	155,414	5,633
Total other financing sources (uses)	<u>149,781</u>	<u>149,781</u>	<u>155,414</u>	<u>5,633</u>
NET CHANGE IN FUND BALANCE	230,572	230,572	173,904	(56,668)
FUND BALANCE, BEGINNING	<u>141,072</u>	<u>141,072</u>	<u>141,072</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 371,644</u>	<u>\$ 371,644</u>	<u>\$ 314,976</u>	<u>\$ (56,668)</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, 2020

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 87,500	\$ 87,500	\$ 91,231	\$ 3,731
Miscellaneous	250	250	280	30
Total revenues	<u>87,750</u>	<u>87,750</u>	<u>91,511</u>	<u>3,761</u>
EXPENDITURES				
Current:				
Judicial	83,306	83,306	76,728	6,578
Total expenditures	<u>83,306</u>	<u>83,306</u>	<u>76,728</u>	<u>6,578</u>
EXCESS OF REVENUES OVER EXPENDITURES	4,444	4,444	14,783	10,339
FUND BALANCE, BEGINNING	<u>96,908</u>	<u>96,908</u>	<u>96,908</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$ 101,352</u></u>	<u><u>\$ 101,352</u></u>	<u><u>\$ 111,691</u></u>	<u><u>\$ 10,339</u></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, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 53,528	\$ (6,472)
Investment earnings	55,000	55,000	65,079	10,079
Total revenues	115,000	115,000	118,607	3,607
EXPENDITURES				
Current:				
Health and human services	40,000	40,000	40,000	-
Total expenditures	40,000	40,000	40,000	-
EXCESS OF REVENUES OVER EXPENDITURES	75,000	75,000	78,607	3,607
FUND BALANCE, BEGINNING	3,177,714	3,177,714	3,177,714	-
FUND BALANCE, ENDING	\$ 3,252,714	\$ 3,252,714	\$ 3,256,321	\$ 3,607

GREGG COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
LOCAL TRUANCY/PREVENTION DIVERSION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 7,852	\$ 7,852
Total revenues	<u>-</u>	<u>-</u>	<u>7,852</u>	<u>7,852</u>
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 7,852</u>	<u>\$ 7,852</u>	<u>\$ 7,852</u>	<u>\$ -</u>

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 a self-funded medical plan from a traditional fully-insured plan in fiscal year 2001 to help lower costs.

GREGG COUNTY, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2020

	Print Shop	Self- Insurance	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 457,839	\$ 457,839
Accounts receivable, net of allowance	532	115,344	115,876
Due from other funds	-	9,835	9,835
Inventory	4,213	-	4,213
Total current assets	<u>4,745</u>	<u>583,018</u>	<u>587,763</u>
Noncurrent assets:			
Capital assets:			
Equipment	49,288	-	49,288
Less accumulated depreciation	(49,288)	-	(49,288)
Total capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>4,745</u>	<u>583,018</u>	<u>587,763</u>
LIABILITIES			
Current liabilities:			
Accounts payable	337	5,658	5,995
Due to other funds	9,835	-	9,835
Accrued liabilities	1,946	641,632	643,578
Total liabilities	<u>12,118</u>	<u>647,290</u>	<u>659,408</u>
NET POSITION			
Unrestricted	<u>(7,373)</u>	<u>(64,272)</u>	<u>(71,645)</u>
Total net position	<u>\$ (7,373)</u>	<u>(64,272)</u>	<u>(71,645)</u>

GREGG COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Print Shop	Self- Insurance	Totals
OPERATING REVENUES			
Charges for services	\$ 40,630	\$ 9,006,249	\$ 9,046,879
Total operating revenues	<u>40,630</u>	<u>9,006,249</u>	<u>9,046,879</u>
OPERATING EXPENSES			
Salaries	28,408	-	28,408
Fringe benefits	18,457	-	18,457
Materials and supplies	20,706	-	20,706
Insurance consultant	-	65,001	65,001
Claims	-	7,971,682	7,971,682
Administrative	-	905,180	905,180
Total operating expenses	<u>67,571</u>	<u>8,941,863</u>	<u>9,009,434</u>
OPERATING LOSS	(26,941)	64,386	37,445
NONOPERATING REVENUES			
Investment earnings	-	171	171
CHANGE IN NET POSITION	(26,941)	64,557	37,616
TOTAL NET POSITION, BEGINNING	<u>19,568</u>	<u>(128,829)</u>	<u>(109,261)</u>
TOTAL NET POSITION, ENDING	<u>\$ (7,373)</u>	<u>\$ (64,272)</u>	<u>\$ (71,645)</u>

**GREGG COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Print Shop</u>	<u>Self- Insurance</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from interfund charges for print shop services	\$ 40,807	\$ -	\$ 40,807
Cash receipts from interfund charges for self-insurance services	-	7,646,032	7,646,032
Payments to suppliers for goods and services	(18,007)	(7,752,050)	(7,770,057)
Payments to employees for salaries and benefits	<u>(46,285)</u>	<u>-</u>	<u>(46,285)</u>
Net cash used in operating activities	<u>(23,485)</u>	<u>(106,018)</u>	<u>(129,503)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments from other funds	9,835	-	9,835
Payments to other funds	<u>-</u>	<u>(9,835)</u>	<u>(9,835)</u>
Net cash flows provided by (used in) noncapital financing activities	<u>9,835</u>	<u>(9,835)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Earnings on investments	<u>-</u>	<u>171</u>	<u>171</u>
Net cash flows provided by investing activities	<u>-</u>	<u>171</u>	<u>171</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(13,650)	(115,682)	(129,332)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>13,650</u>	<u>573,521</u>	<u>587,171</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ -</u>	<u>\$ 457,839</u>	<u>\$ 457,839</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES			
Operating income (loss)	\$ (26,941)	\$ 64,386	\$ 37,445
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in assets:			
Inventory	4,222	-	4,222
Accounts receivable	177	(69,355)	(69,178)
Increase (decrease) in liabilities:			
Accounts payable	(1,346)	(5,175)	(6,521)
Accrued liabilities	<u>403</u>	<u>(95,874)</u>	<u>(95,471)</u>
Net cash used in operating activities	<u>\$ (23,485)</u>	<u>\$ (106,018)</u>	<u>\$ (129,503)</u>

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.

Local Provider Participation Fund – This fund is used to account for local third-party funding provided for the Texas Medicaid Supplemental and directed payment program and passed through to the Texas Health & Human Services Commission.

GREGG COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
SEPTEMBER 30, 2020

	<u>Tax Assessor- Collector</u>	<u>County Clerk</u>	<u>District Clerk</u>	<u>Sheriff</u>	<u>District Attorney</u>
ASSETS					
Cash and cash equivalents	\$ 3,080,339	\$ 646,038	\$ 2,794,128	\$ 419,531	\$ 161,285
Total assets	<u>\$ 3,080,339</u>	<u>\$ 646,038</u>	<u>\$ 2,794,128</u>	<u>\$ 419,531</u>	<u>\$ 161,285</u>
LIABILITIES					
Due to others	\$ 3,080,339	\$ 646,038	\$ 2,794,128	\$ 419,531	\$ 161,285
Total liabilities	<u>\$ 3,080,339</u>	<u>\$ 646,038</u>	<u>\$ 2,794,128</u>	<u>\$ 419,531</u>	<u>\$ 161,285</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>Local Provider Participation</u>	<u>Totals</u>
\$ 45,879	\$ 251,050	\$ 10,107	\$ 277,527	\$ 2,290,985	\$ 12,709,958	\$ 22,686,827
<u>\$ 45,879</u>	<u>\$ 251,050</u>	<u>\$ 10,107</u>	<u>\$ 277,527</u>	<u>\$ 2,290,985</u>	<u>\$ 12,709,958</u>	<u>\$ 22,686,827</u>
\$ 45,879	\$ 251,050	\$ 10,107	\$ 277,527	\$ 2,290,985	\$ 12,709,958	\$ 22,686,827
<u>\$ 45,879</u>	<u>\$ 251,050</u>	<u>\$ 10,107</u>	<u>\$ 277,527</u>	<u>\$ 2,290,985</u>	<u>\$ 12,709,958</u>	<u>\$ 22,686,827</u>

**GREGG COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - AGENCY FUNDS
SEPTEMBER 30, 2020**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>TAX ASSESSOR-COLLECTOR</u>				
Assets:				
Cash and cash equivalents	\$ 3,024,395	\$ 274,956,831	\$ 274,900,887	\$ 3,080,339
Liabilities:				
Due to others	\$ 3,024,395	\$ 274,956,831	\$ 274,900,887	\$ 3,080,339
<u>COUNTY CLERK</u>				
Assets:				
Cash and cash equivalents	\$ 733,320	\$ 1,729,166	\$ 1,816,448	\$ 646,038
Liabilities:				
Due to others	\$ 733,320	\$ 1,729,166	\$ 1,816,448	\$ 646,038
<u>DISTRICT CLERK</u>				
Assets:				
Cash and cash equivalents	\$ 2,829,606	\$ 2,111,427	\$ 2,146,905	\$ 2,794,128
Liabilities:				
Due to others	\$ 2,829,606	\$ 2,111,427	\$ 2,146,905	\$ 2,794,128
<u>SHERIFF</u>				
Assets:				
Cash and cash equivalents	\$ 385,412	\$ 1,475,857	\$ 1,441,738	\$ 419,531
Liabilities:				
Due to others	\$ 385,412	\$ 1,475,857	\$ 1,441,738	\$ 419,531
<u>DISTRICT ATTORNEY</u>				
Assets:				
Cash and cash equivalents	\$ 170,204	\$ 98,431	\$ 107,350	\$ 161,285
Liabilities:				
Due to others	\$ 170,204	\$ 98,431	\$ 107,350	\$ 161,285

GREGG COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - AGENCY FUNDS
CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>CODE FORFEITURE PENDING</u>				
Assets:				
Cash and cash equivalents	\$ 43,199	\$ 22,440	\$ 19,760	\$ 45,879
Liabilities:				
Due to others	\$ 43,199	\$ 22,440	\$ 19,760	\$ 45,879
<u>STATE FEES</u>				
Assets:				
Cash and cash equivalents	\$ 287,597	\$ 1,105,810	\$ 1,142,357	\$ 251,050
Liabilities:				
Due to others	\$ 287,597	\$ 1,105,810	\$ 1,142,357	\$ 251,050
<u>GREGG / HARRISON FIRST CALL WARNING</u>				
Assets:				
Cash and cash equivalents	\$ 10,107	\$ -	\$ -	\$ 10,107
Liabilities:				
Due to others	\$ 10,107	\$ -	\$ -	\$ 10,107
<u>JUVENILE PROBATION</u>				
Assets:				
Cash and cash equivalents	\$ 292,921	\$ 2,928,845	\$ 2,944,239	\$ 277,527
Liabilities:				
Due to others	\$ 292,921	\$ 2,928,845	\$ 2,944,239	\$ 277,527
<u>ADULT PROBATION</u>				
Assets:				
Cash and cash equivalents	\$ 2,601,622	\$ 7,693,036	\$ 8,003,673	\$ 2,290,985
Liabilities:				
Due to others	\$ 2,601,622	\$ 7,693,036	\$ 8,003,673	\$ 2,290,985
<u>LOCAL PROVIDER PARTICIPATION</u>				
Assets:				
Cash and cash equivalents	\$ 10,597,209	\$ 41,621,386	\$ 39,508,637	\$ 12,709,958
Liabilities:				
Due to others	\$ 10,597,209	\$ 41,621,386	\$ 39,508,637	\$ 12,709,958
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets:				
Cash and cash equivalents	\$ 20,975,592	\$ 333,743,229	\$ 332,031,994	\$ 22,686,827
Liabilities:				
Due to others	\$ 20,975,592	\$ 333,743,229	\$ 332,031,994	\$ 22,686,827

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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			
	2011	2012	2013	2014
Governmental activities:				
Net investment in capital assets	\$ 63,355,158	\$ 59,664,989	\$ 58,814,064	\$ 58,218,734
Restricted for:				
Archive restoration	743,251	813,419	475,923	506,979
Transportation and road improvements	-	4,789,161	5,447,169	7,664,128
Public safety operations	-	606,516	527,863	561,196
Judicial operations	-	131,596	139,605	164,282
Bail bond board operations	-	-	29,439	34,820
Airport operations	-	170,363	197,781	203,040
Court technology and security	-	210,598	239,711	313,465
Records management and preservation	-	702,052	755,926	919,572
Voting and elections	-	35,366	24,643	23,195
Health and human services operations	-	56,341	71,209	29,250
Vehicle inventory tax administration	-	-	-	1,589
Water System Improvements	-	-	-	-
Permanent improvements	-	4,272,310	4,659,594	4,573,899
Unrestricted	<u>66,288,684</u>	<u>62,548,344</u>	<u>61,863,595</u>	<u>63,043,040</u>
Total governmental activities net position	<u>\$ 130,387,093</u>	<u>\$ 134,001,055</u>	<u>\$ 133,246,522</u>	<u>\$ 136,257,189</u>
Business-type activities:				
Net investment in capital assets	\$ -	\$ 313,158	\$ 298,645	\$ 490,770
Unrestricted	<u>-</u>	<u>49,553</u>	<u>(6,125)</u>	<u>(93,857)</u>
Total business-type activities net position	<u>\$ -</u>	<u>\$ 362,711</u>	<u>\$ 292,520</u>	<u>\$ 396,913</u>
Primary government:				
Net investment in capital assets	\$ 63,355,158	\$ 59,978,147	\$ 59,112,709	\$ 58,709,504
Restricted for:				
Archive restoration	743,251	813,419	475,923	506,979
Transportation and road improvements	-	4,789,161	5,447,169	7,664,128
Public safety operations	-	606,516	527,863	561,196
Bail bond board operations	-	-	29,439	34,820
Judicial operations	-	131,596	139,605	164,282
Airport operations	-	170,363	197,781	203,040
Court technology and security	-	210,598	239,711	313,465
Records management and preservation	-	702,052	755,926	919,572
Voting and elections	-	35,366	24,643	23,195
Health and human services operations	-	56,341	71,209	29,250
Vehicle inventory tax administration	-	-	-	1,589
Water System Improvements	-	-	-	-
Permanent improvements	-	4,272,310	4,659,594	4,573,899
Unrestricted	<u>66,288,684</u>	<u>62,597,897</u>	<u>61,857,470</u>	<u>62,949,183</u>
Total primary government net position	<u>\$ 130,387,093</u>	<u>\$ 134,363,766</u>	<u>\$ 133,539,042</u>	<u>\$ 136,654,102</u>

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 63,174,980	\$ 64,504,455	\$ 65,833,674	\$ 64,668,350	\$ 63,600,358	\$ 61,788,769	
549,472	415,018	447,686	252,514	263,928	396,223	
6,608,420	5,488,768	5,567,382	5,316,591	4,326,763	4,210,888	
584,247	467,702	477,648	1,018,044	816,293	769,306	
126,653	110,549	126,704	144,327	139,507	189,141	
36,169	38,600	41,973	44,334	46,313	51,278	
170,363	170,363	170,368	208,385	286,758	270,030	
344,102	345,819	418,139	490,523	563,116	638,603	
932,554	912,570	911,568	921,998	977,970	1,134,622	
25,158	35,722	19,402	30,742	41,013	139,687	
33,771	22,797	26,055	29,940	39,193	40,723	
2,673	11,801	8,224	4,814	5,853	14,411	
-	-	-	-	6,800	-	
4,959,943	3,865,325	3,615,437	3,907,542	3,039,599	3,005,924	
<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>56,553,741</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>	\$ <u>129,203,346</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	
\$ 63,174,980	\$ 64,504,455	\$ 65,833,674	\$ 64,668,350	\$ 63,600,358	\$ 61,788,768	
549,472	415,018	447,686	252,514	263,928	396,223	
6,608,420	5,488,768	5,567,382	5,316,591	4,326,763	4,210,888	
584,247	467,702	477,648	1,018,044	816,293	769,306	
36,169	38,600	41,973	44,334	46,313	51,278	
126,653	110,549	126,704	144,327	139,507	189,141	
170,363	170,363	170,368	208,385	286,758	270,030	
334,102	345,819	418,139	490,523	563,116	638,603	
932,554	912,570	911,568	921,998	977,970	1,134,622	
25,158	35,722	19,402	30,742	41,013	139,687	
33,771	22,797	26,055	29,940	39,193	40,723	
2,673	11,801	8,224	4,814	5,853	14,411	
-	-	-	-	6,800	-	
4,959,943	3,865,325	3,615,437	3,907,542	3,039,599	3,005,924	
<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>56,553,741</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>	\$ <u>129,203,346</u>	

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

	Fiscal Year			
	2011	2012	2013	2014
EXPENSES				
<i>Governmental activities:</i>				
General government	\$ 12,066,388	\$ 11,829,723	\$ 12,874,593	\$ 12,848,089
Judicial	6,926,043	7,263,692	7,604,265	7,554,982
Public safety	14,857,301	15,617,020	15,872,926	16,931,848
Health and human services	3,566,125	2,938,243	2,828,937	2,771,049
Public buildings	2,921,703	3,021,237	3,244,751	3,273,248
Transportation and roads	10,119,148	6,551,074	13,154,752	7,929,120
Interest on long-term debt	12,105	1,250	590	74
Total expenses, governmental activities	<u>50,468,813</u>	<u>47,222,239</u>	<u>55,580,815</u>	<u>51,308,410</u>
<i>Business-type activities:</i>				
Longview community center	-	111,194	148,929	159,406
Total expenses, business-type activities	<u>-</u>	<u>111,194</u>	<u>148,929</u>	<u>159,406</u>
Total expenses, primary government	<u>\$ 50,468,813</u>	<u>\$ 47,333,433</u>	<u>\$ 55,729,744</u>	<u>\$ 51,467,816</u>
PROGRAM REVENUES				
<i>Governmental activities:</i>				
Charges for services:				
General government	\$ 2,867,886	\$ 2,787,306	\$ 2,812,045	\$ 2,825,010
Judicial	1,788,901	1,706,448	1,548,149	1,630,996
Public safety	1,306,073	1,393,005	1,157,352	1,239,998
Health and human services	124,161	196,892	193,902	178,194
Public buildings	3,341,469	2,773,416	2,680,598	2,118,869
Transportation and roads	1,752,571	2,079,088	1,841,454	2,040,208
Operating grants and contributions	1,981,326	1,245,358	1,052,759	1,014,974
Capital grants and contributions	1,263,850	380,331	2,312,910	3,274,049
Total program revenue, governmental activities	<u>14,426,237</u>	<u>12,561,844</u>	<u>13,599,169</u>	<u>14,322,298</u>
<i>Business-type activities:</i>				
Charges for services:				
Longview community center	-	54,936	63,738	50,633
Total program revenue, business-type activities	<u>-</u>	<u>54,936</u>	<u>63,738</u>	<u>50,633</u>
Total program revenue, primary government	<u>\$ 14,426,237</u>	<u>\$ 12,616,780</u>	<u>\$ 13,662,907</u>	<u>\$ 14,372,931</u>
NET (EXPENSE) REVENUE				
Governmental activities	\$(36,042,576)	\$(34,660,395)	\$(41,981,646)	\$(36,986,112)
Business-type activities	<u>-</u>	<u>(56,258)</u>	<u>(85,191)</u>	<u>(108,773)</u>
Total primary government net expense	<u>\$(36,042,576)</u>	<u>\$(34,716,653)</u>	<u>\$(42,066,837)</u>	<u>\$(37,094,885)</u>

Fiscal Year

	2015	2016	2017	2018	2019	2020
\$	12,705,059	\$ 13,609,494	\$ 13,851,975	\$ 13,927,884	\$ 14,797,092	\$ 14,395,419
	7,775,332	8,195,921	8,797,765	8,526,064	8,900,412	8,725,085
	16,649,033	18,879,371	19,802,883	18,729,013	21,021,882	21,221,134
	3,026,687	2,969,427	2,875,016	2,033,655	2,188,647	3,086,783
	3,399,292	3,266,908	3,475,073	3,684,481	3,778,985	3,756,749
	9,132,170	7,449,750	9,063,627	6,665,651	6,642,772	6,253,874
	5,242	7,698	10,115	13,262	10,838	150
	<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>	<u>57,439,194</u>
	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>	<u>57,439,194</u>
\$	2,767,426	\$ 2,752,922	\$ 2,923,510	\$ 3,185,507	\$ 3,112,835	\$ 3,003,846
	1,415,001	1,446,437	1,428,754	1,628,129	1,739,059	1,608,365
	1,177,427	1,880,271	1,423,690	2,213,009	1,785,996	1,381,048
	38,970	39,331	33,871	35,003	41,469	38,428
	1,880,943	2,090,108	1,214,336	1,082,799	1,615,833	1,636,024
	1,920,942	2,176,065	1,999,583	2,070,214	2,292,409	2,102,880
	1,785,205	1,743,595	1,570,400	1,612,051	1,236,127	2,620,918
	4,647,778	3,331,207	3,355,888	573,426	1,059,468	1,639,363
	<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>	<u>14,030,872</u>
	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>	<u>14,030,872</u>
\$	(37,059,123)	\$ (38,918,633)	\$ (43,926,422)	\$ (41,179,872)	\$ (44,457,432)	\$ (43,408,321)
	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>	<u>(43,408,321)</u>

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

	Fiscal Year			
	2011	2012	2013	2014
General revenue and other changes in net position				
<i>Governmental activities</i>				
Property taxes	\$ 21,302,750	\$ 21,177,159	\$ 21,660,737	\$ 21,899,820
Sales taxes	16,912,110	16,902,274	18,981,037	17,854,086
Alcoholic beverage taxes	203,001	189,867	190,613	234,572
Other taxes	77,913	112,333	116,369	91,337
Unrestricted investment earnings	260,974	177,938	137,628	130,130
Gain on sale of assets	-	37,865	98,775	-
Insurance settlement	25,612	-	-	-
Gain on extinguishment of debt	-	-	-	-
Miscellaneous	-	95,890	56,954	-
Transfers	<u>(85,000)</u>	<u>(418,969)</u>	<u>(15,000)</u>	<u>(213,166)</u>
Total governmental activities	<u>38,697,360</u>	<u>38,274,357</u>	<u>41,227,113</u>	<u>39,996,779</u>
<i>Business-type activities</i>				
Unrestricted investment earnings	-	-	-	-
Transfers	<u>-</u>	<u>418,969</u>	<u>15,000</u>	<u>213,166</u>
Total business-type activities	<u>-</u>	<u>418,969</u>	<u>15,000</u>	<u>213,166</u>
Total primary government	<u>38,697,360</u>	<u>38,693,326</u>	<u>41,242,113</u>	<u>40,209,945</u>
Changes in net position				
Governmental activities	2,654,784	3,613,962	(754,533)	3,010,667
Business-type activities	<u>-</u>	<u>362,711</u>	<u>(70,191)</u>	<u>104,393</u>
Total primary government	<u>\$ 2,654,784</u>	<u>\$ 3,976,673</u>	<u>\$(824,724)</u>	<u>\$ 3,115,060</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 22,016,974	\$ 21,975,330	\$ 21,712,637	\$ 21,963,195	\$ 22,412,596	\$ 23,486,627
16,542,149	15,317,566	15,403,190	17,484,152	18,380,283	17,267,702
245,031	256,688	268,852	284,838	314,175	238,313
98,421	103,769	106,430	81,127	92,634	115,333
236,805	578,646	440,265	629,133	2,109,272	1,283,662
87,374	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
21,892	70,160	197,790	141,117	282,213	207,183
396,913	-	-	-	-	-
<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>	<u>42,598,820</u>
-	-	-	-	-	-
(396,913)	-	-	-	-	-
(396,913)	-	-	-	-	-
<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>	<u>42,598,820</u>
2,586,436	(616,474)	(5,797,258)	(596,310)	(866,259)	(809,501)
(396,913)	-	-	-	-	-
<u>\$ 2,189,523</u>	<u>\$ (616,474)</u>	<u>\$ (5,797,258)</u>	<u>\$ (596,310)</u>	<u>\$ (866,259)</u>	<u>\$ (809,501)</u>

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

	Fiscal Year			
	2011	2012	2013	2014
General fund:				
Nonspendable	\$ 41,219	\$ 27,517	\$ 23,827	\$ 7,216
Restricted	770,646	832,926	591,407	583,839
Assigned	29,136	256,442	217,040	450,410
Unassigned	<u>27,494,970</u>	<u>32,672,039</u>	<u>38,422,086</u>	<u>34,676,637</u>
Total general fund	<u>28,335,971</u>	<u>33,788,924</u>	<u>39,254,360</u>	<u>35,718,102</u>
All other governmental funds				
Nonspendable	103,010	112,030	134,282	133,327
Restricted	9,326,086	10,724,171	11,883,420	12,428,031
Committed	2,687,276	1,399,986	4,357,002	4,569,024
Assigned	21,271,834	20,033,666	13,029,616	18,344,340
Unassigned	<u>-</u>	<u>(718)</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>33,388,206</u>	<u>32,269,135</u>	<u>29,404,320</u>	<u>35,474,722</u>
Total governmental funds	<u>\$ 61,724,177</u>	<u>\$ 66,058,059</u>	<u>\$ 68,658,680</u>	<u>\$ 71,192,824</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

2015	2016	2017	2018	2019	2020
\$ 3,260	\$ 7,963	\$ 16,045	\$ 2,701	\$ 25,667	\$ 29,371
629,028	486,486	522,785	330,859	344,832	483,622
598,796	1,470,589	266,892	252,619	295,795	942,001
<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>39,810,869</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>	<u>41,265,863</u>
896,741	1,005,349	1,082,534	929,661	956,563	914,485
11,631,632	9,110,706	8,980,072	9,650,677	7,534,919	7,577,721
4,059,191	4,037,226	4,076,286	4,104,224	3,914,918	4,086,651
17,800,616	19,758,839	18,173,388	14,894,318	11,819,913	13,368,150
-	-	-	-	-	-
<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>25,947,007</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>	<u>\$ 67,212,870</u>

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

	Fiscal Year			
	2011	2012	2013	2014
REVENUES				
Taxes	\$ 38,362,150	\$ 38,594,743	\$ 40,895,686	\$ 40,075,700
Licenses and permits	1,237,844	1,398,039	1,342,638	1,391,051
Intergovernmental	3,731,436	2,061,285	3,755,376	4,716,379
Charges for services	3,774,549	3,713,143	3,754,191	3,675,306
Fines and forfeitures	1,168,021	1,444,602	1,217,869	1,237,949
Investment earnings	251,352	171,354	137,628	128,868
Rents and commissions	1,033,682	3,352,952	3,273,148	2,694,410
Miscellaneous	3,327,129	359,238	255,947	285,407
Total revenues	<u>52,886,163</u>	<u>51,095,356</u>	<u>54,632,483</u>	<u>54,205,070</u>
EXPENDITURES				
General government	9,404,049	9,325,778	10,270,374	10,139,547
Judicial	6,887,259	7,285,879	7,563,512	7,870,174
Public safety	14,585,933	15,429,054	16,140,745	16,782,174
Health and human services	3,630,641	2,944,827	2,816,765	2,779,179
Public buildings	2,082,011	2,130,553	2,214,203	2,220,231
Transportation and roads	10,272,011	4,924,912	11,348,421	6,690,923
Debt service:				
Principal	507,108	6,478	5,619	2,216
Interest	20,810	1,250	590	74
Capital outlay	3,037,040	1,823,401	4,752,119	5,312,160
Total expenditures	<u>50,426,862</u>	<u>43,872,132</u>	<u>55,112,348</u>	<u>51,796,678</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,459,301</u>	<u>7,223,224</u>	<u>(479,865)</u>	<u>2,408,392</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,658,471	569,510	7,232,851	9,447,050
Transfers out	(5,667,406)	(669,510)	(7,247,851)	(9,447,050)
Issuance of capital lease	-	-	-	-
Sale of capital assets	22,255	44,658	108,642	64,243
Sale of right-of-way	-	-	-	-
Insurance recoveries	25,612	95,890	56,954	61,408
Total other financing sources and uses	<u>38,932</u>	<u>40,548</u>	<u>150,596</u>	<u>125,651</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,498,233</u>	<u>\$ 7,263,772</u>	<u>\$(329,269)</u>	<u>\$ 2,534,043</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	1.1%	0.0%	0.0%	0.0%

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 38,883,763	\$ 37,680,522	\$ 37,397,684	\$ 39,832,098	\$ 41,073,738	\$ 41,226,509
1,318,187	1,368,688	1,611,272	1,640,018	1,671,693	1,655,966
6,706,941	6,002,423	5,290,478	2,532,804	2,667,343	4,785,889
3,657,872	3,762,203	3,652,141	3,813,950	3,898,398	3,688,913
1,020,076	1,053,456	908,746	1,855,873	1,396,983	888,576
230,099	566,938	430,102	605,223	2,090,265	1,283,491
2,468,488	2,681,868	1,885,931	1,762,233	2,413,561	2,442,128
288,464	266,969	484,111	626,993	411,416	219,402
<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>	<u>56,190,874</u>
10,242,264	10,732,178	10,156,100	10,547,494	11,006,600	11,007,130
7,996,962	8,189,239	8,304,087	8,511,970	8,611,558	9,109,841
16,404,214	17,735,449	17,792,423	17,872,901	19,256,488	20,642,224
3,035,557	2,942,710	2,769,152	2,018,964	2,128,033	3,058,813
2,283,921	2,068,225	2,061,398	2,253,368	2,251,114	2,298,970
7,120,809	5,337,956	7,011,659	4,812,169	4,511,345	4,512,042
-	390,689	393,659	510,408	513,665	988
-	8,853	9,163	12,285	16,853	150
<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>5,113,552</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>55,743,710</u>
(3,465,944)	(2,027,536)	(5,109,137)	196,758	2,007,775	447,164
11,108,908	4,803,175	3,305,204	2,266,067	1,179,908	4,957,633
(11,202,765)	(4,803,175)	(3,305,204)	(2,266,067)	(1,179,908)	(4,957,633)
390,689	393,063	514,252	512,749	-	161,655
93,991	426,806	420,632	590,000	147,750	46,379
-	-	-	-	-	-
<u>21,892</u>	<u>70,160</u>	<u>172,319</u>	<u>19,289</u>	<u>83,196</u>	<u>-</u>
<u>412,715</u>	<u>890,029</u>	<u>1,107,203</u>	<u>1,122,038</u>	<u>230,946</u>	<u>208,034</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>	<u>\$ 655,198</u>
0.0%	0.8%	0.8%	1.1%	1.1%	0.0%

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
2020	\$ 5,132,654,033	\$ 1,894,740,795	\$ 2,383,523,983	\$ 1,304,389,295	\$ 10,715,308,106	0.2625	\$ 9,326,166,678	87.04%
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%

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>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>	<u>2020</u>
Direct rates:										
Gregg County general rate	0.2597	0.2572	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>
Total direct debt	<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>	<u>0.2625</u>
Overlapping debt:										
City rates:										
Clarksville City	0.4886	0.4196	0.4501	0.4501	0.5999	0.7399	0.6442	0.6135	0.5713	0.6475
East Mountain	0.1000	0.1000	0.1000	0.1200	0.1200	0.1400	0.1334	0.2500	0.1401	0.1401
Easton	0.0794	0.0913	0.2500	0.2500	0.2500	0.2500	0.2500	0.1334	0.2500	0.2500
Gladewater	0.6426	0.6426	0.6445	0.6414	0.6563	0.7499	0.7500	0.7500	0.7500	0.7516
Kilgore	0.3900	0.4000	0.4200	0.4500	0.4731	0.5057	0.5390	0.5390	0.5390	0.5390
Lakeport	0.5915	0.6023	0.6275	0.6145	0.5820	0.5820	0.5799	0.5799	0.5799	0.5785
Longview	0.5009	0.5009	0.5009	0.5099	0.5099	0.5099	0.5099	0.5099	0.5589	0.5589
Warren City	0.5000	0.2500	0.2500	0.2500	0.2500	0.2500	0.2403	0.2500	0.2500	0.2500
White Oak	0.5200	0.5200	0.5201	0.5317	0.5469	0.5868	0.5863	0.5863	0.6024	0.6024
School districts:										
Gladewater ISD	1.1700	1.1700	1.1700	1.4900	1.5650	1.5650	1.5650	1.5650	1.4634	1.4497
Kilgore ISD	1.3092	1.3092	1.3092	1.3092	1.3092	1.3092	1.3092	1.3092	1.2392	1.2256
Longview ISD	1.5130	1.5130	1.5130	1.5130	1.5130	1.5130	1.5130	1.5130	1.4430	1.4394
Pine Tree ISD	1.5110	1.5110	1.5500	1.5550	1.5550	1.5550	1.5550	1.5250	1.4233	1.3997
Sabine ISD	1.0400	1.0400	1.2928	1.2730	1.3014	1.3014	1.3014	1.3014	1.2314	1.2278
Spring Hill ISD	1.5400	1.6700	1.6700	1.6700	1.6700	1.6700	1.6700	1.6700	1.5683	1.5532
White Oak ISD	1.2439	1.2333	1.2432	1.2460	1.2360	1.2475	1.5030	1.4493	1.3665	1.3324
Special district rates:										
Gregg Co. ESD #1	0.0983	0.0983	0.0983	0.0983	0.0983	0.9829	0.0983	0.0983	0.0983	0.0983
Gregg Co. ESD #2					0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Gregg Co. ESD #3									0.1000	0.0999
Kilgore Junior College	<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>	<u>0.1750</u>
Total direct and overlapping rates	<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>	<u>14.6815</u>

Source: Gregg County Appraisal District

GREGG COUNTY, TEXAS

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

Taxpayer	2020			2011		
	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.	\$ 157,822,450	1	1.47%	\$ 94,322,820	3	0.99%
Komatsu Mining Corp	89,587,100	2	0.84%			
Wal-Mart / Sam's	71,016,530	3	0.66%	81,242,410	4	0.85%
Longview Medical Center/Longview Regional Hospital/Texas HCP Holding	65,065,850	4	0.61%	56,523,270	7	0.59%
Halliburton Co./Halliburton Energy	52,588,480	5	0.49%	162,210,510	1	1.70%
Health/Hospital/North Park	50,058,830	6	0.47%			0.00%
Trinity Industries Inc/Trinity Tank Car	47,830,940	7	0.45%			
Dollar General	45,471,850	8	0.42%			
Orgill, Inc	43,951,445	9	0.41%			
Sysco Food Services of East Texas	42,940,770	10	0.40%			
Letourneau Inc				146,699,215	2	1.54%
Trican (Liberty Pressure Pump)				73,187,820	5	0.77%
BJ Services/BJ coiltech/BJ Dynacoil XTO Energy				64,521,490	6	0.68%
Well Services Division of STC				51,634,720	8	0.54%
Southern Plastics				42,704,960	9	0.45%
JW Power Co/JW Manufacturing				41,261,280	10	0.43%
Total	\$ 666,334,245		6.22%	\$ 814,308,495		7.11%

Source: Gregg County Appraisal District

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

Fiscal Year	Tax Levy for Fiscal Year	Collected Within Fiscal Year of Levy		Adjustments to Levy in Subsequent Years	Total Adj. Levy	Collections in Subsequent Years	Total Collections to Date		Delinquent Taxes 09/30/19	Delinquent Taxes to Total Adj. Levy
		Levy Collected	Percent of Original Levy				Total Collections To Date	Percent of Adjusted Levy		
2020	24,005,405	23,574,886	98.21%	(5,740)	23,999,665	-	23,574,886	98.23%	424,779	1.77%
2019	22,783,600	22,401,181	98.32%	61,342	22,844,942	227,626	22,628,807	99.05%	216,135	0.95%
2018	22,252,567	21,904,972	98.44%	18,342	22,270,909	201,185	22,106,157	99.26%	164,752	0.74%
2017	21,970,434	21,583,173	98.24%	(56,619)	21,913,815	230,373	21,813,546	99.54%	100,270	0.46%
2016	22,328,401	21,950,095	98.31%	(70,287)	22,258,114	220,298	22,170,393	99.61%	87,720	0.39%
2015	22,365,509	22,035,855	98.53%	(61,913)	22,303,596	196,803	22,232,658	99.68%	70,938	0.32%
2014	22,067,295	21,783,376	98.71%	(67,811)	21,999,484	162,723	21,946,099	99.76%	53,385	0.24%
2013	22,022,808	21,567,906	97.93%	(143,779)	21,879,029	259,100	21,827,006	99.76%	52,023	0.24%
2012	21,541,094	21,294,083	98.85%	49,975	21,591,069	251,114	21,545,197	99.79%	45,871	0.21%
2011	21,259,861	21,016,555	98.86%	44,849	21,304,710	242,508	21,259,063	99.79%	45,647	0.21%

- (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 GOVERNMENT REVENUE BY SOURCE

Fiscal Year	Taxes	Licenses and Permits	Inter- Governmental	Charges for Services	Fines and Forfeitures	Investment Earnings	Rents and Commissions	Miscellaneous	Totals
2020	\$ 41,226,507	\$ 1,655,966	\$ 4,785,889	\$ 3,688,910	\$ 888,577	\$ 1,283,491	\$ 2,442,127	\$ 219,416	\$ 56,190,883
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

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

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

Fiscal Year	General Obligation Bonds	Capital Leases	Notes Payable	Available in Debt Service Fund	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
2020	\$ -	\$ 1,344	\$ -	\$ -	\$ 1,344	*	*
2019	-	2,332	-	-	2,332	0.00%	0.02
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

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

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

* Personal income and per capita income data unavailable

GREGG COUNTY, TEXAS
Table 3.2 RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

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, 2020

Government Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Direct Debt:			
Gregg County	\$ 2,332	100.00%	\$ 2,332
Total Direct Debt	<u>2,332</u>		<u>2,332</u>
Overlapping Debt:			
Clarksville City, City of	2,556,133	99.97%	2,555,366
Gladewater, City of	315,162	61.51%	193,856
Kilgore, City of	11,921,558	87.48%	10,428,979
Kilgore Independent School District	43,670,502	73.12%	31,931,871
Lakeport, City of	133,813	100.00%	133,813
Longview, City of	136,331,600	94.41%	128,710,664
Gladewater Independent School District	31,708,461	51.32%	16,272,782
Longview Independent School District	196,272,691	100.00%	196,272,691
Pine Tree Independent School District	52,773,101	100.00%	52,773,101
Sabine Independent School District	18,149,278	100.00%	18,149,278
Spring Hill Independent School District	41,038,163	100.00%	41,038,163
White Oak Independent School District	<u>22,313,780</u>	100.00%	<u>22,313,780</u>
Total Overlapping Debt	<u>557,184,242</u>		<u>520,774,344</u>
 Total Direct and Overlapping Debt	 <u>\$ 557,186,574</u>		 <u>\$ 520,776,676</u>

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

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

	Fiscal Year			
	2011	2012	2013	2014
Debt Limit	\$ 2,068,576,145	\$ 2,132,856,856	\$ 2,137,867,790	\$ 2,167,091,354
Total net debt applicable to limit	-	-	-	-
Legal Debt Margin	<u>\$ 2,068,576,145</u>	<u>\$ 2,132,856,856</u>	<u>\$ 2,137,867,790</u>	<u>\$ 2,167,091,354</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 2,467,145,007	\$ 2,436,104,030	\$ 2,466,026,474	\$ 2,507,381,185	\$ 2,652,595,827	\$ 2,678,827,027
-	-	-	-	-	-
<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>	<u>\$ 2,678,827,027</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
2020	*	*	*	9.2%
2019	123,945	\$ 5,838,955	\$ 47,109	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%

Sources: Texas Workforce Commission
Bureau of Economic Analysis

* Data unavailable

GREGG COUNTY, TEXAS
Table 4.2 PRINCIPAL EMPLOYERS
CURRENT YEAR

Employer	2020	
	Employees	Percentage of Total County Employees
Christus Good Shepherd Health System	2,530	2.5%
Eastman Chemical	1,518	1.5%
Longview ISD	1,263	1.2%
Longview Regional Medical Center	1,150	1.1%
Trinity Rail, LLC	960	0.9%
Walmart	930	0.9%
City of Longview	858	0.8%
Dollar General	698	0.7%
Pine Tree ISD	694	0.7%
Komatsu	600	0.6%
Total	<u>11,201</u>	<u>10.9%</u>

Source: Longview Economic Development Corporation

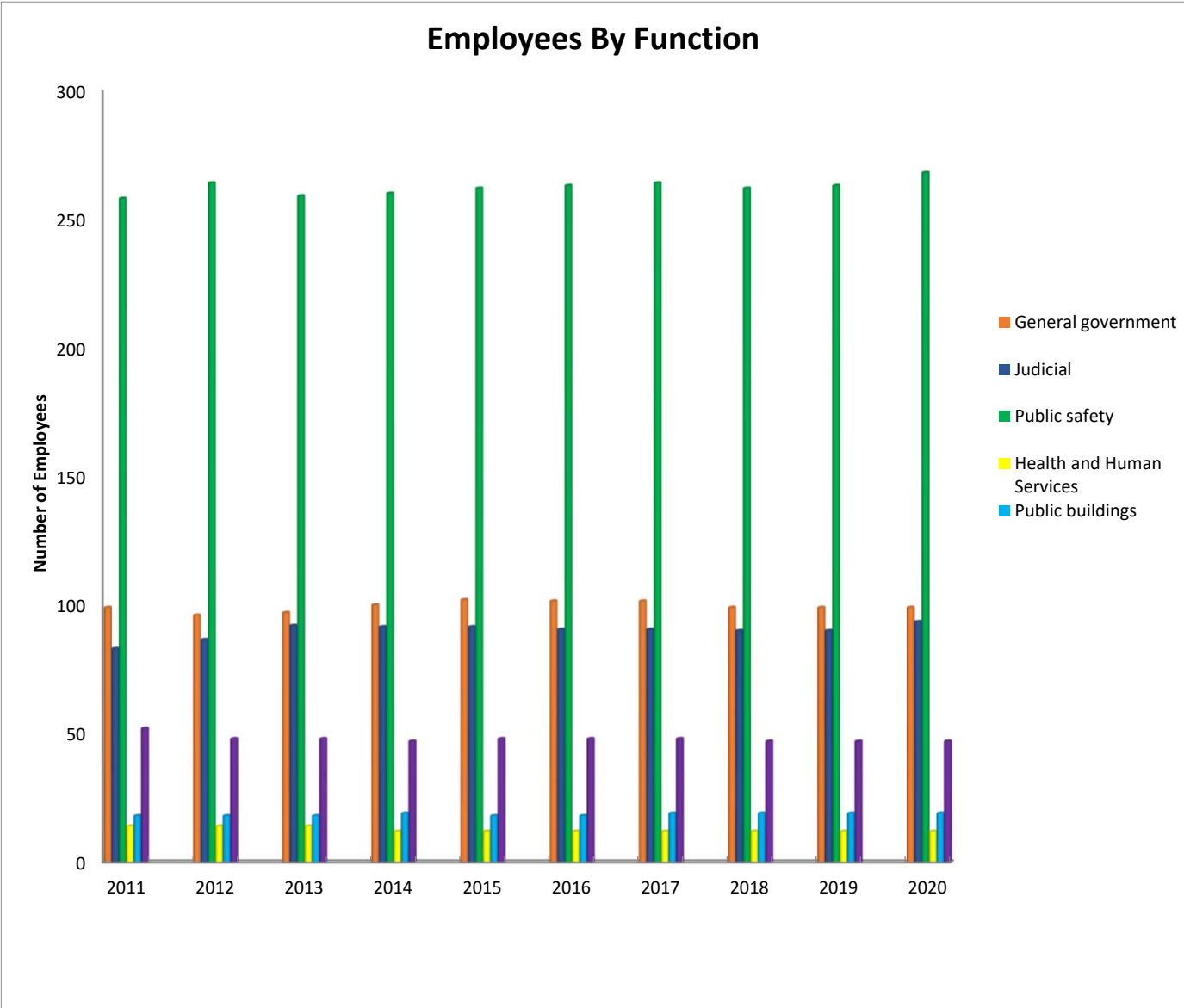
Notes: Percentage of total County employment is based on County employment of 66,905.

* Information for 9 years prior was not available.

GREGG COUNTY, TEXAS
Table 5.1 COUNTY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	99	96	97	100	102	102	102	99	99	99
Judicial	83	87	92	92	92	91	91	90	90	94
Public safety	258	264	259	260	262	263	264	262	263	268
Health and Human Services	14	14	14	12	12	12	12	12	12	12
Public buildings	18	18	18	19	18	18	19	19	19	19
Transportation and roads	<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>	<u>47</u>
Totals	<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>	<u>539</u>

Source: Gregg County Budget



GREGG COUNTY, TEXAS
Table 5.2 OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
County Finance										
Accounts Payable Checks Processed	7,845	8,409	8,789	8,493	8,365	8,592	8,652	8,786	8,466	7,967
Tax Office (1)										
Motor vehicle registrations	129,604	133,481	133,761	134,302	131,334	129,890	128,866	130,036	131,713	126,567
Motor vehicle titles issued	45,622	49,178	49,411	48,757	47,843	45,630	45,020	49,307	49,024	44,760
Elections Office										
Registered Voters	64,458	66,464	65,680	66,146	65,678	68,833	67,696	69,321	69,316	73,272
Number of Elections Held	5	11	10	11	6	10	4	9	8	3
Judicial										
District Court level										
Civil & Family cases filed	3,319	3,064	3,417	3,297	3,091	3,253	3,004	2,788	2,711	2,634
Criminal cases filed	1,304	1,266	1,389	1,519	1,266	1,368	1,233	1,326	1,665	1,764
County Court level										
Probate/Mental Health cases filed	591	629	525	516	542	627	621	556	549	546
Statutory County Court level (2)										
Civil cases filed	1,181	1,174	1,180	1,117	1,195	1,108	1,083	1,173	1,324	1,202
Criminal cases filed	4,328	4,005	4,129	3,684	3,541	3,300	3,250	3,671	3,868	3,616
Law Enforcement/Corrections (3)										
Jail facilities										
Jail Book-ins	10,556	10,696	10,282	9,419	9,098	9,171	9,150	9,550	9,862	5,335
Law Enforcement										
Warrants executed	4,462	4,340	5,770	4,496	4,461	4,469	4,225	5,377	4,849	2,038
Civil process served	4,585	4,165	3,523	4,629	4,314	4,780	3,218	2,879	2,885	1,832
Health & Human Services										
Patients seen by Doctor	841	757	646	477	603	586	617	479	518	354
Patients seen by Nurse	2,501	2,848	2,354	2,032	2,433	2,676	2,764	2,436	2,161	2,162
Immunizations (# of shots)	11,158	7,504	5,440	5,254	5,077	4,962	4,374	4,120	5,367	4,007
Welfare Applicants	1,444	1,377	1,004	820	1,274	1,235	1,291	1,124	1,419	2,058
Transportation & Roads										
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, 2020

FUNCTION/PROGRAM	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Vehicles	6	6	10	9	10	9	9	9	10	10
Judicial										
Vehicles	3	3	4	5	6	5	5	5	3	3
Video/sound system	2	2	2	2	2	2	2	2	2	2
Law enforcement/corrections										
Vehicles	91	93	99	88	97	98	106	109	103	106
Transportation and roads										
Road and bridge vehicles	34	36	29	31	32	33	31	34	32	35
Road and bridge equipment	113	116	111	111	109	112	118	117	116	121
Public buildings										
Vehicles	4	4	4	4	3	4	3	4	4	4
Health and human services										
Vehicles	2	2	2	2	2	2	2	2	3	2

Source: Gregg County depreciation schedules

GREGG COUNTY, TEXAS
Table 5.4 SCHEDULE OF INSURANCE
SEPTEMBER 30, 2020

Insuring Company	Type of Coverage	Policy From	Policy To	Summary of Coverage	Liability Limits
Texas Association of Counties Risk Management Pool	Property	10/01/19	10/01/20	Buildings Valuable Papers Flood - Special Hazard Zones Equipment Breakdown Crime	\$ 93,390,701 2,500,000 2,500,000 100,000,000 500,000
Texas Association of Counties Risk Management Pool	Auto Liability	10/01/19	10/01/20	Bodily Injury - Each Person Bodily injury- Each Accident Property Damage - Each Accident Comprehensive Collision	100,000 300,000 100,000 Actual cash value or cost of repair (lessor of) Actual cash value or cost of repair (lessor of)
Texas Association of Counties Risk Management Pool	General Liability	10/01/19	10/01/20	Bodily Injury and Property Damage Crisis Management Employee Benefits Liability - Per Claim Garage Keepers Legal Liability	1,000,000 100,000 1,000,000 50,000
Tac Risk Management Pool	Public Officials Liability	10/01/19	10/01/20	Aggregate	2,000,000
JamisonPro	State Judges Professional Liability	01/01/20	01/01/21	Damages / Claims Exp.	1,000,000
Tac Risk Management Pool	Law Enforcement Liability	10/01/19	10/01/20	Aggregate	2,000,000
Landmark American Insurance Agent: Rooker Downing & Booth	Gregg Co. Jail/Medical Services	12/15/19	12/15/20	Aggregate	3,000,000
Admiral Insurance Company Agent: Rooker Downing & Booth	Health Department	10/01/19	10/01/20	Aggregate	1,000,000
Old Republic Insurance Company Agent: Rooker Downing & Booth	East Texas Regional Airport	10/01/19	10/01/20	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	08/04/20	08/04/21	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, 2020, and the related notes to the financial statements, which collectively comprise County’s basic financial statements, and have issued our report thereon dated March 16, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (internal control) as a basis for designing 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 the 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 the 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 16, 2021





**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, 2020. 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, 2020.

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 16, 2021

GREGG COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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
<u>U.S. Department of Justice</u>				
Direct Programs:				
FY 2019 Task Force Agmt	Drug Enforcement Administration Overtime Grant	16.001	\$ 18,649	-
T328226	ATF Task Force	16.U01	11,117	-
2020-VD-BX-1395	Coronavirus Emergency Supplemental Funding (CESF) Program	16.034	57,630	-
Total Direct Programs			87,396	-
Passed Through the Texas Office of the Governor- Criminal Justice Division:				
2929704	Crime Victim Assistance	16.575	49,093	-
2019-WF-AX-0022	Violence Against Women Formula Grant	16.588	62,907	-
2020-WF-AX-0022	Violence Against Women Formula Grant	16.588	11,546	-
2019-AP-BX-0808	SCAAP Program FY19	16.606	42,386	-
2019-AP-BX-0808	SCAAP Program FY20	16.606	41,946	-
4168401	Coronavirus Emergency Supplemental Funding (CESF) Program	16.034	102,114	-
Total Passed Through the Texas Office of Governor- Criminal Justice Division			309,992	-
Total U.S. Department of Justice			397,388	-
<u>U.S. Department of Transportation</u>				
Direct Programs:				
3-48-0137-045-2018	Airport Improvement Program	20.106	1,639,363	-
3-48-0137-049-2020	COVID-19 FAA CARES Act Airport Grant	20.106	191,136	-
Total Direct Programs			1,830,499	-
Total U.S. Department of Transportation			1,830,499	-
<u>U.S. Department of Health & Human Services</u>				
Passed through the Texas Department of State Health Services				
HHS000119700013	Immunization Branch - Locals	93.268	170,496	-
Total Passed through the Texas Department of State Health Services			170,496	-
Passed through the Texas Department of Family and Protective Services:				
HHS000285000029	Child Welfare Board	93.658	20,080	-
HHS000285100019	Legal Services Title IV-E	93.658	24,259	-
Total Passed through the Texas Department of Family & Protective Services:			44,339	-
Total Passed Through the U.S. Department of Health & Human Services:			214,835	-

GREGG COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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
<u>U.S. Department of Homeland Security:</u>				
Direct Programs:				
HSTS0216HSLR854	Law Enforcement Officer Reimbursement Agreement Program	97.09	21,960	-
	Total Direct Programs		21,960	-
	Total U.S. Department of Homeland Security		21,960	-
<u>U.S. Election Assistance Commission:</u>				
Direct Programs:				
TX20101CARES-092	2020 Help America Vote Act CARES Act	90.404	128,711	-
	Total Direct Programs		128,711	-
	Total U.S. Department of the Treasury		128,711	-
<u>U.S. Department of the Treasury:</u>				
Passed through Texas Division of Emergency Management				
2020-CF-21019	Coronavirus Relief Fund	21.019	702,326	-
	Total Direct Programs		702,326	-
	Total U.S. Department of the Treasury		702,326	-
	Total Federal Awards		<u>\$ 3,295,719</u>	<u>-</u>

GREGG COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SEPTEMBER 30, 2020

1. GENERAL

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

2. BASIS OF ACCOUNTING

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

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, 2020**

Section I - Summary of Auditor's Results

Summary of Auditor's Results

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

CFDA Number: 20.106	Name of Federal Program: Airport Improvement Program
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Dollar threshold used to distinguish between type A and type B programs	<u>\$ 750,000</u>
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Auditee qualified as a low-risk auditee?	<u>X</u> Yes ___ No
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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