

# Annual Comprehensive Financial Report



Camp County Courthouse  
Photo by [www.co.camp.tx.us](http://www.co.camp.tx.us)

East Texas Council of Governments

Fiscal Year Ended  
September 30, 2021



**east Texas  
council of  
governments**

The logo consists of the text "east Texas council of governments" in a bold, black, sans-serif font. The words are arranged in four lines: "east Texas" on the top line, "council of" on the second line, "governments" on the third line, and "of" on the fourth line. The word "of" is positioned between "council" and "governments". Three stylized trees, represented by green triangles with horizontal black stripes, are integrated into the design. One tree is positioned above the letter 'T' in "Texas", another is above the letter 'o' in "of", and a third is above the letter 'n' in "governments".

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

of the

**EAST TEXAS COUNCIL OF GOVERNMENTS**

**KILGORE, TEXAS**

For the Year Ended  
September 30, 2021

Division of Operations  
Wendi Horst, Director

Financial  
Services:

Sloane Bodle  
Rhonda Barber  
Christy Green  
Staci Reynolds  
DeAnn Jordan  
Glenda Lamothe  
Elizabeth Jones

Inventory, Monitoring,  
Procurement & Contracts:

Gini Blackwell  
Noweka Harvey  
Christy Fowler  
Rita Hitt  
Michaela Marotta  
Patricia Hudspeth  
Kim Zimmerman



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**EAST TEXAS COUNCIL OF GOVERNMENTS**

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## **INTRODUCTORY SECTION**



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3800 STONE ROAD, KILGORE, TEXAS 75662 ·  
Office 903/218-6400 · FAX 903/983-1440

SERVING A FOURTEEN COUNTY REGION

March 31, 2022

The Honorable Judge AJ Mason, Camp County  
and Members of the Executive Committee  
East Texas Council of Governments  
3800 Stone Road, Kilgore, TX 75662

Dear Judge Mason, Members of the Board of Directors & Executive Committee:

The Annual Comprehensive Financial Report of The East Texas Council of Governments (ETCOG, the Council) for the fiscal year ended September 30, 2021 is hereby submitted in accordance with Article XI of the Council's bylaws. The Council is responsible for the establishment and maintenance of internal accounting controls to ensure assets are safeguarded and financial transactions are properly recorded and adequately documented. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements.

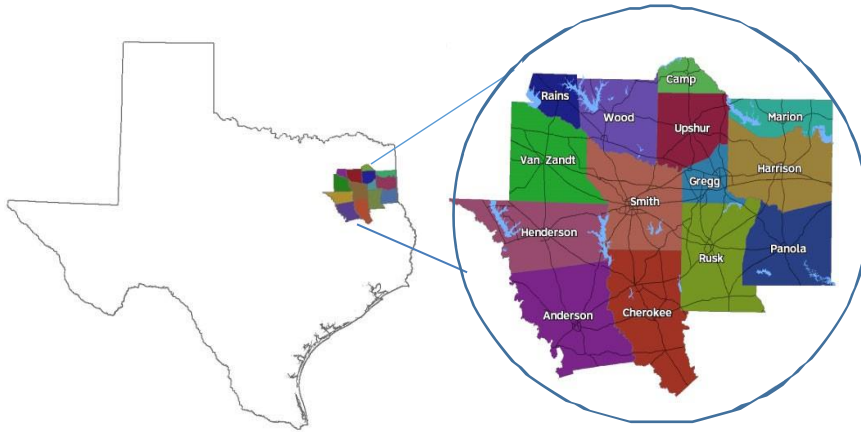
To the best of our knowledge and belief the enclosed data, as presented, is accurate in all material respects and properly reflects the financial position and the results of operations of the Council through the measurement of financial activity of its various funds. Furthermore, all disclosures have been made to enable the reader to acquire a reasonable understanding of the Council's financial operations for the reporting period.

The audit meets the requirements of the federal Single Audit Act of 1984, the Single Audit Act Amendments of 1996, the Code of Federal Regulations CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State of Texas Uniform Grant Management Standards.

Pattillo, Brown, & Hill, LLP, a firm of licensed certified public accountants, have issued an unmodified ("clean") opinion on the Council's financial statements for the year ended September 30, 2021. The auditors' report on the financial statements is included in the financial section of this report and the auditor's report related specifically to the single audit is included in the Single Audit Section of this report. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## PROFILE OF THE EAST TEXAS COUNCIL OF GOVERNMENTS

In June 1970, a regional planning commission known as the East Texas Council of Governments (ETCOG) was created under authority of State Law now re-codified as Local Government Code, Chapter 391. The Council is a voluntary membership organization of local governments in a 14-county region of East Texas. The organization is one of 24 regional councils in Texas. Local governments created ETCOG to develop a systematic method of evaluating and addressing common concerns which affect several governmental jurisdictions. Cooperative efforts to resolve regional issues such as unemployment, water and air pollution, crime, emergency communication services, drainage and flooding, transportation, care of the elderly and waste disposal have received collective action through ETCOG. The Council continues to be dedicated to improving the quality of life of the citizens of the region through cooperative efforts to enhance the physical, social, and economic environment. ETCOG is governed by a Board of 137 delegates from member local governments. The Board of Directors is comprised of locally elected officials, members representing county governments, cities, school districts and soil and water conservation districts. The Board of Directors and its Executive Committee, which is elected by and derived from the Board of Directors; determines policy while the Executive Director and Council staff under his direction, is responsible for carrying out that policy. ETCOG's Executive Committee meets monthly to provide specific guidance to the Council. During 2021, ETCOG's membership was comprised of the 14 county governments, 76 cities, 44 school districts, 9 special purpose districts, and 2 river authorities, including all major general-purpose local governments in the region. According to the 2021 estimates from the Texas State Data Center, these member governments represented approximately 879,636 citizens and covered an area of approximately 10,022 square miles. Below is a graphic representation of the ETCOG region and its location in the state of Texas.



### VISION STATEMENT

We are a trustworthy organization committed to providing leadership, education, and financial resources to our 14-county region.

### MISSION STATEMENT

In order to improve the Quality of Life for all of our Citizens, ETCOG pledges all of its resources to educate and assist its members to accomplish their goals.

## **FACTORS AFFECTING FINANCIAL CONDITION**

ETCOG's financial condition relies more heavily on internal financial controls to ensure compliance with applicable federal and state laws and regulations thus avoiding disallowed (non-reimbursable costs), while managing resources to maximize government's value to the citizens it serves. The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the East Texas Council of Governments operates.

## **ECONOMIC OUTLOOK AND CONDITIONS**

The East Texas Council of Governments serves the growing 14-county East Texas planning region which includes the counties of Anderson, Camp, Cherokee, Gregg, Harrison, Henderson, Marion, Panola, Rains, Rusk, Smith, Upshur, Van Zandt, and Wood. The area is well positioned for economic growth and makes an excellent environment for the Council to operate. Businesses are interested in relocating to East Texas because of the low cost of doing business and the diversity of its economic base. Membership in ETCOG is open to all cities, counties, school districts, and other political subdivisions of the state located within the 14-county East Texas region.

The COVID-19 pandemic led to a significant economic downturn, but the East Texas economy continues to recover and has improved significantly over the last year. As cases and hospitalizations have trended downward, vaccination rates have risen, and restrictions have eased, job gains have been particularly strong in sectors such as transportation, professional and business services, and retail trade. Growth will likely be significant in the next few years as the recovery continues. In Longview, the Gap warehouse will create more than 500 full-time jobs by the end of 2023 and will grow to more than 1,000 full-time jobs over the next five years. UT Tyler's medical school is set to be built in 2023, Tyler business owners expect this to have a positive impact on the local economy.

According to the economic research and analysis of the Perryman Group based out of Waco Texas, even though improvement is expected, the effects of the pandemic and efforts to slow its spread will impact progress for the next few years. Supply chain issues will dampen performance in the near term. While production has increased for many products, some manufacturers are still unable to obtain needed inputs. Labor shortages are also constraining growth in some industries and areas. Both short-term and long-term factors are affecting supplies of workers, and hiring challenges are expected to remain an issue, however it is anticipated that the current challenges will be addressed over the next few years. Solutions will likely involve a variety of shifts ranging from higher pay and greater levels of immigration to greater use of technology and automation. The Texas economy will likely outpace growth in most parts of the nation in the next five years, with the outlook for long-term growth being positive despite substantial challenges.

## **MAJOR INITIATIVES**

### **Purchasing Cooperative**

ETCOG is proud to announce the launch of COGWORKS, a new purchasing cooperative to assist local governments and agencies in reducing product and service purchase costs. COGWORKS satisfies bid law requirements for formal competitive bid processes exceeding a \$50,000 procurement threshold on behalf of participating members and, in doing so, enables members to meet purchasing needs from multi-award discount bids. The main goal through COGWORKS is to ensure direct cost savings by increasing estimated quantity sales and expenditures to participating vendors who, in turn, may offer products and services at competitive discount pricing. ETCOG will release two bid opportunities for vendors to offer discount bids to kick off the program launch soon after fifty percent or more of our members join COGWORKS for free!

### **Rural Transportation**

ETCOG's rural transportation system, GoBus is a rural, demand response public transit system that provided 109,421 trips in FY 2021 to ETCOG's 10,000 square mile 14-county region providing access to jobs, medical appointments, social services, shopping and more. This program is state and federally funded through the Texas Department of Transportation (TXDOT) and matched in part by the Area Agency on Aging.

In May 2021, ETCOG's public transit system, GoBus, began transporting vaccination supplies and staff members to five counties in our region. GoBus partnered with the Northeast Texas Public Health District (NET Health) to transport COVID-19 vaccines and trained medical staff to rural areas of East Texas to reach communities affected by the coronavirus. The staff offered transport six days each week to Van Zandt, Anderson, Henderson, Rains, and Wood counties from the NET Health headquarters in Tyler and returned staff each evening. By doing this, NET Health medical professionals provided vital information, protective gear, and vaccinations to the vulnerable populations of these rural communities.

### **Area Agency on Aging in East Texas**

ETCOG's Area Agency on Aging (AAA) Division provides services such as nutrition services, benefits counseling, caregiver in-home and institutional services, caregiver support, case management and advocacy, evidence-based programs, information referral and assistance, ombudsman, residential repair, and transportation services for the elderly.

The AAA received a total of \$2,695,330 in COVID-19 Families First Coronavirus Response Act and CARES Act to provide additional funding of \$1,895,378 for the senior nutrition program and \$799,952 for additional services to seniors for Ombudsman, Case Management and Benefits Counseling programs. Overall, the AAA served a total of 19,515 congregate site and 464,992 home delivered meals. Other operating indicators for FY-2021 are as follows: Information & Referral 7,133; Care Coordination 2,495; Caregiver Support Coordination 2,209; Caregiver Information Services 1,259; Transportation 16,431; Homemaker and Personal Assistance 7,430; Nutrition Education 1,044; Emergency Response 617; Caregiver Respite in Home and Respite Institutional 15,714; and HICAP assistance and outreach 1,099.

### **Regional Workforce and Economic Development**

ETCOG's Workforce Solutions East Texas (WSET) Staff operates under the guidance of the Workforce Solutions East Texas Board (WSETB) and the CEO Board. The Division focuses on promoting active economic development with a premier workforce, attracting, and supporting the growth of business and industry.

ETCOG was awarded \$13,253,558 to provide extra help to the service industry by providing 12 months of free childcare to low-income parents employed in the service industry. ETCOG has an existing childcare subsidy program designed to assist low-wage workers in paying for the cost of childcare. The Service Industry Recovery (SIR) program will use federal COVID-relief funds to provide an extra boost to workers in the service industry. The industries targeted include low wage workers in the arts, entertainment, and recreation industry, as well as accommodations, food services, and retail trade. These industries were among the most substantially harmed by the pandemic.

A \$200,000 grant for future excellence in innovation was awarded during the recent 24th annual Texas Workforce Conference in Houston. These funds will allow the board to create permanent programs, building upon some best innovative practices initiated and implemented during the COVID-19 pandemic. WSET's award was received for a new program launched in 2020 entitled Rural, Set, Go!, which kicked off a series of rural economic development forums to seek input from local employers, businesses, and community members on rural economic and workforce development issues. This grant award will allow WSET to expand Rural, Set, Go! to further engage community and business leaders and the broader community in candid conversations about the factors that influence their local workforce and economic development needs, particularly in-demand skills as identified by employers.

### **FINANCIAL PLANNING AND POLICIES**

The Council has adopted a comprehensive set of financial policies which include Budgetary Control, Internal Control Structure, Investment Policy and Risk Management. In addition, the Council's bylaws and internal policies provide parameters for budget and finance, as well as define standards of ethical conduct.

The Board of Directors approves a region-wide financial plan for revenues and expenditures each year at its September meeting. This annual budget which includes both restricted and unrestricted revenue sources, serves as the foundation of the Council's financial planning and control. Financial plans for the Special Revenue Funds (restricted) are established in accordance with the grant awards received, often spanning more than one year. Appropriations for all projects in the Special Revenue Funds lapse at the end of a contract period, which may not coincide with the fiscal year end of the Council. Control of the financial plan is maintained at the fund and project level with management authorized to make transfers of budgeted amounts between object class levels within a fund or project, within restrictions imposed by grantor agencies.

Financial policies are codified in ETCOG’s “Financial Management Guide” (FMG) that is updated periodically to reflect changes in financial management guidelines issued from time-to-time by each of our funding agencies. The Texas Workforce “Financial Manual for Grants”; the Texas Administrative Code- “Area Agency on Aging Requirements”; “Uniform Grant Management Standards”; 2 CFR 200 (“Uniform Guidance”, formerly OMB Circulars A-87 and A-133), are examples of rules and regulations that drive the development and content of our FMG.

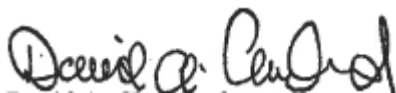
## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the East Texas Council of Governments for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. This was the twenty-first consecutive year that the Council has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

This report could not have been accomplished without the skill, effort, and dedication of the entire ETCOG team. Sincere appreciation is extended to the Council’s independent auditors, Pattillo, Brown, & Hill, LLP, whose expertise greatly assisted in the completion of this report. Finally, I want to thank the members of the ETCOG Executive Committee for their unfailing support for maintaining the highest standards of professionalism in planning and conducting the Council’s financial operations.

Respectfully submitted,



David A. Cleveland,  
Executive Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**East Texas Council of  
Governments**

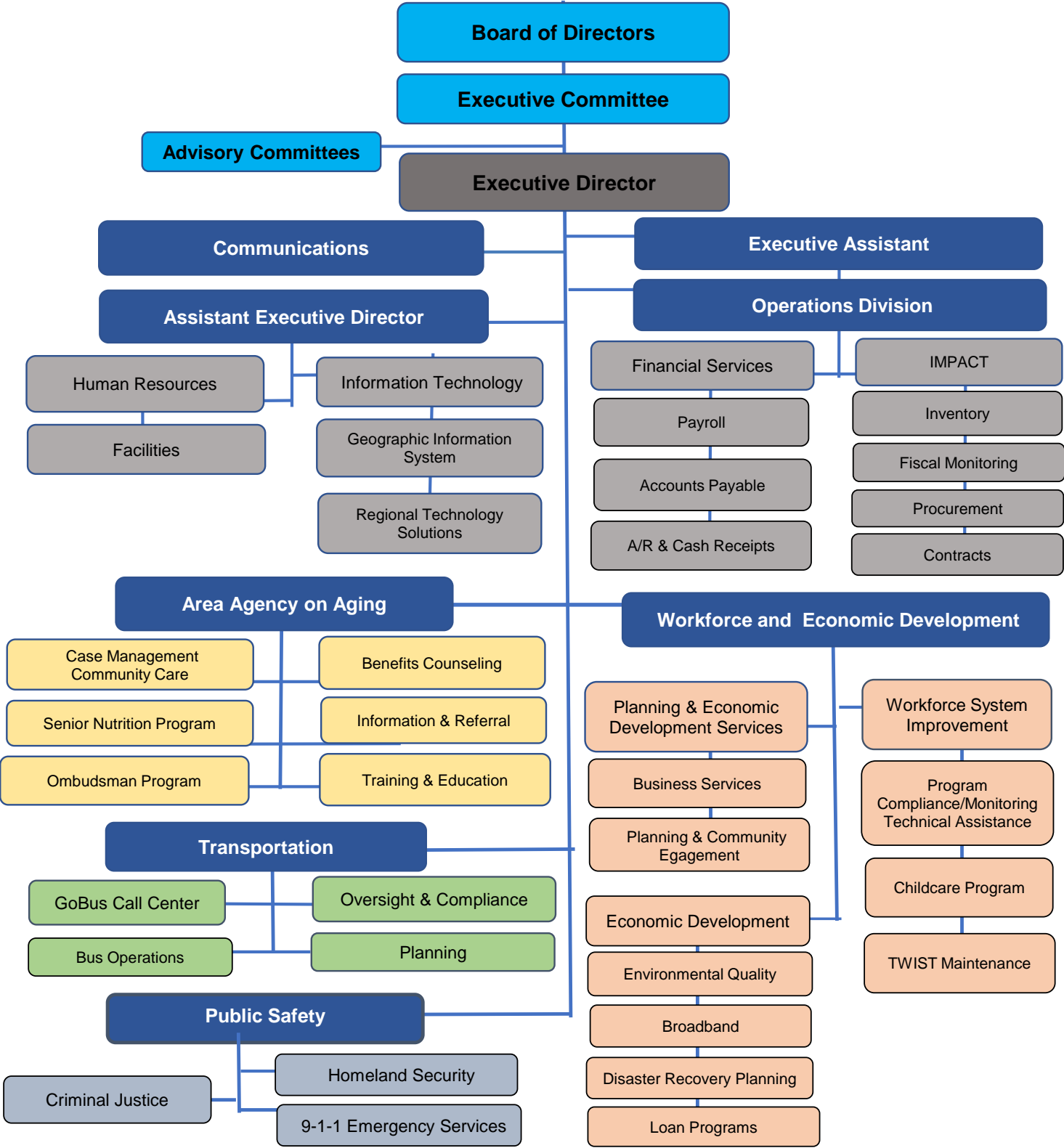
For its Annual Comprehensive Financial  
Report  
for the Fiscal Year Ended

**September 30, 2020**

*Christopher P. Morill*

Executive Director/CEO

# EAST TEXAS COUNCIL OF GOVERNMENTS ORGANIZATIONAL CHART 2022





**EAST TEXAS COUNCIL OF GOVERNMENTS**

**Principal Officials**

**Officers of the Executive Committee**

**2021-2022**

Judge A.J. Mason

Chairman

Camp County

Councilman Bob Tardiff

1st Vice Chair

City of Lindale

Commissioner William Hatfield

2nd Vice Chair

Harrison County

Mayor Ben Middlebrooks

3rd Vice Chair

City of Rusk

Commissioner JoAnn Hampton

Secretary – Treasurer

Smith County

**ADMINISTRATIVE STAFF**

Executive Director

David A. Cleveland

Assistant Executive Director

Brandy Brannon

Director of Public Safety

Stephanie Heffner

Director of Operations

Wendi Horst

Director of Transportation

Vince Huerta

Director of Information Technology

Mike Kader

Interim Director of Area Agency on Aging

Beverly Brown

Director of Workforce & Economic Development

Douglas Shryock

Director of Communications

Lindsay Vanderbilt

# EAST TEXAS COUNCIL OF GOVERNMENTS

## Member Governments

### COUNTIES:

Anderson	Henderson	Smith
Camp	Marion	Upshur
Cherokee	Panola	Van Zandt
Gregg	Rains	Wood
Harrison	Rusk	

### CITIES:

Alba	Grand Saline	Pittsburg
Alto	Gun Barrel City	Point
Arp	Hallsville	Quitman
Athens	Hawkins	Reklaw
Beckville	Henderson	Rusk
Berryville	Hideaway	Scottsville
Big Sandy	Jacksonville	Seven Points
Brownsboro	Jefferson	Star Harbor
Bullard	Kilgore	Tatum
Canton	Lakeport	Tool
Carthage	Lindale	Town of Enchanted Oaks
Chandler	Log Cabin	Troup
Clarksville	Longview	Tyler
Coffee	Mabank	Union Grove
East Mountain	Malakoff	Van
East Tawakoni	Marshall	Warren City
Easton	Mineola	Waskom
Edgewood	Mt. Enterprise	Wells
Edom	Murchison	White Oak
Elkhart	New London	Whitehouse
Emory	New Summerfield	Wills Point
Eustace	Noonday	Winnsboro
Frankston	Ore City	Winona
Gallatin	Overton	Yantis
Gilmer	Palestine	
Gladewater	Payne Springs	

# EAST TEXAS COUNCIL OF GOVERNMENTS

## Member Governments

### **INDEPENDENT SCHOOL DISTRICTS:**

Alba Golden ISD  
Athens ISD  
Beckville ISD  
Big Sandy ISD  
Brownsboro ISD  
Carlisle ISD  
Carthage ISD  
Cayuga ISD  
Crossroads ISD  
Frankston ISD  
Gilmer ISD  
Grand Saline ISD  
Hallsville ISD  
Harleton ISD  
Harmony ISD

Hawkins ISD  
Henderson ISD  
Kemp ISD  
Kilgore ISD  
Laneville ISD  
LaPoyner ISD  
Leveretts Chapel ISD  
Longview ISD  
Malakoff ISD  
Miller Grove ISD  
Mt. Enterprise ISD  
Neches ISD  
New Diana ISD  
Ore City ISD  
Overton ISD

Palestine ISD  
Pittsburg ISD  
Quitman ISD  
Rains ISD  
Sabine ISD  
Slocum ISD  
Tatum ISD  
Trinidad ISD  
Waskom ISD  
Wells ISD  
West Wood ISD  
White Oak ISD  
Winona ISD  
Yantis ISD



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## **FINANCIAL SECTION**



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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
East Texas Council of Governments  
Kilgore, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and each major fund of East Texas Council of Governments, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise East Texas Council of Governments' 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, and each major fund of East Texas Council of Governments, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston  
NEW MEXICO | Albuquerque

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 Council's basic financial statements. The introductory section, the Supplemental Schedules as listed in the table of contents, 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 and State Awards is also presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State of Texas Uniform Grant Management Standards* and is also not a required part of the basic financial statements.

The Supplemental Schedules and the Schedule of Expenditures of Federal and State 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 Supplemental Schedules and the Schedule of Expenditures of Federal and State 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 it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2022, on our consideration of East Texas Council of Governments' 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 East Texas Council of Governments' internal control over financial reporting and compliance.

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

Waco, Texas  
March 25, 2022



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the East Texas Council of Governments (the Council), we offer readers of the Council's financial statements this narrative overview and analysis of the financial activities of the Council for the fiscal year ended September 30, 2021. Readers are encouraged to consider the information presented here in conjunction with additional information that has been furnished in the letter of transmittal.

### FINANCIAL HIGHLIGHTS

- The assets of the Council exceeded its liabilities as of September 30, 2021, by \$8,874,590 (net position). Of this amount, \$2,882,170 (unrestricted net position) may be used to meet the Council's ongoing obligations.
- The Council's total net position increased overall by a total of \$2,729,682 primarily due to increased federal and state grant revenues related to purchases of capital assets. Program revenues increased \$4,015,216 and general revenues decreased by \$254,424.
- As of the close of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$4,008,875, an increase of \$233,377 in comparison with the prior year. Of the total fund balance, approximately 72% is restricted or assigned to specific purposes, and 28% is available for spending at the Council's discretion (unassigned).
- As of September 30, 2021, the fund balance for the General Fund was \$1,154,649, a decrease of \$95,693 from prior year. This decrease was primarily attributable to the purchase of land using existing resources.
- The Council's total outstanding long-term debt decreased by \$82,589 during the current fiscal year mainly due to the Council not issuing new debt.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information to furnish in additional detail to support 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 Council's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the Council'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 Council is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related *cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated absences). The government-wide financial statements can be found on pages 11 through 13 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 Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**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 government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance are accompanied by reconciliation to the government-wide financial statements in order to facilitate comparison between governmental funds and governmental activities.

The Council maintains two governmental funds: the General Fund and one special revenue fund, the Grant Fund. 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 and Grant funds.

The Council’s Board approves a financial plan for revenue and expenditures in all funds. Although the financial plans are reviewed and approved by the Council’s Board, they are not considered legally adopted annual budgets or appropriations. Accordingly, comparative budget and actual results are not presented in this report.

The basic governmental fund financial statements can be found on pages 14 through 17 of this report.

**Notes to the Financial Statements** - The notes provide additional information that is essential to acquire 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 18 through 27 of this report.

**Other Information** - In addition to the basic financial statements and accompanying notes, this report also presents other schedules that further support the information in the financial statements. The other schedules can be found on pages 28 and 29 of this report.

**GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS**

As noted earlier, net position over time may serve as a useful indicator of a government’s financial position. In the case of the Council's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$8,874,590 for the period ending September 30, 2021.

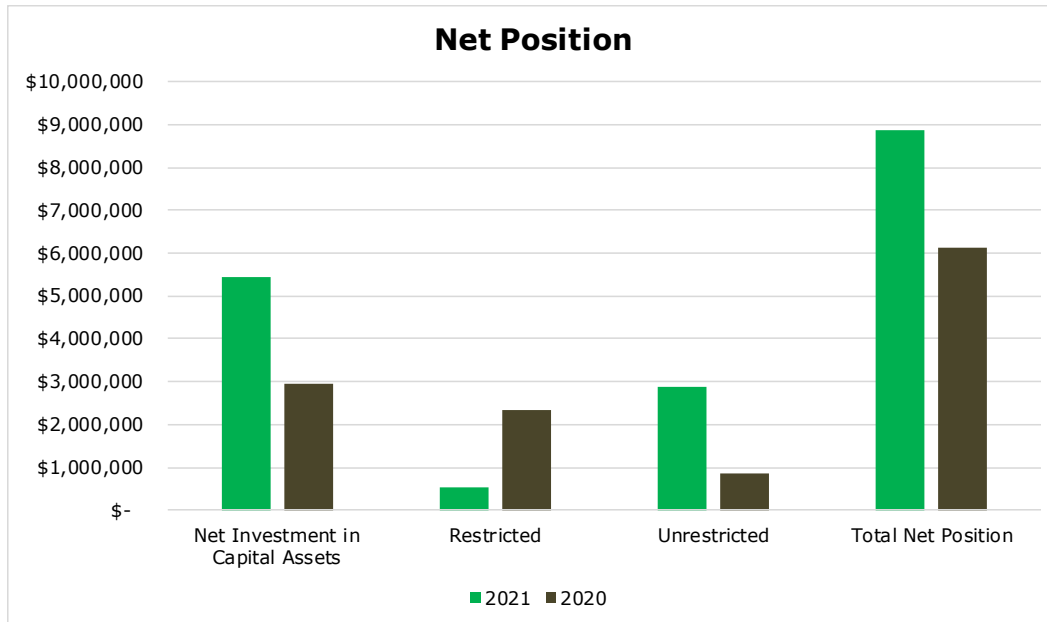
At the end of the 2021 fiscal year, net position for the Council was \$8,874,590 as compared to \$6,144,908 in 2020. The largest portion of the Council’s net position \$5,446,268 (61%) reflects its investments in capital assets (e.g., land, buildings, vehicles, and equipment), net of any related debt. However, the Council does not carry any capital-related debt. The Council uses these assets to provide a variety of services to its citizens; for example, during the current fiscal year eight additional GoBus vehicles were purchased to provide reliable transportation services to the community. Accordingly, these assets are not available for future spending.

**East Texas Council of Government’s Net Position**

	Governmental Activities	
	2021	2020
Current and other assets	\$ 11,051,410	\$ 10,983,779
Capital assets	5,446,268	2,960,934
Total assets	16,497,678	13,944,713
Current liabilities	7,043,240	7,137,368
Noncurrent liabilities	579,848	662,437
Total liabilities	7,623,088	7,799,805
Net position:		
Net investment in capital assets	5,446,268	2,960,934
Restricted	546,152	2,336,577
Unrestricted	2,882,170	847,397
Total net position	\$ 8,874,590	\$ 6,144,908

- Current assets and liabilities both decreased compared to the prior year. This is mainly due to differences in the timing of billings and advances to the Council’s subrecipients.
- Capital assets increased significantly due to the Council’s 911 grant program; in the current year, a much greater portion of the funding was used for capital asset purchases to facilitate future expansion and improvement of 911 infrastructure.
- An additional portion of the Council’s net position \$546,152 (6%) represents resources that are subject to external restrictions on how they may be used. Most of the restricted net position consists of grant funds.
- The remaining balance of net position totaling \$2,882,170 (32%) is considered unrestricted and may be used to meet the Council’s ongoing obligations to creditors and for service implementation.

At the end of the current fiscal year, the Council is able to report positive balances in all reported categories of net position, both for the government as a whole and its separate governmental activities. The same situation held true for the prior fiscal year.



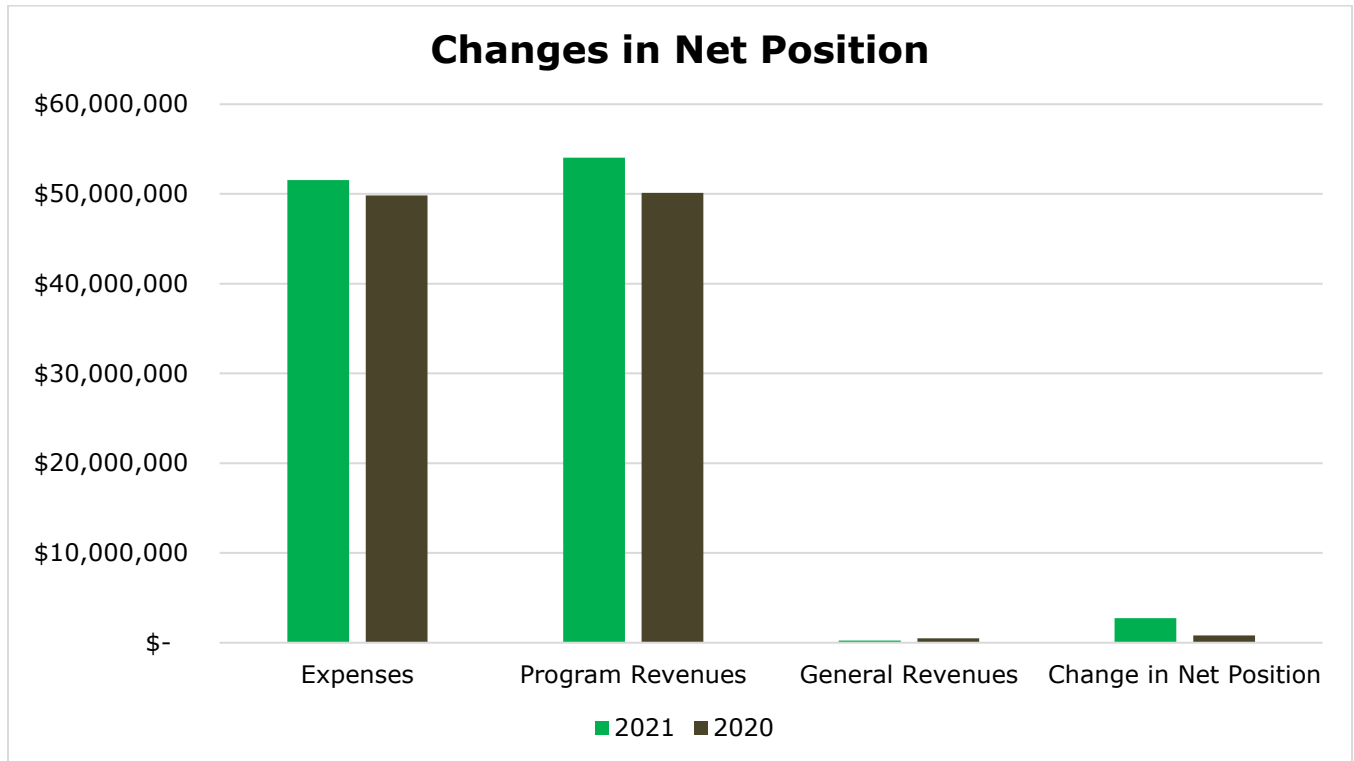
### East Texas Council of Governments' Changes in Net Position

The following table provides a summary of the Council's operations for the year ended September 30, 2021 compared to 2020. The Council's revenue increased by \$3,660,261 and the overall expenses increased by \$1,728,275, ending the fiscal year with an overall increase in net position of \$2,729,682.

	<b>Governmental Activities</b>	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 336,324	\$ 387,652
Operating grants and contributions	53,715,706	49,749,693
General revenues:		
Membership dues	190,276	189,927
Unrestricted investment earnings	5,657	36,953
Miscellaneous	<u>41,725</u>	<u>265,202</u>
Total revenues	<u>\$ 54,289,688</u>	<u>\$ 50,629,427</u>
Expenses:		
General government	\$ 249,768	\$ 713,496
Workforce development	36,995,329	36,814,572
Aging	5,568,690	4,947,448
Emergency communications	1,530,317	1,658,318
Transportation	5,754,804	5,069,520
Environmental quality	443,311	199,574
Homeland security	187,727	54,103
Criminal justice	344,074	258,832
Housing and urban development	309	9,812
Economic development	<u>485,677</u>	<u>106,056</u>
Total expenses	<u>\$ 51,560,006</u>	<u>\$ 49,831,731</u>
Change in net position	2,729,682	797,696
Net position, beginning	<u>6,144,908</u>	<u>5,347,212</u>
Net position, ending	<u>\$ 8,874,590</u>	<u>\$ 6,144,908</u>

Revenues increased \$3,660,261 from the prior year due to several factors. Primarily, the Council received an increase of \$3,966,013 in federal and state funding. The majority of this increase is related to the influx of COVID-19 related funding and an increase in funding related to childcare services and educational programs. Local membership dues, the Council’s primary unrestricted revenue source, remained constant compared to prior years and approximated \$200,000.

Expenses of governmental activities grew by 3% in the current year, increasing from \$49,831,731 in the prior year to \$51,560,006 in the current year. Since the Council operates primarily from federal and state grants, grant funding closely parallel increases and decreases in grant expenditures for services. As previously mentioned, the significant increases can be attributed to additional expenses for childcare services and federal aid provided to assist the community recover from the COVID-19 pandemic.



## FINANCIAL ANALYSIS OF THE COUNCIL'S FUNDS

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. As noted previously, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements imposed by grantors in particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance that has not yet been limited to use for a particular purpose. As previously noted, the Council operates primarily from federal and state grants and therefore increases in expenses, closely parallel increases in grant funding.

As of September 30, 2021, the Council's governmental funds reported combined fund balances of \$4,008,875, an increase of \$233,377 in comparison with the prior year. Of this amount \$1,122,165 or 28% constitutes unassigned fund balance, which is available for spending at the Council's discretion. The remainder of the fund balance is either nonspendable or restricted.

**General Fund.** The General Fund is the primary operating fund for the Council and is available for use at the Council's discretion. The fund balance at the end of the fiscal year was \$1,154,649, a decrease of \$95,693 or 8% from prior year fund balance. Revenue in the General Fund comes from membership dues, interest income on idle ETCOG (local) cash/investments and other and vehicle usage fees collected. These funds are essentially unrestricted but are used from time to time to help support programs and provide local matching to grant funds. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,122,165, while total fund balance decreased to \$1,154,649. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 48% of total General Fund expenditures, while total fund balance represents 47% of that same amount. The decrease in fund balance resulted from the purchase of land for approximately \$255,000. Revenues and expenditures were otherwise flat compared to the prior year; the General Fund's activity primarily consists of administrative costs and membership dues revenue, which are not expected to significantly fluctuate from year to year.

**Grant Fund.** As previously noted, the Council operates primarily from federal and state grants and therefore, grant funding closely parallel increases and decreases in grant expenditures for services. The Council's primary areas of grant funding include the following:

- *Area Agency on Aging* – The overall Aging program revenue increased by \$789,524 or 16% from the prior year and program expenditures increased \$621,242 or 13%. The COVID pandemic greatly increased the demand for services such as congregate and in-home meals, and additional funding from the CARES act made these services available.
- *Workforce Development* – Workforce program revenues increased by \$155,444 or 0.42% from the prior year and expenditures increased by \$180,757 overall or 0.49% from the prior year. The majority of the Council's Workforce funding relates to providing child care, as well as funding technical assistance and training. These functions experienced significant funding increases in the prior year and continued their increased levels this year.
- *Emergency Communications* – Funding increased by approximately \$1.6 million, primarily for planned capital improvements to 911 infrastructure. Fluctuations in funding for this program will occur on a three-to-five-year rotation based on the need for capital improvements.
- *Transportation* – Overall, Transportation program revenues increased by \$614,866 or 11% from the prior year and expenditures increased by \$685,284 or 14% compared to prior year. The increase is primarily due to capital equipment, as well as a return to normal levels of demand for services following business closures in 2020 from the COVID-19 pandemic.

Other functions include environmental quality, economic development, and criminal justice funding. The primary change to revenues and expenditures for the current year related to increased EDA funding. The funding was issued in response to the COVID-19 pandemic.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets** - The Council’s investment in capital assets for its governmental activities as of September 30, 2021, amounts to \$5,446,268 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles and equipment.

**East Texas Council of Governments’ Capital Assets at Year-end**

	Governmental Activities	
	2021	2020
Land	\$ 417,091	\$ 161,879
Buildings	2,626,920	2,546,209
Vehicles and Equipment	10,457,939	7,387,624
Less: accumulated depreciation	<u>( 8,055,682)</u>	<u>( 7,134,778)</u>
Total capital assets	<u>\$ 5,446,268</u>	<u>\$ 2,960,934</u>

Significant transactions related to capital assets for the year include the following:

- The purchase of land, discussed previously, for \$255,712.
- The 911 program upgraded its Vesta equipment for approximately \$2.1 million.
- The Transportation program used federal funds to make planned expansions to its bus fleet, costing approximately \$975,000.

Additional information on the Council’s capital assets can be found in Note 6 to the financial statements.

**Long-term Debt** - At the end of the current fiscal year, the Council had total long-term liabilities outstanding of \$579,848.

	Beginning Balances	Increases	(Decreases)	Ending Balances	Amount Due in One Year
Governmental Activities:					
Loans payable	\$ 345,339	\$ -	\$( 79,815)	\$ 265,524	\$ 208,941
Compensated absences	<u>317,098</u>	<u>311,196</u>	<u>( 313,970)</u>	<u>314,324</u>	<u>278,870</u>
Total	<u>\$ 662,437</u>	<u>\$ 311,196</u>	<u>\$( 393,785)</u>	<u>\$ 579,848</u>	<u>\$ 487,811</u>

This long-term debt is related to the following factors:

- Loans payable liability in the Community Loan Center program to assist employees of enrolled employers as an alternative to high-cost payday loans.
- Compensated absences liability that is payable to employees and will primarily be liquidated by the Grant Fund.

Additional information on the Council’s long-term debt can be found in Note 7 to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S ANNUAL FINANCIAL PLAN**

East Texas has seen a massive impact on our economy from COVID-19 and we will spearhead our efforts to assist the community recover from this economic shock and to become more resistant to events such as this in the future. The Council is dependent on federal, state and local funding which can vary widely from year to year. Due to the pandemic, 2021 has seen major increases in federal aid funding in senior programs, economic programs, workforce programs and transportation to assist the people and governments of our region. This additional federal aid is expected to continue in 2022 with approved funding for EDA's CARES Act Recovery Assistance to assist our communities and to develop a disaster recovery and resiliency economic development plan, focused on pandemic recovery and resiliency. The plan will recommend alternative fact and science-based strategies for elected and public health official consideration, that serve the dual purpose of protecting public health and the health of the State and regional economy. The financial plan of the Council is drafted on a project basis that spans more than one fiscal year. Although the financial plan is reviewed and approved by the Council's Board, it is not a legally adopted budget. Accordingly, budgetary information is not presented in this report.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Council's finances. An electronic version of this report may be viewed at [ETCOG.org](http://ETCOG.org). Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Council's Director of Operations Division at 3800 Stone Rd, Kilgore, TX 75662 or [Wendi.Horst@etcog.org](mailto:Wendi.Horst@etcog.org).



## **BASIC FINANCIAL STATEMENTS**



**east Texas  
council of  
governments**

**EAST TEXAS COUNCIL OF GOVERNMENTS**

STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

	<u>Primary Government</u>	<u>Component Unit</u>
	Governmental Activities	East Texas Regional Development Company
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,876,712	\$ 172,255
Receivables:		
Grantors	6,329,940	-
Other	285,312	-
Notes and loans receivable	331,645	-
Due from component unit	195,317	-
Prepaid items	32,484	-
Capital assets - nondepreciable	417,091	-
Capital assets - depreciable, net of accumulated depreciation	<u>5,029,177</u>	<u>-</u>
Total assets	<u>16,497,678</u>	<u>172,255</u>
<b>LIABILITIES</b>		
Accounts payable	4,001,387	135
Due to primary government	-	195,317
Accrued liabilities	351,774	-
Unearned revenue	2,690,079	-
Noncurrent liabilities:		
Due within one year	487,811	-
Due in more than one year	<u>92,037</u>	<u>-</u>
Total liabilities	<u>7,623,088</u>	<u>195,452</u>
<b>NET POSITION</b>		
Net investment in capital assets	5,446,268	-
Restricted for:		
Federal and state grants	383,725	-
Community loan center	162,427	-
Unrestricted	<u>2,882,170</u>	<u>( 23,197)</u>
Total net position	<u>\$ 8,874,590</u>	<u>\$ ( 23,197)</u>

**EAST TEXAS COUNCIL OF GOVERNMENTS**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Functions / Programs	Expenses	Indirect Cost Allocation	Expenses After Allocation of Indirect Costs
Governmental activities:			
General government	\$ 236,378	\$ 13,390	\$ 249,768
Workforce development	36,585,703	409,626	36,995,329
Aging	5,297,300	271,390	5,568,690
Emergency communications	1,398,660	131,657	1,530,317
Transportation	5,292,396	462,408	5,754,804
Environmental quality	433,068	10,243	443,311
Homeland security	178,388	9,339	187,727
Criminal justice	334,294	9,780	344,074
Economic development	453,342	32,335	485,677
Housing and urban development	232	77	309
Indirect costs	<u>1,350,245</u>	<u>( 1,350,245)</u>	<u>-</u>
Total governmental activities	<u>51,560,006</u>	<u>-</u>	<u>51,560,006</u>
Component Unit:			
East Texas Regional Development Company	<u>81,945</u>	<u>-</u>	<u>81,945</u>
Total component unit	<u>81,945</u>	<u>-</u>	<u>81,945</u>
Total	<u>\$ 51,641,951</u>	<u>\$ -</u>	<u>\$ 51,641,951</u>

General revenues:  
    Membership dues  
    Unrestricted investment earnings  
    Miscellaneous  
        Total general revenues  
        Change in net position  
Net position, beginning  
Net position, ending

Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Primary Government	Component Unit
Charges for Services	Operating Grants and Contributions	Governmental Activities	East Texas Regional Development Company
\$ 59,964	\$ -	\$ ( 189,804)	\$ -
16,507	36,890,611	( 88,211)	-
7,187	5,595,080	33,577	-
-	3,638,689	2,108,372	-
146,270	6,205,119	596,585	-
-	444,167	856	-
-	214,674	26,947	-
-	344,077	3	-
106,396	382,971	3,690	-
-	318	9	-
-	-	-	-
<u>336,324</u>	<u>53,715,706</u>	<u>2,492,024</u>	<u>-</u>
<u>100,531</u>	<u>-</u>	<u>-</u>	<u>18,586</u>
<u>100,531</u>	<u>-</u>	<u>-</u>	<u>18,586</u>
<u>\$ 436,855</u>	<u>\$ 53,715,706</u>	<u>\$ 2,492,024</u>	<u>\$ 18,586</u>
		190,276	-
		5,657	120
		<u>41,725</u>	<u>-</u>
		<u>237,658</u>	<u>120</u>
		2,729,682	18,706
		<u>6,144,908</u>	<u>( 41,903)</u>
		<u>\$ 8,874,590</u>	<u>\$ ( 23,197)</u>

**EAST TEXAS COUNCIL OF GOVERNMENTS**

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2021

	General	<u>Special Revenue</u> Grant	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,322,654	\$ 2,554,058	\$ 3,876,712
Accounts Receivable:			
Grantors	-	6,329,940	6,329,940
Customer accounts and other	34,737	250,575	285,312
Notes and loans receivable	-	331,645	331,645
Due from other funds	103,229	-	103,229
Due from component unit	195,317	-	195,317
Prepaid items	<u>32,484</u>	<u>-</u>	<u>32,484</u>
Total assets	<u>1,688,421</u>	<u>9,466,218</u>	<u>11,154,639</u>
<b>LIABILITIES</b>			
Accounts payable	182,703	3,818,684	4,001,387
Accrued liabilities	351,069	-	351,069
Due to other funds	-	103,229	103,229
Unearned revenue	<u>-</u>	<u>2,690,079</u>	<u>2,690,079</u>
Total liabilities	<u>533,772</u>	<u>6,611,992</u>	<u>7,145,764</u>
<b>FUND BALANCE</b>			
Nonspendable - prepaid items	32,484	-	32,484
Restricted for:			
Federal and state grants	-	383,725	383,725
Community loan center	-	162,427	162,427
Assigned for:			
Service delivery	-	85,526	85,526
Economic development	-	700,261	700,261
Transportation	-	1,522,287	1,522,287
Unassigned	<u>1,122,165</u>	<u>-</u>	<u>1,122,165</u>
Total fund balances	<u>1,154,649</u>	<u>2,854,226</u>	<u>4,008,875</u>
Total liabilities and fund balances	\$ <u>1,688,421</u>	\$ <u>9,466,218</u>	\$ <u>11,154,639</u>

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

**EAST TEXAS COUNCIL OF GOVERNMENTS**

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

SEPTEMBER 30, 2021

Total fund balances - governmental funds balance sheet	\$ 4,008,875
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Land	417,091
Building	2,626,920
Furniture, fixtures and equipment	10,457,939
Less: accumulated depreciation	( 8,055,682)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Notes payable	( 265,524)
Compensated absences	( 314,324)
Accrued interest payable	( <u>705</u> )
Net position of governmental activities	\$ <u>8,874,590</u>

**EAST TEXAS COUNCIL OF GOVERNMENTS**

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Special Revenue</u>		Total
	General	Grant	Governmental Funds
<b>REVENUES</b>			
Grants - intergovernmental	\$ -	\$ 53,086,873	\$ 53,086,873
Matching funds	-	566,289	566,289
Program income	51,964	318,072	370,036
Membership dues	190,276	-	190,276
Investment earnings	5,651	20,883	26,534
Other	<u>8,385</u>	<u>33,340</u>	<u>41,725</u>
Total revenues	<u>256,276</u>	<u>54,025,457</u>	<u>54,281,733</u>
<b>EXPENDITURES</b>			
Current:			
General government	168,598	15,767	184,365
Workforce development	-	36,925,150	36,925,150
Aging	-	5,603,530	5,603,530
Emergency communications	-	3,638,688	3,638,688
Transportation	-	5,862,927	5,862,927
Environmental quality	-	443,311	443,311
Homeland security	-	187,727	187,727
Economic development	-	476,367	476,367
Criminal justice	-	344,074	344,074
Housing and urban development	-	309	309
Debt Service:			
Principal	-	79,815	79,815
Interest	-	9,180	9,180
Capital outlay	<u>371,781</u>	<u>-</u>	<u>371,781</u>
Total expenditures	<u>540,379</u>	<u>53,586,845</u>	<u>54,127,224</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 284,103)	438,612	154,509
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	8,000	-	8,000
Insurance recoveries	-	70,868	70,868
Transfers in	180,410	-	180,410
Transfers out	<u>-</u>	<u>( 180,410)</u>	<u>( 180,410)</u>
Total other financing sources and uses	<u>188,410</u>	<u>( 109,542)</u>	<u>78,868</u>
<b>NET CHANGE IN FUND BALANCES</b>	( 95,693)	329,070	233,377
<b>FUND BALANCES, BEGINNING</b>	<u>1,250,342</u>	<u>2,525,156</u>	<u>3,775,498</u>
<b>FUND BALANCES, ENDING</b>	\$ <u>1,154,649</u>	\$ <u>2,854,226</u>	\$ <u>4,008,875</u>

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



**EAST TEXAS COUNCIL OF GOVERNMENTS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Net change in fund balances - total governmental funds:	\$ 233,377
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	3,617,049
Depreciation expense	( 1,131,715)
Principal payments on long-term debt provides current financial resources to governmental funds, but does not have any effect on net position.	79,815
Revenues that do not provide current available financial resources are deferred in the funds, however, they are recognized in the Statement of Activities.	( 70,913)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	2,774
Accrued interest payable	( 705)
Change in net position of governmental activities	\$ <u>2,729,682</u>



**east Texas  
council of  
governments**

# EAST TEXAS COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the East Texas Council of Governments (the Council) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following represents the significant accounting policies and practices used by the Council.

#### **Reporting Entity**

The Council is a political subdivision of the State of Texas and a voluntary association of local governments within the 14-county East Texas region. The Council was established in 1970 to study and resolve area-wide problems through the cooperation and coordinated action of member cities, counties, school districts and special purpose districts of the East Texas region. Membership in the Council is voluntary. Any county, city, or special purpose district within the East Texas region may become a member of the independent association by passing a resolution to join the Council and paying annual dues. Each member government is entitled to have voting representation on the Board of Directors, which is the Council's governing body.

The Council's basic financial statements include the accounts of all the Council operations. The criteria for including organizations within the Council's reporting entity, is set forth by the GASB. The blended component unit, although a legally separate entity, is, in substance, part of the primary government's operations. As such, data from this unit is combined with data of the primary government. Discretely presented component units are entities that are legally separate from the Council, but for which the Council is financially accountable or whose relationships with the Council are such that exclusion would be misleading or incomplete. Additionally, various local agencies for which grants, and funding are issued by the Council have not been included within the financial statements because the Council does not have direct managerial oversight of the operations of those agencies, nor does it have the responsibility for funding future deficits or operating deficiencies of those agencies. As described below, blended component units and a discretely presented component unit have been included within the Council's reporting entity.

#### **Blended Component Units**

**ETRLC.** The East Texas Regional Loan Corporation (ETRLC), d/b/a East Texas Community Loan Center (CLC), was organized by the Council in 2016 to offer low-interest, low-fee personal loans to employees of enrolled employers as an alternative to high-cost payday and auto title loans. ETRLC is a nonprofit corporation assists very low, low and moderate-income persons through credit solutions, loans, and financial counseling, as an alternative to payday loans to promote, develop and improve the economic conditions of people in the East Texas region. ETRLC is governed by a board of directors that is appointed by the Council's Executive Committee, and Council employees operate and administer ETRLC's day-to-day activities. The debt incurred by ETRLC is expected to be repaid using resources of the Council. Thus, ETRLC has been included in the Grant Fund as a blended component unit.

**ETEDD.** The East Texas Economic Development District (ETEDD) was organized as an economic development district recognized by the U.S. Economic Development Administration (EDA). ETEDD was organized for the purpose of supporting and coordinating economic development initiatives in the Council's 14-county region. ETEDD functionally operates as a department of the Council, and Council employees administer the EDA grants received by ETEDD. Thus, the component unit meets the fiscal dependency and imposition of will criteria. Any debt not related to the EDA grants will be liquidated entirely by the resources of the Council; therefore, ETEDD is reported in the Grant Fund as a blended component unit and its federal awards are included as part of the Council's Schedule of Expenditures of Federal Awards.

#### **Discretely Presented Component Unit**

**ETRDC.** The East Texas Regional Development Company (ETRDC) was organized by the Council in 1983 under the provisions of the Small Business Administration's Section 503 Certified Development Company Loan Program. ETRDC is a nonprofit corporation which administers and coordinates underwriting of long-term Small Business Administration loans to small businesses in conjunction with private sector lenders.

The Council's Board appoints a voting majority of ETRDC's Board and meets the financial benefit or burden criteria. Separate financial statements are produced for ETRDC and may be obtained from ETRDC's administrative office.

### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the activities of the primary government and its component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or identifiable activity. *Program revenues* include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as *general revenues*.

Certain eliminations have been made regarding interfund activities, payables and receivables. All internal balances in the statement of net position have been eliminated. The Council does not have any proprietary funds.

Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available.

Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenue to be available if it is 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.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Grant revenues, membership dues and interest are susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Council.

The Council reports the following major governmental funds:

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

The **Grant Fund** is used to account for federal and state grants awarded to the Council by various granting agencies.

### **Assets, Liabilities and Equity**

#### **Cash and Cash Equivalents**

Cash and cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash and cash equivalents in the Council's financial statements include amounts in demand deposits and certificates of deposits. Interest earned is based on the amount of funds invested.

State statutes authorize the Council to invest in obligations of the United States, its agencies, certificates of deposits with banks and savings and local associations, banker's acceptances, commercial paper, mutual funds, investment pools and repurchase agreements with underlying collateral of government securities. External investment pools are recorded at amortized costs. All other investments for the Council are reported at fair value.

**Grants Receivable**

Grants receivable represent amounts due from federal and state agencies for the various programs administered by the Council. The receivable includes amounts due on programs closed out and those in progress as of September 30, 2021.

**Interfund Receivables and Payables**

During operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." The Council had no long-term interfund loans (noncurrent portion) that are generally reported as "advances from and to other funds." Interfund receivables and payables between governmental funds are eliminated in the Statement of Net Position.

**Unearned Revenue**

Unearned revenue represents amounts received from grantors in excess of expenditures for programs in progress as of September 30, 2021.

**Capital Assets**

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Council as assets with an initial, individual cost of more than \$5,000 and an estimated useful life more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Equipment of the primary government is depreciated using the straight-line method over the following useful lives:

Asset Description	Years
Buildings	20
Furniture, fixtures, and equipment	3-7

**Deferred Inflows of Resources**

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue is only reported in the governmental funds.

**Compensated Absences**

Employees earn 10 days of vacation per year during the first 5 years of employment. After 5 full years of employment, an employee earns 15 days of vacation per year. Employees may accrue up to a maximum of 20 days in the first 5 years of employment and 30 days thereafter. Employees will be paid for accrued vacation upon voluntary termination of employment provided they have been in a permanent full-time position for six months or more. For all funds, this liability reflects amounts attributable to cumulative employee services already rendered.

Employees are eligible for 15 sick leave days per year and can accrue up to a maximum amount of 90 days. Employees are not compensated for accumulated sick days upon termination of employment. Sick pay is charged to expenditures as taken, with no accrual made for unused sick leave.

## **Fund Balance**

Fund balance classifications are: nonspendable, restricted, committed, assigned, and unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund is the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

The Council classifies governmental fund balances as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes determined by a formal action of the Board of Directors, the Council's highest level of decision-making authority. A commitment of funds requires the passage of a resolution by a simple majority vote. Governing action to commit fund balance must occur within the fiscal reporting period, no later than September 30th of the applicable fiscal year. If the actual amount of the commitment is not available by September 30th, the resolution must state the process or formula necessary to calculate the actual amount as soon as information is available. These committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specific use through the same type of formal action taken to establish the commitment.
- **Assigned:** This classification includes amounts that are constrained by the Council's intent to be used for a specific purpose but are neither restricted nor committed. The Board of Directors has the authority to assign funds for specific purposes. Assignment of funds by the Board of Directors requires a simple majority vote, and such action must be recorded in the Board minutes. Through passage of a resolution, the Board of Directors has authorized the Executive Director of East Texas Council of Governments to assign funds for specific purposes. Such assignments cannot exceed the available unassigned fund balance of a given fund. Any assignments made by the Executive Director must be reported to the Board of Directors at their next regular meeting. The Board of Directors may change or remove any assignment of funds by a simple majority vote.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balances of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

## **Flow Assumption of Fund Balance and Net Position**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Council's policy is to apply restricted net position first. Similarly, when an expenditure is incurred for which restricted, and unrestricted fund balances are available, it is the Council's policy to apply restricted fund balance first, then committed, assigned, and unassigned fund balance.

## **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

## Indirect Costs

General and administrative costs are recorded in the General Fund as indirect costs in the accounting system and allocated to programs based upon a negotiated indirect cost rate. Indirect costs are defined by Office of Management and Budget (OMB) Uniform Guidance (2 CFR 200) as costs “(a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objective specifically benefited, without effort disproportionate to the results achieved.” The Council’s indirect cost rate is based upon prior cost experience, documented by a cost allocation plan, and is approved by a state cognizant agency. It is the Council’s policy to negotiate with the cognizant agency a provisional rate which is used for billing purposes during the Council’s fiscal year. Upon the completion of an independent audit at the end of each fiscal year, the indirect cost rate is finalized with the cognizant agency.

## Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## 2. BUDGETARY INFORMATION

The Council’s financial plan is controlled at the fund and project level with management authorized to make transfers of budgeted amounts between object class levels within a fund or project, within restrictions imposed by grantor agencies. The Board approves the financial plan for revenue and expenditures in all funds. The financial plan for the Grant Fund is made on a project (grant) basis, spanning more than one year. Appropriations for all projects in the Grant Fund lapse at the end of a contract period which may not coincide with the fiscal year-end of the Council. The appropriations for the General Fund lapse at the fiscal year-end. Although the financial plans are reviewed and approved by the Council’s Board, they are not considered legally adopted annual budgets or appropriations. Accordingly, comprehensive budget and actual results are not presented in this report.

## 3. DEPOSITS AND INVESTMENTS

Cash and investments as of September 30, 2021, consist of and are classified in the accompanying financial statements as follows:

Governmental activities:	
Demand deposits	\$ 3,609,523
TexPool	<u>267,189</u>
Total primary government cash and investments	<u>3,876,712</u>
Component unit:	
Demand deposits	167,671
TexPool	<u>4,584</u>
Total component unit cash and investments	<u>172,255</u>
Total cash and investments	<u>\$ 4,048,967</u>

TexPool investments are recorded as cash equivalents and are measured at net asset value per share, which approximates fair value. As of September 30, 2021, the pool’s portfolio carried a weighted average maturity of 31 days.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the Council to adopt, implement and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the Council to invest in (1) obligations of the U. S. Treasury, certain U. S. agencies and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts and (10) common trust funds.

The Act also requires the Council's independent auditors to perform test procedures related to investment practices as provided by the Act. The Council is in substantial compliance with the requirements of the Act and with local policies.

## **TexPool**

TexPool policies require that local government deposits be used to purchase investments authorized by the Public Funds Investment Act ("PFIA") of 1987, as amended. The Texas State Comptroller of Public Accounts has oversight responsibility for TexPool. TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company ("Trust Company") to provide a safe environment for the placement of local government funds in authorized short-term, fully collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; and fully collateralized direct repurchase agreements secured by United States Government agency securities and placed through a primary government securities dealer.

The Trust Company was incorporated by the State Treasurer by authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safe keep, and invest public funds and securities more efficiently and economically. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. TexPool uses amortized cost rather than fair value to report net position to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, the Council's investments in TexPool are stated at cost, which approximates fair value. TexPool is currently rated AAAM by Standard and Poor's. This rating indicates excellent safety and a superior capacity to maintain principal value and limit exposure to loss.

TexPool has a redemption notice period of 1 day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

## **Deposit and Investment Risk Policies**

*Interest Rate Risk.* In accordance with its investment policy, the Council manages its exposure to declines in fair values by limiting the maximum allowable stated maturity of any individual investment to one year, unless otherwise provided in a specific investment strategy that complies with current law.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Council's deposits may not be returned to it. As of September 30, 2021, the primary government and component unit had bank deposits of \$4,135,645 and \$171,106, respectively, with carrying values of \$3,609,523 and \$167,671, respectively. As of September 30, 2021, the Council deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

*Credit Risk.* It is the Council's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. The Council's investment pool was rated AAAM by Standard and Poor's Investors Service.

*Concentration of Credit Risk.* The Council's policy is to diversify its portfolio to eliminate the risk of loss resulting from overconcentration of assets in a specific maturity, a specific issuer or a specific class of investments.

## **4. RECEIVABLES**

Grantor receivables consist of receivables for reimbursement of expenditures under various programs and grants. Other receivables consist of receivables for reimbursement of expenditures from various subcontractors and customers. Management estimates these balances will be 100% collectable based on prior experience.



## Loans Receivable

The Council has issued loans through its ETRLC component unit to individuals throughout the ETCOG region. These small-dollar loans are issued up to \$1,000 with a one-year repayment term and are offered as a lower-cost alternative to payday lending. The loans are collected through payroll withholdings in coordination with the individual's employer. In the event of default, all outstanding principal and interest becomes immediately due.

## Notes Receivable

The Council has issued multiple notes through its Chapman Revolving Loan Fund for the purpose of providing low-cost business startup capital. The funds are provided through the RLF's residual fund balance, which was federally funded but has had all performance obligations satisfied in previous years. The loans are payable in principal and interest monthly and mature over periods of 3-15 years. The loans are generally secured by an interest in any equipment purchased by the new business; in the event of default, the Council may accelerate payment or take court action to enforce the equipment lien.

A summary of loans and notes receivable for the year ended September 30, 2021, is as follows:

	Number of Loans Outstanding	Beginning Balance	Increases	Decreases	Ending Balance	Amount Due Within One Year
Governmental activities:						
CLC loans receivable	123	\$ 70,913	\$ 153,403	\$( 148,119)	\$ 76,197	\$ 76,197
Notes receivable	4	<u>260,754</u>	<u>31,550</u>	<u>( 36,856)</u>	<u>255,448</u>	<u>34,822</u>
Total		<u>\$ 331,667</u>	<u>\$ 184,953</u>	<u>\$( 184,975)</u>	<u>\$ 331,645</u>	<u>\$ 111,019</u>

The resources used as capital for the loans and notes are restricted for the community loan center and assigned for economic development, respectively; thus, the fund balances relating to these receivables are included in those restricted and assigned categories.

## 5. INTERFUND TRANSACTIONS

The interfund transactions between the Council's funds and component unit are shown below. The amounts due from and to the respective governmental funds will be cleared in the subsequent fiscal year.

The following is a summary of interfund transactions as of September 30, 2021:

Due To/From Other Funds:

Due From	Due To	Amount	Purpose
Grant Fund	General Fund	\$ 103,229	Short-term pooled cash loan
Component Unit	General Fund	<u>195,317</u>	Short-term pooled cash loan
		<u>\$ 298,546</u>	

Transfers In/Out:

Transfer In	Transfer Out	Amount	Purpose
General Fund	Grant Fund	<u>\$ 180,410</u>	Use of assigned funds to finance capital purchases

## 6. CAPITAL ASSETS

Primary government capital asset activity for the year ended September 30, 2021, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 161,879	\$ 255,212	\$ -	\$ 417,091
Total capital assets, not being depreciated	<u>161,879</u>	<u>255,212</u>	<u>-</u>	<u>417,091</u>
Capital assets, being depreciated:				
Buildings	2,546,209	80,711	-	2,626,920
Furniture, fixtures and equipment	<u>7,387,624</u>	<u>3,281,126</u>	<u>( 210,811)</u>	<u>10,457,939</u>
Total capital assets being depreciated	<u>9,933,833</u>	<u>3,361,837</u>	<u>( 210,811)</u>	<u>13,084,859</u>
Less accumulated depreciation for:				
Buildings	( 1,474,397)	( 126,551)	-	( 1,600,948)
Furniture, fixtures and equipment	<u>( 5,660,381)</u>	<u>( 1,005,164)</u>	<u>210,811</u>	<u>( 6,454,734)</u>
Total accumulated depreciation	<u>( 7,134,778)</u>	<u>( 1,131,715)</u>	<u>210,811</u>	<u>( 8,055,682)</u>
Governmental activities capital assets, net	<u>\$ 2,960,934</u>	<u>\$ 2,485,334</u>	<u>\$ -</u>	<u>\$ 5,446,268</u>

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

General government	\$ 97,391
Emergency communications	46,900
Aging	23,791
Workforce development	95,342
Transportation	<u>868,291</u>
Total	<u>\$ 1,131,715</u>

## 7. LONG-TERM DEBT

A summary of long-term liability activity for the primary government for the year ended September 30, 2021, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amount Due in One Year
Governmental activities:					
Notes and loans payable	\$ 345,339	\$ -	\$( 79,815)	\$ 265,524	\$ 208,941
Compensated absences	<u>317,098</u>	<u>311,196</u>	<u>( 313,970)</u>	<u>314,324</u>	<u>278,870</u>
Total	<u>\$ 662,437</u>	<u>\$ 311,196</u>	<u>\$( 393,785)</u>	<u>\$ 579,848</u>	<u>\$ 487,811</u>

The compensated absences liability will primarily be liquidated by the Grant Fund.

The Council has entered into multiple loan agreements for the purpose of providing capital for the CLC Small Dollar Loan Program. The proceeds are restricted for use in that program and are not considered capital-related debt. The loans are classified as direct borrowings; in the event of default, the loan holders are entitled to accelerate all outstanding principal or otherwise seek relief from a court of proper jurisdiction ordering payment.

The details of the loans are discussed below.

- \$100,000 loan payable with an original loan date of April 26, 2017, and an interest rate of 250%. On June 11, 2020, the loan was refinanced and included an additional \$50,000. Interest payments are made monthly. No principal payments are due until fiscal year 2022 when the entire amount becomes due on June 19, 2022. The amount outstanding as of fiscal year-end is \$150,000.

- \$50,000 loan payable with an original loan date of July 18, 2017, an interest rate of 4.75% due quarterly, with no principal payments due, and interest was paid annually. The loan was renewed on August 31, 2020, with an interest rate of 2.25%. Principal and interest payments were paid monthly in the amount of \$1,091 until August 1, 2021, and a balloon payment in the amount of \$38,942 was paid on September 1, 2021, that retired the loan.
- \$100,000 loan payable with a date of January 15, 2018, and with a quarterly interest rate of 3%. Principal payments commenced on April 15, 2019. The loan has a maturity date of April 15, 2023, and includes a balloon payment of \$50,000 on such date. The outstanding loan balance as of fiscal year-end was \$66,272.
- \$100,000 loan payable as a result of a portfolio transfer at the inception of the ETRLC loan program that took place in May 2017. The loan has an annual interest rate of 3.25% Principal and interest payments are due quarterly. The loan matures on April 1, 2022. The outstanding loan amount as of fiscal year-end was \$49,252.

Annual debt service requirements to maturity of governmental activities debt are as follows:

Year Ended September 30,	Principal	Interest
2022	\$ 208,941	\$ 1,940
2023	<u>56,583</u>	<u>824</u>
Total	<u>\$ 265,524</u>	<u>\$ 2,764</u>

## 8. RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council maintains workers' compensation and other risks of loss coverage through commercial insurance carriers. The Council's management believes such coverage is sufficient to preclude any significant uninsured losses. There were no significant reductions in insurance coverage from coverage in the prior year. There were no insurance settlements which exceeded insurance coverage in any of the past three years.

## 9. CONTINGENCIES

The Council contracts with local governments or other local agencies to perform the specific services set forth in grant agreements. The Council disburses grant funds to the agencies based on expenditure reports received from each agency.

Agencies expending \$750,000 or more in grant funds are required to have an independent audit each year. Copies of such audits are required to be submitted to the Council. If such audits disclose expenditures not in accordance with terms of the grants, the grantor agency could disallow the costs and require reimbursements of the disallowed costs either from the Council or the subcontractor. The Council generally has the right of recovery from the subcontracted agencies.

For the year ended September 30, 2021, agency costs of various amounts were disbursed for which the audits have not been received. Based on prior experience, management believes that the Council will not incur significant losses from possible grant disallowances.

## 10. RETIREMENT PLAN

Prior to November 16, 2013, the Council provided benefits for all its full-time employees through a defined contribution plan. The Plan is administered by International City Management Association Retirement Corporation (ICMA). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. The Council contributes an amount equal to 12% of the employee's compensation each year and employees contribute an amount equal to 8% of their compensation each year for a total of 20% to the ICMA Plan.

The Council's contributions for each employee (and earnings allocated to the employee's account) are fully vested after five years continuous service. The Council's contributions for, and earnings forfeited by, employees who leave employment before five years of service may be segregated in a special account.

The Council's Executive Committee is responsible and has the authority to amend the plan provisions and contribution requirements.

In November 2013, the Council allowed existing full-time employees the option of entering the Social Security Plan or remaining with ICMA and any new full-time employees could elect to enter the Social Security Plan only. The Council contributes a dollar-for-dollar match, up to 5%, for any full-time employees enrolled in the Social Security Plan. The East Texas Council of Government's total covered payroll for the fiscal year ended September 30, 2021, was \$1,962,494. The Council made the required 12% contribution, which amounted to \$235,499. Employees made the required 8% contribution of \$156,999.

## **11. SUBSEQUENT EVENTS**

In December 2021, the Council entered the Texas County and District Retirement System (TCDRS), a statewide agent multiple-employer defined benefit pension plan. Employer contributions to the existing defined contribution plans ceased at that time, and the District's contributions to TCERS equal 14.7% of salaries. The system values its net pension liability on a calendar year basis; thus, the Council expects to assume a net pension liability in fiscal year 2022 that will be measured as of December 31, 2021.

## **12. NEW ACCOUNTING STANDARDS**

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the Council include the following:

Statement No. 87, *Leases* – This statement will improve the accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities previously classified as operating leases. It establishes a single model for lease accounting based on the principle that leases are financing the right to use an underlying asset. Under the statement a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resource, enhancing the relevance and consistency of information about leasing activities. This statement will become effective for the Council in fiscal year 2022.

Statement No. 96, *Subscription-Based Information Technology Arrangements* – This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This statement will become effective for the Council in fiscal year 2024.

## **13. DEFICIT NET POSITION**

The Council's discretely presented component unit reported a deficit in net position. Future revenues are expected to absorb the deficit.

## **SUPPLEMENTAL SCHEDULES**

**EAST TEXAS COUNCIL OF GOVERNMENTS**

SCHEDULE OF FINAL INDIRECT COST RATE

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Salaries	\$ 832,387	\$ 863,899	\$ 31,512
Fringe benefits	143,276	154,294	11,018
Group hospitalization	99,667	59,270	( 40,397)
Pension costs	<u>117,405</u>	<u>125,692</u>	<u>8,287</u>
<b>Total personnel</b>	<u>1,192,735</u>	<u>1,203,155</u>	<u>10,420</u>
Insurance & bonding	7,500	8,164	664
Professional services	98,000	62,335	( 35,665)
Computer software	22,830	9,513	( 13,317)
Staff travel	32,000	7,359	( 24,641)
Committee travel	10,000	3,061	( 6,939)
Office supplies	30,360	17,139	( 13,221)
Public education	3,000	3,128	128
Copier costs	15,000	3,747	( 11,253)
Repairs and maintenance	4,200	2,255	( 1,945)
Communications	16,000	12,680	( 3,320)
Meetings and conferences	11,000	4,123	( 6,877)
Membership dues	25,000	22,157	( 2,843)
Training costs	25,000	8,578	( 16,422)
Minor office equipment	<u>80,000</u>	<u>9,297</u>	<u>( 70,703)</u>
Total Indirect Costs	<u>1,572,625</u>	<u>1,376,691</u>	<u>( 195,934)</u>
Less: program income		( 22,785)	
Less: amount allocated to component unit		( 3,661)	
Less: amount allocated to General Fund		<u>( 8,310)</u>	
Total Indirect Costs Allocated to the Grant Fund		\$ <u>1,341,935</u>	
Computation of Indirect Cost Rate:			
Direct personnel costs	\$ <u>7,160,965</u>	\$ <u>6,605,443</u>	
Allocation rate	21.96%	20.32%	

**EAST TEXAS COUNCIL OF GOVERNMENTS**

SCHEDULE OF EMPLOYEE BENEFITS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Actual</u>
State unemployment taxes	\$ 36,225
Group disability insurance	15,476
Holidays	269,750
Vacation	327,076
Sick leave	201,573
Other release time	<u>86,750</u>
<b>Total employee benefits</b>	<u>936,850</u>
Less amount allocated to indirect cost pool	( 154,294)
Less amount allocated to component unit	<u>( 2,439)</u>
<b>Total Employee Benefits Allocated to the Grant Fund</b>	<u>\$ 780,117</u>
Chargeable time	<u>\$ 4,324,052</u>
Employee Benefit Rate	18.04%



**east Texas  
council of  
governments**

The logo consists of the text "east Texas council of governments" in a bold, black, sans-serif font. The words are arranged in four lines: "east Texas" on the top line, "council of" on the second line, "governments" on the third line, and "of" on the fourth line. The word "of" is positioned between "council" and "governments". Three stylized trees, represented by green triangles with horizontal black stripes, are integrated into the design. One tree is positioned above the letter 'T' in "Texas", another is above the letter 'o' in "of", and a third is above the letter 'n' in "governments".



## **STATISTICAL SECTION**

**EAST TEXAS COUNCIL OF GOVERNMENTS**

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS  
(Full Accrual Basis of Accounting)

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities:				
Net investment in capital assets	\$ 2,880,817	\$ 2,265,163	\$ 2,456,591	\$ 2,153,438
Restricted	1,326,932	1,419,714	1,713,543	1,588,708
Unrestricted	<u>1,278,696</u>	<u>1,349,891</u>	<u>1,271,685</u>	<u>1,248,583</u>
Total governmental activities net position	<u>\$ 5,486,445</u>	<u>\$ 5,034,768</u>	<u>\$ 5,441,819</u>	<u>\$ 4,990,729</u>
Business-type activities:				
Unrestricted	\$ <u>21,565</u>	\$ <u>21,565</u>	\$ -	\$ -
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total				
Net investment in capital assets	\$ 2,880,817	\$ 2,265,163	\$ 2,456,591	\$ 2,153,438
Restricted	1,326,932	1,419,714	1,713,543	1,588,708
Unrestricted	<u>1,300,261</u>	<u>1,349,891</u>	<u>1,271,685</u>	<u>1,248,583</u>
Total	<u>\$ 5,508,010</u>	<u>\$ 5,034,768</u>	<u>\$ 5,441,819</u>	<u>\$ 4,990,729</u>

Note: The Council completely ceased reporting business-type activities in fiscal year 2013.

**TABLE 1**

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 2,082,066	\$ 1,979,840	\$ 3,054,139	\$ 2,648,880	\$ 2,960,934	\$ 5,446,268
995,119	1,198,239	1,154,274	1,854,567	2,336,577	546,152
<u>1,389,451</u>	<u>1,191,024</u>	<u>1,320,161</u>	<u>843,765</u>	<u>847,397</u>	<u>2,882,170</u>
<u>\$ 4,466,636</u>	<u>\$ 4,369,103</u>	<u>\$ 5,528,574</u>	<u>\$ 5,347,212</u>	<u>\$ 6,144,908</u>	<u>\$ 8,874,590</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,082,066	\$ 1,979,840	\$ 3,054,139	\$ 2,648,880	\$ 2,960,934	\$ 5,446,268
995,119	1,198,239	1,154,274	1,854,567	2,336,577	546,152
<u>1,389,451</u>	<u>1,191,024</u>	<u>1,320,161</u>	<u>843,765</u>	<u>847,397</u>	<u>2,882,170</u>
<u>\$ 4,466,636</u>	<u>\$ 4,369,103</u>	<u>\$ 5,528,574</u>	<u>\$ 5,347,212</u>	<u>\$ 6,144,908</u>	<u>\$ 8,874,590</u>

**EAST TEXAS COUNCIL OF GOVERNMENTS**

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS  
(Full Accrual Basis of Accounting)

	Fiscal Year			
	2012	2013	2014	2015
<b>EXPENSES</b>				
Governmental activities:				
General government	\$ 381,177	\$ 230,903	\$ 182,448	\$ 247,383
Workforce development	24,920,298	25,377,447	24,896,832	27,009,337
Aging	4,041,959	3,677,508	3,562,193	3,614,490
Emergency communications	1,503,874	2,833,521	1,892,668	2,357,610
Transportation	4,011,678	4,384,769	4,579,459	3,420,310
Environmental quality	612,521	673,884	321,012	496,258
Homeland security	456,933	320,996	296,057	214,101
Criminal justice	313,612	289,954	107,091	108,509
Housing and urban development	147,070	14,494	12,082	14,874
Economic development	105,337	37,041	309,175	381,247
Total governmental activities expenses	<u>36,494,459</u>	<u>37,840,517</u>	<u>36,159,017</u>	<u>37,864,119</u>
Business-type activities:				
Greyhound	105,234	21,629	-	-
Total business-type activities expenses	<u>105,234</u>	<u>21,629</u>	<u>-</u>	<u>-</u>
<b>PROGRAM REVENUES</b>				
Governmental activities:				
Charges for services	-	-	-	-
Operating grants and contributions	37,470,843	36,983,284	36,119,643	37,023,859
Total governmental activities program revenues	<u>37,470,843</u>	<u>36,983,284</u>	<u>36,119,643</u>	<u>37,023,859</u>
Business-type activities:				
Charges for services	108,966	64	-	-
Total business-type activities program revenues	<u>108,966</u>	<u>64</u>	<u>-</u>	<u>-</u>
<b>NET (EXPENSE) REVENUES</b>				
Governmental activities	976,384	( 857,233)	( 39,374)	( 840,260)
Business-type activities	3,732	( 21,565)	-	-
Total	<u>980,116</u>	<u>( 878,798)</u>	<u>( 39,374)</u>	<u>( 840,260)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental activities:				
Membership dues	192,289	186,747	167,727	227,839
Investment earnings	17,043	10,486	8,411	16,348
Miscellaneous	241,188	208,323	177,856	144,983
Gain on disposal of assets	-	-	92,431	-
Total governmental activities	<u>450,520</u>	<u>405,556</u>	<u>446,425</u>	<u>389,170</u>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	1,426,904	( 451,677)	407,051	( 451,090)
Business-type activities	3,732	( 21,565)	-	-
Total	<u>\$ 1,430,636</u>	<u>\$( 473,242)</u>	<u>\$ 407,051</u>	<u>\$( 451,090)</u>

Note: The Council completely ceased reporting business-type activities in fiscal year 2013.

TABLE 2

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 368,717	\$ 516,365	\$ 754,237	\$ 895,272	\$ 713,496	\$ 249,768
28,445,401	26,598,671	27,729,764	33,718,468	36,814,572	36,995,329
3,788,491	3,992,021	3,845,733	4,086,606	4,947,448	5,568,690
3,595,484	3,445,419	2,326,854	1,844,427	1,658,318	1,530,317
3,409,942	3,555,383	3,878,162	4,041,021	5,069,520	5,754,804
505,860	353,624	183,989	169,741	199,574	443,311
231,516	201,722	478,848	276,223	54,103	187,727
295,384	291,903	306,096	262,731	258,832	344,074
11,146	14,789	9,016	-	9,812	309
114,360	125,162	144,355	128,639	106,056	485,677
<u>40,766,301</u>	<u>39,095,059</u>	<u>39,657,054</u>	<u>45,423,128</u>	<u>49,831,731</u>	<u>51,560,006</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	336,324
<u>39,640,680</u>	<u>38,434,905</u>	<u>40,328,310</u>	<u>44,726,646</u>	<u>50,137,345</u>	<u>53,715,706</u>
<u>39,640,680</u>	<u>38,434,905</u>	<u>40,328,310</u>	<u>44,726,646</u>	<u>50,137,345</u>	<u>54,052,030</u>
-	-	-	-	-	-
-	-	-	-	-	-
( 1,125,621)	( 660,154)	671,256	( 696,482)	305,614	2,492,024
-	-	-	-	-	-
<u>( 1,125,621)</u>	<u>( 660,154)</u>	<u>671,256</u>	<u>( 696,482)</u>	<u>305,614</u>	<u>2,492,024</u>
181,581	206,366	187,853	210,406	189,927	190,276
9,371	10,134	18,914	31,664	36,953	5,657
207,392	471,170	434,269	273,050	265,202	41,725
-	-	-	-	-	-
<u>398,344</u>	<u>687,670</u>	<u>641,036</u>	<u>515,120</u>	<u>492,082</u>	<u>237,658</u>
( 727,277)	27,516	1,312,292	( 181,362)	797,696	2,729,682
-	-	-	-	-	-
<u>( 727,277)</u>	<u>27,516</u>	<u>1,312,292</u>	<u>( 181,362)</u>	<u>797,696</u>	<u>2,729,682</u>

**EAST TEXAS COUNCIL OF GOVERNMENTS**

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General fund				
Nonspendable-Prepaid items	\$ -	\$ -	\$ 71,366	\$ 19,691
Unassigned	<u>1,431,946</u>	<u>1,500,220</u>	<u>1,368,170</u>	<u>1,383,809</u>
Total general fund	<u>\$ 1,431,946</u>	<u>\$ 1,500,220</u>	<u>\$ 1,439,536</u>	<u>\$ 1,403,500</u>
All Other Governmental Funds				
Nonspendable - prepaid items	\$ -	\$ -	\$ -	\$ -
Restricted - state and federal grants	1,326,932	1,419,714	1,713,543	1,588,708
Restricted - community loan center	-	-	-	-
Assigned - service delivery	-	-	-	-
Assigned - economic development	-	-	-	-
Assigned - transportation	-	-	-	-
Total special revenue funds	<u>\$ 1,326,932</u>	<u>\$ 1,419,714</u>	<u>\$ 1,713,543</u>	<u>\$ 1,588,708</u>

**TABLE 3**

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 69,078	\$ 33,813	\$ 93,454	\$ 176,642	\$ 54,620	\$ 32,484
<u>1,487,912</u>	<u>1,344,544</u>	<u>1,185,691</u>	<u>1,140,306</u>	<u>1,382,274</u>	<u>1,122,165</u>
<u>\$ 1,556,990</u>	<u>\$ 1,378,357</u>	<u>\$ 1,279,145</u>	<u>\$ 1,316,948</u>	<u>\$ 1,436,894</u>	<u>\$ 1,154,649</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,027	\$ -
995,119	1,198,239	1,646,796	1,854,567	2,336,577	383,725
-	-	-	-	-	162,427
-	-	-	-	-	85,526
-	-	-	-	-	700,261
-	-	-	-	-	<u>1,522,287</u>
<u>\$ 995,119</u>	<u>\$ 1,198,239</u>	<u>\$ 1,646,796</u>	<u>\$ 1,854,567</u>	<u>\$ 2,338,604</u>	<u>\$ 2,854,226</u>

**EAST TEXAS COUNCIL OF GOVERNMENTS**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2012	2013	2014	2015
<b>REVENUES</b>				
Grants - intergovernmental	\$ 36,579,983	\$ 36,075,614	\$ 34,856,248	\$ 36,307,507
Membership dues	192,289	186,747	167,727	204,941
Matching funds/program income	970,515	956,643	1,302,929	775,240
Investment income	17,043	10,486	8,411	16,348
Miscellaneous	134,230	138,013	85,646	70,531
Total revenues	<u>37,894,060</u>	<u>37,367,503</u>	<u>36,420,961</u>	<u>37,374,567</u>
<b>EXPENDITURES</b>				
Current:				
General government	247,330	106,003	88,883	137,690
Workforce development	24,872,616	25,329,641	24,869,293	26,981,736
Aging	4,018,827	3,652,872	3,541,919	3,572,842
Emergency communications	2,116,620	2,627,235	1,803,208	2,098,776
Transportation	4,526,100	3,879,399	320,641	3,239,713
Environmental quality	612,948	673,946	4,259,579	496,532
Homeland security	457,161	321,202	294,820	215,014
Criminal justice	313,826	289,987	106,892	108,656
Housing and urban development	147,070	14,525	11,895	15,012
Economic development	105,337	37,041	309,175	381,247
Debt service:				
Principal	61,564	63,829	91,468	94,950
Interest and fiscal charges	-	-	-	-
Capital outlay	<u>70,093</u>	<u>309,398</u>	<u>542,719</u>	<u>231,732</u>
Total expenditures	<u>37,549,492</u>	<u>37,305,078</u>	<u>36,240,492</u>	<u>37,573,900</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>344,568</u>	<u>62,425</u>	<u>180,469</u>	<u>( 199,333)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	-	-	-
Capital lease	-	77,294	-	-
Insurance recoveries	27,624	21,337	52,676	38,462
Sale of capital assets	88,968	-	-	-
Transfers in	227,462	90,542	79,405	72,398
Transfers out	<u>( 227,462)</u>	<u>( 90,542)</u>	<u>( 79,405)</u>	<u>( 72,398)</u>
Total other financing sources (uses)	<u>116,592</u>	<u>98,631</u>	<u>52,676</u>	<u>38,462</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 461,160</u>	<u>\$ 161,056</u>	<u>\$ 233,145</u>	<u>\$ ( 160,871)</u>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<u>0.16%</u>	<u>0.17%</u>	<u>0.26%</u>	<u>0.25%</u>



**TABLE 4**

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 38,912,645	\$ 37,749,088	\$ 39,417,603	\$ 44,138,626	\$ 49,577,054	\$ 53,086,873
181,581	185,177	187,853	188,624	189,927	190,276
775,461	915,494	1,056,636	800,627	799,224	936,325
9,371	10,134	18,914	31,664	36,953	26,534
127,809	49,562	182,162	87,259	46,170	41,725
<u>40,006,867</u>	<u>38,909,455</u>	<u>40,863,168</u>	<u>45,246,800</u>	<u>50,649,328</u>	<u>54,281,733</u>
289,462	488,918	851,189	2,212,425	609,828	184,365
28,395,465	26,533,064	27,481,703	33,670,643	36,743,982	36,925,150
3,730,974	3,967,727	3,796,332	4,085,177	4,937,473	5,603,530
3,347,761	3,325,659	2,412,163	2,001,157	1,772,742	3,638,688
3,198,882	3,354,509	3,477,267	2,160,422	5,339,188	5,862,927
505,860	354,014	190,988	170,035	196,229	443,311
231,516	187,105	259,458	169,133	91,214	476,367
295,384	292,634	319,360	217,517	118,986	187,727
11,146	15,158	10,671	13,853	9,812	309
114,360	124,403	135,701	114,492	109,401	344,074
99,282	75,443	84,057	97,071	79,169	79,815
-	-	11,978	6,345	9,228	9,180
<u>461,655</u>	<u>291,285</u>	<u>1,582,956</u>	<u>132,956</u>	<u>128,093</u>	<u>371,781</u>
<u>40,681,747</u>	<u>39,009,919</u>	<u>40,613,823</u>	<u>45,051,226</u>	<u>50,145,345</u>	<u>54,127,224</u>
( 674,880)	( 100,464)	249,345	195,574	503,983	154,509
-	250,000	100,000	100,000	100,000	-
-	-	-	-	-	-
-	-	-	-	-	70,868
31,597	-	-	-	-	8,000
62,500	23,862	-	-	950	180,410
( 62,500)	( 23,862)	-	-	( 950)	( 180,410)
<u>31,597</u>	<u>250,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>78,868</u>
\$( 643,283)	\$ 149,536	\$ 349,345	\$ 295,574	\$ 603,983	\$ 233,377
<u>0.25%</u>	<u>0.20%</u>	<u>0.25%</u>	<u>0.23%</u>	<u>0.18%</u>	<u>0.18%</u>



**east Texas  
council of  
governments**

The logo consists of the text "east Texas council of governments" in a bold, black, sans-serif font. The words are arranged in four lines: "east" and "Texas" on the top line, "council" and "of" on the second line, "govern" and "ments" on the third line. Three stylized evergreen trees, each with horizontal green and black stripes, are integrated into the design. One tree is positioned behind the letter 'T' in "Texas", another is behind the letter 'l' in "council", and a third is behind the letter 'n' in "governments".

**EAST TEXAS COUNCIL OF GOVERNMENTS**

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	<u>Governmental Activities</u>		Total Governmental Activities	Percentage of Personal Income	Per Capita
	Notes Payable	Capital Leases			
2012	453,314	-	453,314	1.39%	12.32
2013	389,485	77,294	466,779	1.39%	12.35
2014	322,982	52,329	375,311	1.12%	10.10
2015	253,788	26,573	280,361	0.80%	7.46
2016	181,079	-	181,079	0.52%	0.05
2017	105,636	-	105,636	0.28%	0.03
2018	371,579	-	371,579	0.98%	0.09
2019	324,508	-	324,508	0.83%	0.08
2020	345,339	-	345,339	0.83%	0.40
2021	265,524	-	265,524	n/a	0.30

**EAST TEXAS COUNCIL OF GOVERNMENTS**

REGIONAL COUNTY INFORMATION

<b>Anderson County</b>	
<b>Area (Sq. miles) <sup>1</sup></b>	1,063
<b>County Seat <sup>1</sup></b>	Palestine
<b>Population, 2021 <sup>2</sup></b>	58,162
<b>Anglo</b>	
Male	18,985
Female	14,495
<b>Black</b>	
Male	9,028
Female	3,011
<b>Hispanic</b>	
Male	7,374
Female	3,818
<b>Other</b>	
Male	712
Female	739
<b>Vital Statistics, <sup>3</sup></b>	
Marriages <sup>2019</sup>	294
Divorces <sup>2017</sup>	39
Births <sup>2020</sup>	543
Deaths <sup>2019</sup>	667
<b>Unemployment Rate, Annual Average 2021 <sup>4</sup></b>	5.6%

<b>Camp County</b>	
<b>Area (Sq. miles) <sup>1</sup></b>	196
<b>County Seat <sup>1</sup></b>	Pittsburg
<b>Population, 2021 <sup>2</sup></b>	13,411
<b>Anglo</b>	
Male	3,602
Female	3,876
<b>Black</b>	
Male	977
Female	1,162
<b>Hispanic</b>	
Male	1,788
Female	1,602
<b>Other</b>	
Male	201
Female	203
<b>Vital Statistics, <sup>3</sup></b>	
Marriages <sup>2019</sup>	67
Divorces <sup>2017</sup>	3
Births <sup>2020</sup>	162
Deaths <sup>2019</sup>	146
<b>Unemployment Rate, Annual Average 2021 <sup>4</sup></b>	7.4%

<b>Cherokee County</b>	
<b>Area (Sq. miles) <sup>1</sup></b>	1,053
<b>County Seat <sup>1</sup></b>	Rusk
<b>Population, 2021 <sup>2</sup></b>	52,263
<b>Anglo</b>	
Male	15,561
Female	15,825
<b>Black</b>	
Male	3,771
Female	3,244
<b>Hispanic</b>	
Male	6,590
Female	5,921
<b>Other</b>	
Male	630
Female	721
<b>Vital Statistics, <sup>3</sup></b>	
Marriages <sup>2019</sup>	247
Divorces <sup>2017</sup>	92
Births <sup>2020</sup>	739
Deaths <sup>2019</sup>	553
<b>Unemployment Rate, Annual Average 2021 <sup>4</sup></b>	7.9%

<b>Gregg County</b>	
<b>Area (Sq. miles) <sup>1</sup></b>	273
<b>County Seat <sup>1</sup></b>	Longview
<b>Population, 2021 <sup>2</sup></b>	126,034
<b>Anglo</b>	
Male	34,569
Female	36,029
<b>Black</b>	
Male	12,245
Female	13,622
<b>Hispanic</b>	
Male	12,948
Female	11,983
<b>Other</b>	
Male	2,304
Female	2,334
<b>Vital Statistics, <sup>3</sup></b>	
Marriages <sup>2019</sup>	923
Divorces <sup>2017</sup>	528
Births <sup>2020</sup>	1574
Deaths <sup>2019</sup>	1362
<b>Unemployment Rate, Annual Average 2021 <sup>4</sup></b>	8.3%

**EAST TEXAS COUNCIL OF GOVERNMENTS**

REGIONAL COUNTY INFORMATION

<b>Harrison County</b>	
<b>Area (Sq. miles) <sup>1</sup></b>	900
<b>County Seat <sup>1</sup></b>	Marshall
<b>Population, 2021 <sup>2</sup></b>	68,492
<b>Anglo</b>	
Male	20,692
Female	21,872
<b>Black</b>	
Male	6,559
Female	7,740
<b>Hispanic</b>	
Male	4,927
Female	4,817
<b>Other</b>	
Male	944
Female	941
<b>Vital Statistics, <sup>3</sup></b>	
Marriages <sup>2019</sup>	350
Divorces <sup>2017</sup>	99
Births <sup>2020</sup>	765
Deaths <sup>2019</sup>	659
<b>Unemployment Rate, Annual Average 2021 <sup>4</sup></b>	7.9%

<b>Henderson County</b>	
<b>Area (Sq. miles) <sup>1</sup></b>	874
<b>County Seat <sup>1</sup></b>	Athens
<b>Population, 2021 <sup>2</sup></b>	81,369
<b>Anglo</b>	
Male	29,926
Female	32,308
<b>Black</b>	
Male	2,894
Female	2,805
<b>Hispanic</b>	
Male	5,670
Female	5,450
<b>Other</b>	
Male	1,091
Female	1,225
<b>Vital Statistics, <sup>3</sup></b>	
Marriages <sup>2019</sup>	470
Divorces <sup>2017</sup>	53
Births <sup>2020</sup>	955
Deaths <sup>2019</sup>	1137
<b>Unemployment Rate, Annual Average 2021 <sup>4</sup></b>	6.4%

<b>Marion County</b>	
<b>Area (Sq. miles) <sup>1</sup></b>	381
<b>County Seat <sup>1</sup></b>	Jefferson
<b>Population, 2021 <sup>2</sup></b>	10,255
<b>Anglo</b>	
Male	3,535
Female	3,541
<b>Black</b>	
Male	1,089
Female	1,237
<b>Hispanic</b>	
Male	238
Female	230
<b>Other</b>	
Male	195
Female	190
<b>Vital Statistics, <sup>3</sup></b>	
Marriages <sup>2019</sup>	50
Divorces <sup>2017</sup>	40
Births <sup>2020</sup>	91
Deaths <sup>2019</sup>	155
<b>Unemployment Rate, Annual Average 2021 <sup>4</sup></b>	8.2%

<b>Panola County</b>	
<b>Area (Sq. miles) <sup>1</sup></b>	802
<b>County Seat <sup>1</sup></b>	Carthage
<b>Population, 2021 <sup>2</sup></b>	24,647
<b>Anglo</b>	
Male	8,622
Female	8,844
<b>Black</b>	
Male	1,887
Female	1,982
<b>Hispanic</b>	
Male	1,440
Female	1,250
<b>Other</b>	
Male	311
Female	311
<b>Vital Statistics, <sup>3</sup></b>	
Marriages <sup>2019</sup>	114
Divorces <sup>2017</sup>	82
Births <sup>2020</sup>	264
Deaths <sup>2019</sup>	279
<b>Unemployment Rate, Annual Average 2021 <sup>4</sup></b>	8.4%

**EAST TEXAS COUNCIL OF GOVERNMENTS**

REGIONAL COUNTY INFORMATION

<b>Rains County</b>	
<b>Area (Sq. miles) <sup>1</sup></b>	230
<b>County Seat <sup>1</sup></b>	Emory
<b>Population, 2021 <sup>2</sup></b>	11,425
<b>Anglo</b>	
Male	4,836
Female	4,830
<b>Black</b>	
Male	152
Female	132
<b>Hispanic</b>	
Male	605
Female	545
<b>Other</b>	
Male	153
Female	172
<b>Vital Statistics, <sup>3</sup></b>	
Marriages <sup>2019</sup>	81
Divorces <sup>2017</sup>	48
Births <sup>2020</sup>	117
Deaths <sup>2019</sup>	138
<b>Unemployment Rate, Annual Average 2021 <sup>4</sup></b>	4.7%

<b>Rusk County</b>	
<b>Area (Sq. miles) <sup>1</sup></b>	924
<b>County Seat <sup>1</sup></b>	Henderson
<b>Population, 2021 <sup>2</sup></b>	52,713
<b>Anglo</b>	
Male	16,660
Female	16,229
<b>Black</b>	
Male	4,867
Female	3,792
<b>Hispanic</b>	
Male	5,287
Female	4,452
<b>Other</b>	
Male	700
Female	726
<b>Vital Statistics, <sup>3</sup></b>	
Marriages <sup>2019</sup>	235
Divorces <sup>2017</sup>	178
Births <sup>2020</sup>	618
Deaths <sup>2019</sup>	559
<b>Unemployment Rate, Annual Average 2021 <sup>4</sup></b>	7.3%

<b>Smith County</b>	
<b>Area (Sq. miles) <sup>1</sup></b>	922
<b>County Seat <sup>1</sup></b>	Tyler
<b>Population, 2021 <sup>2</sup></b>	237,577
<b>Anglo</b>	
Male	66,633
Female	72,552
<b>Black</b>	
Male	18,937
Female	21,297
<b>Hispanic</b>	
Male	24,399
Female	24,577
<b>Other</b>	
Male	4,539
Female	4,643
<b>Vital Statistics, <sup>3</sup></b>	
Marriages <sup>2019</sup>	1395
Divorces <sup>2017</sup>	782
Births <sup>2017</sup>	2894
Deaths <sup>2019</sup>	2183
<b>Unemployment Rate, Annual Average 2021 <sup>4</sup></b>	6.8%

<b>Upshur County</b>	
<b>Area (Sq. miles) <sup>1</sup></b>	583
<b>County Seat <sup>1</sup></b>	Gilmer
<b>Population, 2021 <sup>2</sup></b>	41,899
<b>Anglo</b>	
Male	16,284
Female	16,319
<b>Black</b>	
Male	1,658
Female	1,776
<b>Hispanic</b>	
Male	2,317
Female	2,255
<b>Other</b>	
Male	635
Female	655
<b>Vital Statistics, <sup>3</sup></b>	
Marriages <sup>2019</sup>	162
Divorces <sup>2017</sup>	150
Births <sup>2017</sup>	489
Deaths <sup>2019</sup>	477
<b>Unemployment Rate, Annual Average 2021 <sup>4</sup></b>	7.7%

**EAST TEXAS COUNCIL OF GOVERNMENTS**

REGIONAL COUNTY INFORMATION

<b>Van Zandt County</b>	
<b>Area (Sq. miles) <sup>1</sup></b>	843
<b>County Seat <sup>1</sup></b>	Canton
<b>Population, 2021 <sup>2</sup></b>	55,778
<b>Anglo</b>	
Male	22,294
Female	23,410
<b>Black</b>	
Male	818
Female	816
<b>Hispanic</b>	
Male	3,508
Female	3,345
<b>Other</b>	
Male	782
Female	805
<b>Vital Statistics, <sup>3</sup></b>	
Marriages <sup>2019</sup>	309
Divorces <sup>2017</sup>	200
Births <sup>2020</sup>	575
Deaths <sup>2019</sup>	680
<b>Unemployment Rate, Annual Average 2021 <sup>4</sup></b>	6.1%

<b>Wood County</b>	
<b>Area (Sq. miles) <sup>1</sup></b>	645
<b>County Seat <sup>1</sup></b>	Quitman
<b>Population, 2021 <sup>2</sup></b>	45,611
<b>Anglo</b>	
Male	18,245
Female	18,607
<b>Black</b>	
Male	1,252
Female	1,027
<b>Hispanic</b>	
Male	2,886
Female	2,539
<b>Other</b>	
Male	508
Female	547
<b>Vital Statistics, <sup>3</sup></b>	
Marriages <sup>2019</sup>	191
Divorces <sup>2017</sup>	151
Births <sup>2020</sup>	362
Deaths <sup>2019</sup>	671
<b>Unemployment Rate, Annual Average 2021 <sup>4</sup></b>	6.6%

Source:

1: Texas Association of Counties

2: <http://worldpopulationreview.com>

3: Texas Department of State Health Services - VSTAT

4: <https://texaslmi.com>



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The logo consists of the text "east Texas council of governments" in a bold, black, sans-serif font. The words are arranged in four lines: "east Texas" on the top line, "council of" on the second line, "governments" on the third line, and "of" on the fourth line. The word "of" is positioned between "council" and "governments". Three stylized trees, represented by green triangles with horizontal black stripes, are integrated into the design. One tree is positioned above the letter 'T' in "Texas", another is above the letter 'o' in "of", and a third is above the letter 'n' in "governments".



**EAST TEXAS COUNCIL OF GOVERNMENTS**

EMPLOYMENT BY COUNTY

<b>County</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>% Change 2018-2019</b>	<b>% Change 2020-2021</b>
Anderson	22,833	23,103	22,208	21,102	1.18	(4.98)
Camp	4,745	4,689	4,557	4,650	(1.18)	2.04
Cherokee	20,116	20,373	19,108	19,269	1.28	0.84
Gregg	55,434	55,155	52,112	54,237	(0.50)	4.08
Harrison	28,720	28,505	26,293	26,355	(0.75)	0.24
Henderson	35,025	35,487	34,155	36,265	1.32	6.18
Marion	4,065	3,993	3,793	3,842	(1.77)	1.29
Panola	10,233	10,408	9,119	8,383	1.71	(8.07)
Rains	5,698	5,896	5,767	6,049	3.47	4.89
Rusk	21,383	21,278	20,615	21,410	(0.49)	3.86
Smith	103,634	104,943	101,278	111,568	1.26	10.16
Upshur	17,095	17,011	15,984	16,812	(0.49)	5.18
Van Zandt	25,004	25,585	24,291	25,379	2.32	4.48
Wood	<u>16,607</u>	<u>16,646</u>	<u>16,335</u>	<u>16,849</u>	<u>0.23</u>	<u>3.15</u>
WDA	<u>370,592</u>	<u>373,072</u>	<u>355,615</u>	<u>372,170</u>	<u>0.67</u>	<u>4.66</u>

Source: Texas Labor Market Information, <https://texaslmi.com>

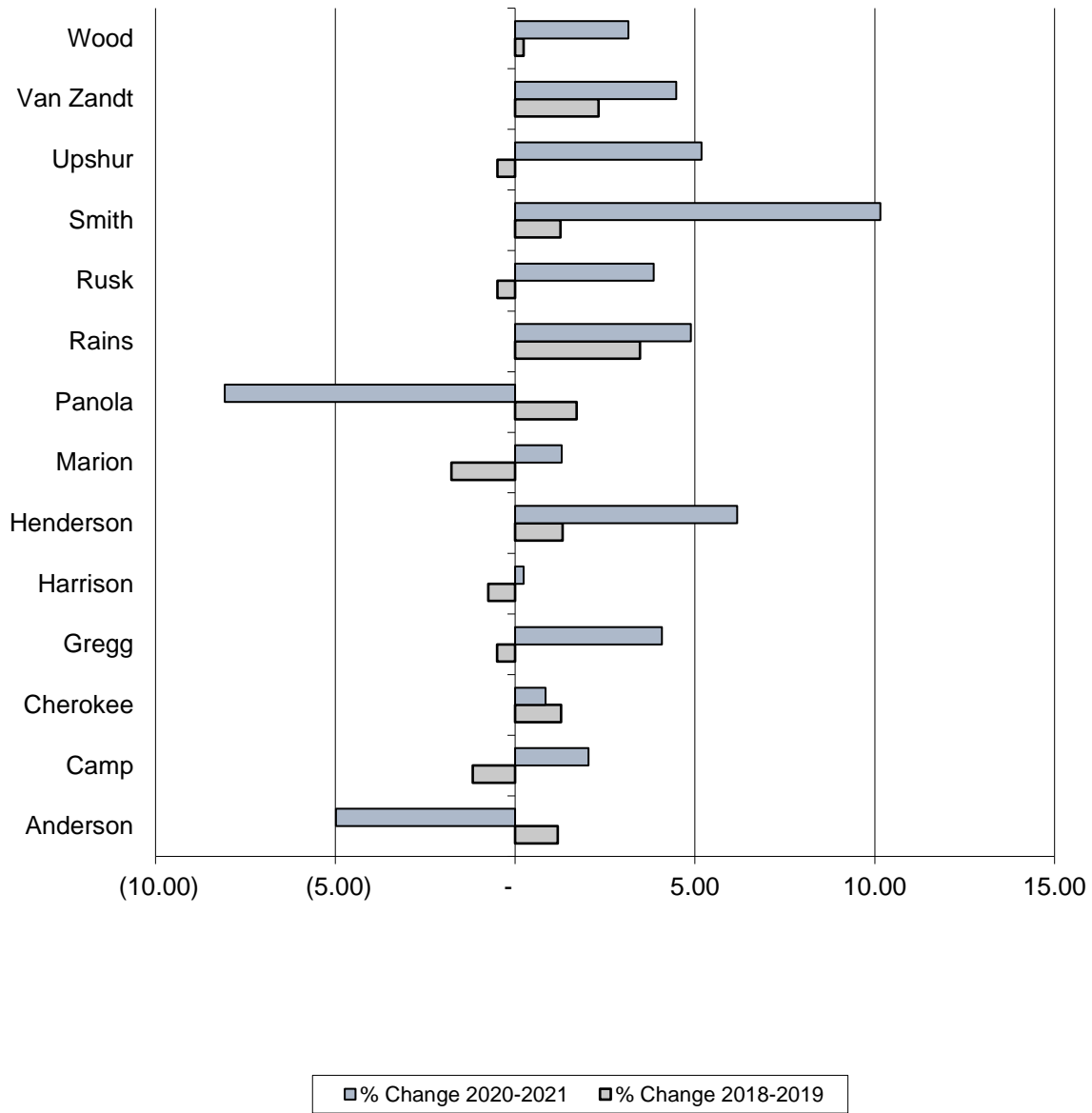


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The logo consists of the text "east Texas council of governments" in a bold, black, sans-serif font. The words are arranged in four lines: "east" and "Texas" on the top line, "council" and "of" on the second line, "govern" and "ments" on the third line. Three stylized trees, represented by green triangles with horizontal black stripes, are integrated into the design. One tree is positioned behind the letter 'T' in "Texas", another is behind the letter 'l' in "council", and a third is behind the letter 'n' in "governments".

# EAST TEXAS COUNCIL OF GOVERNMENTS

## EMPLOYMENT PERCENT CHANGE



**EAST TEXAS COUNCIL OF GOVERNMENTS**

## POPULATION - CENSUS 1980-2020

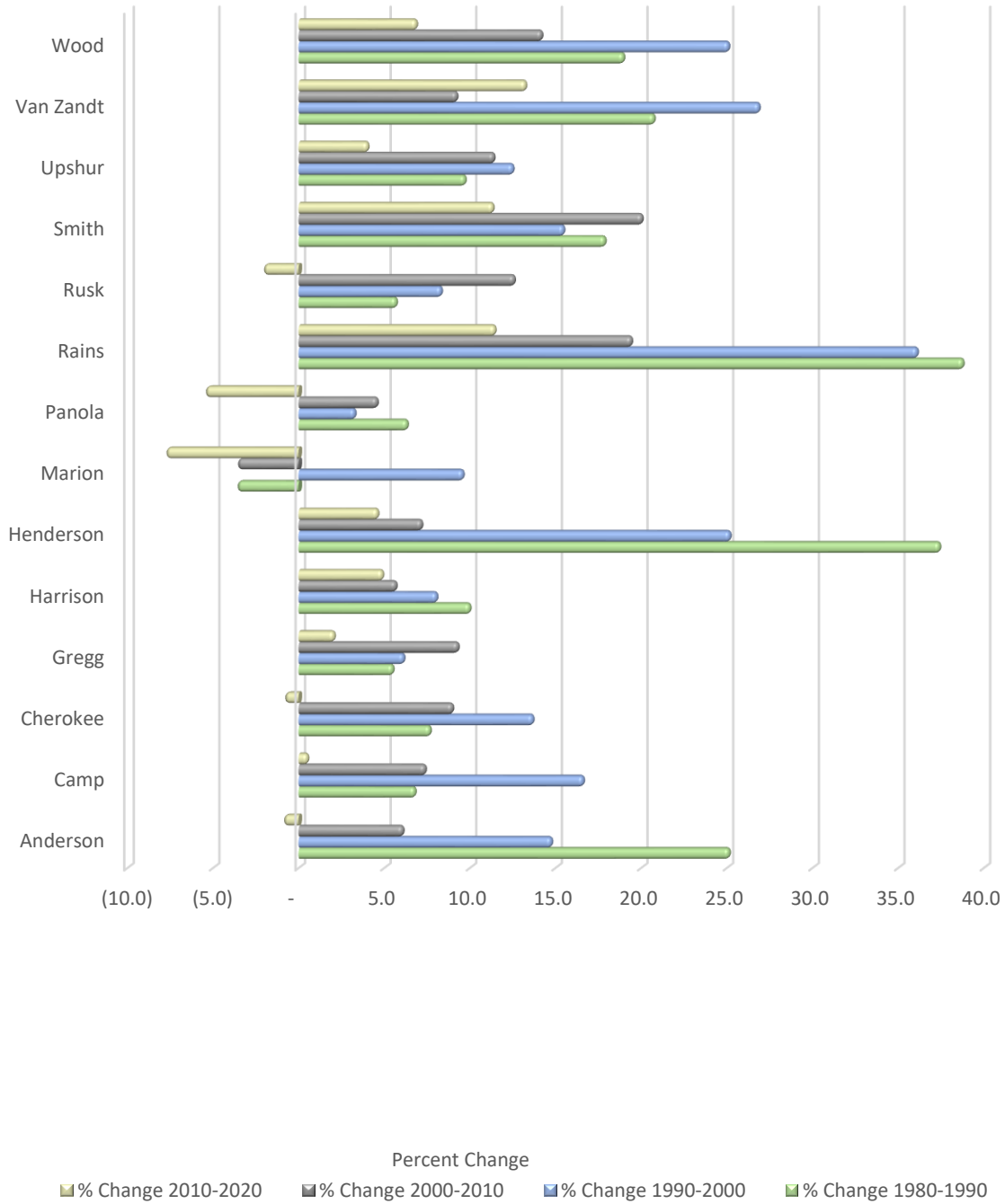
<u>County</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>
Anderson	38,381	48,024	55,109	58,458	57,922
Camp	9,275	9,904	11,549	12,401	12,464
Cherokee	38,127	41,049	46,659	50,845	50,412
Gregg	99,487	104,948	111,379	121,730	124,239
Harrison	52,265	57,483	62,110	65,631	68,839
Henderson	42,606	58,543	73,277	78,532	82,150
Marion	10,360	9,984	10,941	10,546	9,725
Panola	20,724	22,035	22,756	23,796	22,491
Rains	4,839	6,715	9,139	10,914	12,164
Rusk	41,382	43,735	47,372	53,330	52,214
Smith	128,366	151,309	174,706	209,714	233,479
Upshur	28,595	31,370	35,291	39,309	40,892
Van Zandt	31,426	37,944	48,140	52,579	59,541
Wood	24,697	29,380	36,752	41,964	44,843
WDA	570,530	652,423	745,180	829,749	871,375
Texas	14,229,191	16,986,510	20,851,820	25,145,561	29,145,505

Source: Census Bureau - [www.census.gov](http://www.census.gov)

% Change 1980-1990	% Change 1990-2000	% Change 2000-2010	% Change 2010-2020
25.1	14.8	6.1	(0.9)
6.8	16.6	7.4	0.5
7.7	13.7	9.0	(0.9)
5.5	6.1	9.3	2.1
10.0	8.0	5.7	4.9
37.4	25.2	7.2	4.6
(3.6)	9.6	(3.6)	(7.8)
6.3	3.3	4.6	(5.5)
38.8	36.1	19.4	11.5
5.7	8.3	12.6	(2.1)
17.9	15.5	20.0	11.3
10	12.5	11.4	4.0
20.7	26.9	9.2	13.2
19.0	25.1	14.2	6.9
14.4	14.2	11.3	5.0
19.4	22.8	20.6	15.9

# EAST TEXAS COUNCIL OF GOVERNMENTS

## POPULATION CHANGE CENSUS 1980-2020



**EAST TEXAS COUNCIL OF GOVERNMENTS**

POPULATION AND HOUSEHOLD BY COUNTY

<u>County</u>	<u>Population Forecast <sup>1</sup></u>			<u>Household Forecast <sup>2</sup></u>		
	<u>2020</u>	<u>2030</u>	<u>Percent Change</u>	<u>2020</u>	<u>2030</u>	<u>Percent Change</u>
Anderson	57,922	57,266	-1.13%	16,319	16,179	-0.86%
Camp	12,464	14,164	13.64%	4,688	5,058	7.89%
Cherokee	50,412	52,516	4.17%	18,440	18,847	2.21%
Gregg	124,239	127,694	2.78%	47,125	48,764	3.48%
Harrison	68,839	69,967	1.64%	23,803	24,539	3.09%
Henderson	82,150	82,001	-0.18%	32,140	33,209	3.33%
Marion	9,725	9,580	-1.49%	4,150	3,852	-7.18%
Panola	22,491	25,008	11.19%	9,482	9,772	3.06%
Rains	12,164	11,519	-5.30%	4,487	4,616	2.87%
Rusk	52,214	51,909	-0.58%	18,516	18,426	-0.49%
Smith	233,479	257,573	10.32%	82,672	93,247	12.79%
Upshur	40,892	44,000	7.60%	15,258	16,523	8.29%
Van Zandt	59,541	57,787	-2.95%	20,445	21,508	5.20%
Wood	44,843	47,643	6.24%	17,369	18,203	4.80%
WDA	871,375	908,627	4.28%	314,894	332,743	5.67%

Source: Texas Demographic Center: <http://demographics.texas.gov/Data/TPEPP/Projections>

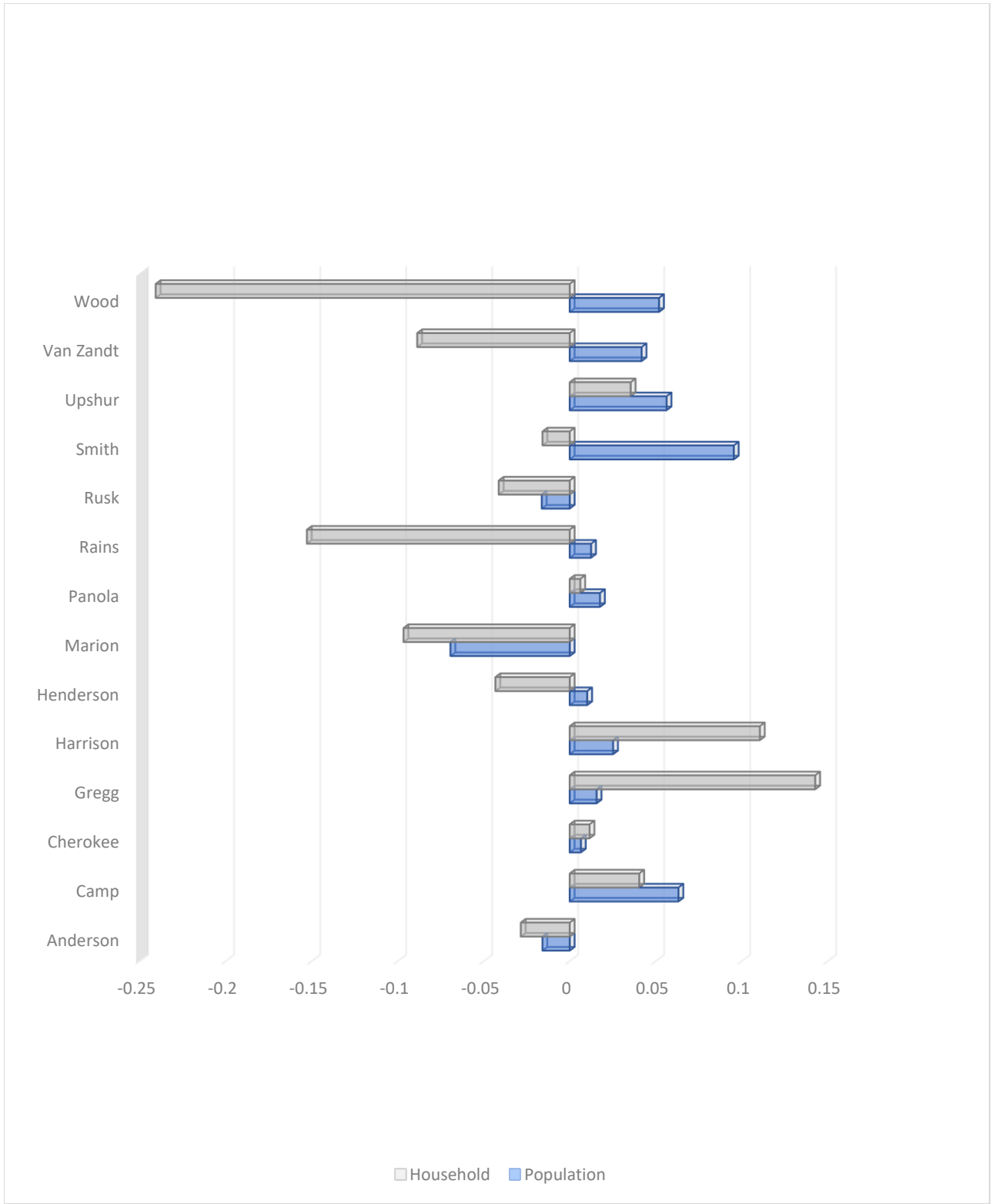


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# EAST TEXAS COUNCIL OF GOVERNMENTS

## POPULATION AND HOUSEHOLD CHANGE 2020-2030



**EAST TEXAS COUNCIL OF GOVERNMENTS**

TOTAL POPULATION AGE HISTORICAL AND PROJECTED

<b>Age Group</b>	<b>1990 Census</b>		<b>2000 Census</b>		<b>2010 Census</b>	
0 to 4	45,463	7.00%	48,866	6.60%	55,011	7.10%
5 to 14	98,741	15.10%	106,354	14.30%	111,983	13.50%
15 to 19	48,123	7.40%	56,640	7.60%	58,000	6.60%
20 to 24	41,376	6.30%	45,203	6.10%	52,342	6.60%
25 to 34	99,693	15.30%	92,684	12.40%	101,974	12.90%
35 to 44	89,690	13.70%	112,034	15.00%	101,401	12.00%
45 to 54	66,524	10.20%	98,062	13.20%	117,180	13.20%
55 to 64	62,307	9.60%	73,642	9.90%	103,373	12.10%
65 to 74	56,244	8.60%	60,225	8.10%	71,607	8.70%
75 to 84	33,967	5.20%	37,572	5.00%	41,589	5.20%
85+	10,331	1.60%	13,898	1.90%	15,289	2.20%

Source: <http://demographics.texas.gov/Data/TPEPP>

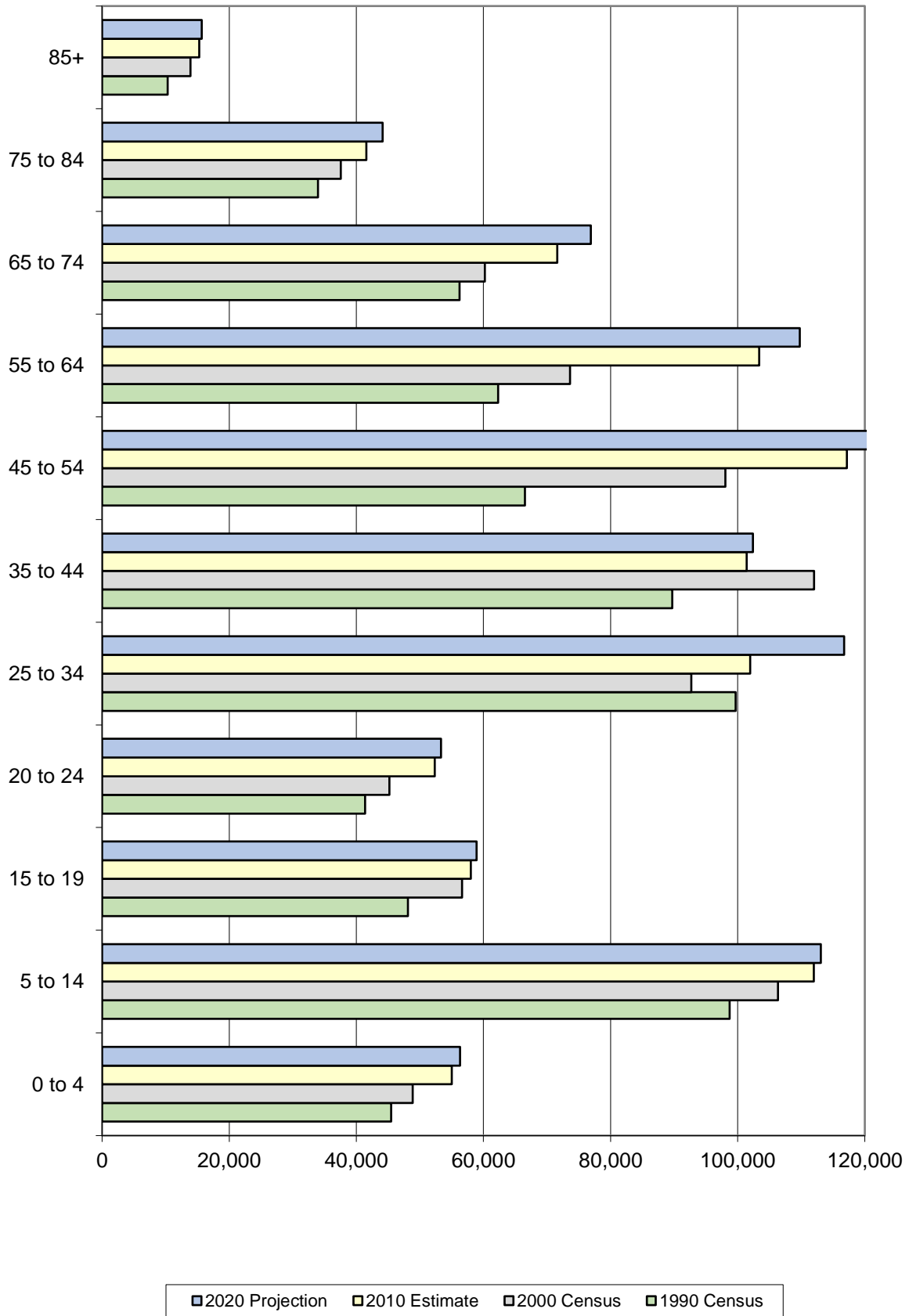
		<b>Percent Change</b>	
<b>2020 Projection</b>		<b>1990 to 2000</b>	<b>2010 to 2020</b>
56,327	6.46%	7.50%	2.39%
113,094	12.98%	7.70%	0.99%
58,934	6.38%	17.70%	1.61%
53,323	6.12%	9.30%	1.87%
116,762	13.40%	-7.00%	14.50%
102,381	11.75%	24.90%	0.97%
124,421	12.44%	47.40%	6.18%
109,783	12.94%	18.20%	6.20%
76,881	9.86%	7.10%	7.37%
44,142	5.52%	10.60%	6.14%
15,687	2.14%	34.50%	2.60%



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**EAST TEXAS COUNCIL OF GOVERNMENTS**

**POPULATION AGE HISTORICAL AND PROJECTED**



**EAST TEXAS COUNCIL OF GOVERNMENTS**

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Population <sub>1</sub></b>	<b>Personal Income (in thousands) <sub>2</sub></b>	<b>Per Capita Personal Income <sub>3</sub></b>	<b>Gross Sales All Industries <sub>4</sub></b>	<b>Gross Sales, All Industries Subject to State Tax <sub>5</sub></b>
2012	839,625	\$ 32,527,999	\$ 36,790	\$ 34,433,145,704	\$ 8,233,796,819
2013	839,357	33,475,526	37,802	34,431,835,208	8,346,259,934
2014	844,811	33,563,048	37,173	33,258,023,748	8,747,169,123
2015	850,802	35,068,923	37,583	24,783,825,513	6,560,673,658
2016	853,857	34,910,348	37,131	36,315,638,574	8,349,291,122
2017	859,975	34,574,823	37,803	32,084,399,061	8,874,160,515
2018	867,027	37,847,979	39,586	35,152,608,333	9,540,201,777
2019	870,271	39,094,390	40,690	34,897,407,691	9,841,808,647
2020	871,375	41,362,391	43,217	33,590,007,805	9,714,993,581
2021	879,636	n/a	n/a	n/a	n/a

Source:

- 1: Texas Demographic Center: <http://demographics.texas.gov/Data/TPEPP/Projections>
- 2: Regional Economic Info System, Bureau of Economic Analysis, U.S. Department of Commerce  
Note: as of 3/15/2022 complete information not yet available for 2021
- 3: Regional Economic Info System, Bureau of Economic Analysis, U.S. Department of Commerce  
Note: as of 3/15/2022 complete information not yet available for 2021
- 4: Texas Comptroller of Public Accounts - <https://mycpa.cpa.state.tx.us/allocation/HistSales>  
Note: as of 3/15/2022 complete information not yet available for 2021
- 5: Texas Comptroller of Public Accounts - <https://mycpa.cpa.state.tx.us/allocation/HistSales>  
Note: as of 3/15/2022 complete information not yet available for 2021
- 6: Texas Workforce Commission and US Bureau of Labor Statistics
- 7: Texas Workforce Commission, Annual Average and US Bureau of Labor Statistics

<b>Total Employed<sub>6</sub></b>	<b>Unemployment Rate<sub>7</sub></b>
379,834	6.7
382,711	6.3
367,529	5.2
361,847	4.9
360,948	5.2
364,284	4.6
363,035	4.7
373,073	3.5
355,615	4.3
372,170	7.1



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**EAST TEXAS COUNCIL OF GOVERNMENTS**

PRINCIPAL EMPLOYERS 1000+ EMPLOYEES

SEPTEMBER 30, 2021 AND SIX YEARS AGO

<b>Company Information</b>	<b>Employees 2015</b>	<b>% of Total Employment</b>	<b>Employees 2021</b>	<b>% of Total Employment</b>	<b>Difference 2015-2020</b>	<b>Percent Difference 2015-2020</b>
<b><u>Brookshire Grocery CO</u></b> 1600 W Southwest Loop 323 Tyler, TX 75701-8500	1,522	8%	1,455	7%	(67)	-0.72%
<b><u>Christus Good Shepherd</u></b> 700 E Marshall Ave Longview, TX 75601-5572 Gregg County	2,201	11%	2,530	12%	329	0.99%
<b><u>Christus Trinity Mother</u></b> 536 S Beckham Ave. Tyler, TX 75702 Smith County	3,999	20%	4,016	19%	17	-0.97%
<b><u>Eastman Chemical CO</u></b> 300 Kodak Blvd Longview, TX 75602 Gregg County	1,521	8%	1,481	7%	(40)	-0.59%
<b><u>UT Health East Texas</u></b> 1000 S Beckham Ave Tyler, TX 75701-1908 Smith County	3,328	17%	3,559	17%	231	0.23%
<b><u>Longview ISD</u></b> 1125 Judson Rd Longview, TX 75601 Gregg County	1,248	6%	1,260	6%	12	-0.27%
<b><u>Longview Regional Medical</u></b> 2901 4th Street Longview, TX 75601 Gregg County	998	5%	1,156	6%	158	0.49%
<b><u>The Trane Company</u></b> 6200 Troup Hwy Tyler, TX 75707-1948 Smith County	1,501	8%	1,473	7%	(28)	-0.53%
<b><u>Tyler Independent School</u></b> 1319 Earl Campbell Parkway Tyler, TX 75701 Smith County	2,449	12%	2,563	12%	114	-0.10%
<b><u>UT Health Science</u></b> 11937 US Hwy 271 Tyler, TX 75708-3154 Smith County	1,094	6%	1,460	7%	366	1.46%
<b><u>Walmart</u></b> 6801 S. Broadway Ave. Tyler, TX 75703 Smith County	1,018	5%	1,521	7%	503	2.13%
	<u><u>19,861</u></u>		<u><u>20,953</u></u>			

Source:

: [http://longviewusa.com/major\\_employers](http://longviewusa.com/major_employers)

: <http://tedc.org>

**EAST TEXAS COUNCIL OF GOVERNMENTS**

FULL TIME EMPLOYEE EQUIVALENTS BY FUNCTION

SEPTEMBER 30, 2021 AND LAST TEN YEARS

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General Government</b>	21.23	22.95	29.49	22.95	19.65
<b>Workforce</b>	29.30	39.34	32.28	34.53	25.90
<b>Area Agency on Aging</b>	15.46	21.23	19.86	24.03	16.06
<b>Transportation</b>	44.16	49.87	48.08	44.01	46.97
<b>Economic Development</b>	1.91	0.91	2.29	0.92	0.92
<b>Environmental Quality</b>	2.34	1.77	1.29	1.90	1.35
<b>ETRDC -Loan Programs</b>	0.87	0.09	1.88	0.95	1.29
<b>Emergency Communications</b>	9.10	9.86	9.67	9.40	7.45
<b>Homeland Security</b>	3.17	1.24	3.65	3.31	1.73
<b>Criminal Justice</b>	1.76	1.55	1.51	1.85	1.08
	<u>129.30</u>	<u>148.81</u>	<u>150.00</u>	<u>143.85</u>	<u>122.40</u>

<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
17.66	19.60	18.71	20.47	22.85
22.46	24.07	27.33	29.65	28.90
20.85	20.80	19.80	23.67	28.15
47.03	43.00	42.00	42.38	52.70
0.85	0.88	1.01	2.56	2.89
0.45	0.45	0.42	0.86	0.68
2.00	2.00	1.90	0.20	0.13
8.85	8.85	8.38	9.49	9.79
1.25	1.25	1.35	0.66	0.48
1.10	1.10	1.10	1.56	0.93
<b>122.50</b>	<b>122.00</b>	<b>122.00</b>	<b>131.50</b>	<b>147.50</b>

**EAST TEXAS COUNCIL OF GOVERNMENTS**

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

<b><u>Workforce Development</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
Number of Children Served	7,737	7,075	6,419	7,786
Total Population Served at Workforce Centers	58,827	54,826	51,320	50,077
WIA Adults Entering Employment	170	308	291	266
WIA Adults Served	514	695	521	494
WIA Dislocated Workers Served	475	619	526	463
WIA Dislocated Workers Entering Employment	218	260	313	250
WIA Youth Served	247	317	272	217
WIA Youth Entering Employment	-	101	118	122
TANF Participants Served	772	1,340	1,095	838
TANF Participants Entering Employment	381	710	576	449
Food Stamp Participants Served	996	1,017	943	1,067
Food Stamp Participants Entering Employment	468	504	470	449
Reintegrated Offenders (RIO) Served	965	-	890	846
RIO Secured Employment	545	-	516	-
<b><u>Aging</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
Information & Referral	1,855	3,215	2,749	3,470
Care Coordination	1,862	1,127	1,695	1,026
Legal Assistance over 60	741	919	826	833
Legal Awareness	785	138	485	633
Evidence Based Intervention	-	-	-	-
Caregiver Support Coordination	1,456	722	561	497
Congregate Meals	93,342	78,310	73,432	76,625
Home Delivered Meals	347,609	342,218	322,298	338,501
Transportation	23,089	22,390	23,039	23,039
Residential Repairs	28	12	42	43
Homemaker	8,182	5,032	5,524	5,527
Personal Assistance	1,224	1,400	1,724	2,262
Health Maintenance	18	17	15	9
Health Screening	223	-	-	-
Nutrition Education	369	157	-	-
Emergency Response	440	387	372	313
Adult Day Care	536	625	499	516
Caregiver Respite in Home	8,183	8,361	3,584	3,977
Caregiver Respite Institutional	2,328	2,664	1,608	1,704
Instruction & Training	460	497	-	-
Participant Assessment	74	-	-	-
Caregiver Information Services	17,483	11,711	8,498	6,773
<b><u>Criminal Justice</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
Peace Officers Receiving Training	3,725	2,630	2,807	3,516
<b><u>Emergency Communications</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
Calls Received	130,586	194,058	325,827	392,215
<b><u>Transportation</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
Number of Trips	160,417	130,617	122,031	108,834
<b><u>Environmental Quality</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
Total Tons of Material Diverted	1185	1115	246	65
Total Number of Illegal Dump Sites Cleaned	88	120	210	257
<b><u>Economic Development SBA 504 Loans</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
Debentures Funded	31	37	33	31
Actual Job Retention from Debentures Funded	440	441	285	240

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
6,914	5,795	7,666	7,705	4,177	3,990
46,128	37,527	30,094	24,534	42,910	82,774
246	235	232	199	44	77
519	452	467	371	192	143
449	333	292	163	36	110
271	258	179	149	8	26
230	211	214	236	139	102
103	95	105	92	13	13
810	901	763	730	166	163
433	472	500	435	101	4
1,137	725	752	694	327	190
546	453	373	465	84	42
906	731	398	444	143	230
547	467	311	325	70	16

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
3,540	1,264	2,969	2,311	5,602	7,133
1,827	1,510	919	1,362	1,564	2,495
816	1,012	1,144	821	60	234
620	501	304	165	533	197
-	462	396	425	96	253
550	1,194	479	1,178	2,002	2,209
76,827	71,381	69,050	68,941	38,006	19,515
313,175	345,458	357,967	367,884	409,680	464,992
22,580	27,050	22,642	22,612	12,839	16,431
45	105	23	17	28	40
5,415	2,588	3,110	2,463	2,938	2,841
1,690	848	1,324	995	1,679	4,589
10	-	35	9	23	35
-	-	-	-	-	-
-	14,073	26,842	6,738	1,811	1,044
326	242	218	230	292	617
512	364	144	-	-	-
3,897	4,174	4,983	8,273	14,519	15,694
1,670	15	32	101	40	20
-	-	440	409	303	77
-	-	-	-	-	-
7,100	2,750	2,058	1,572	974	1,259

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
3,525	2,873	3,270	2,586	1,664	1,156

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
219,705	193,059	187,066	196,912	184,493	162,283

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
102,395	93,572	88,864	105,780	94,314	109,421

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
65	18	73	92	729	524
257	812	836	503	571	267

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
31	30	32	34	32	38
240	262	254	326	326	265

**EAST TEXAS COUNCIL OF GOVERNMENTS**

CAPITAL ASSETS STATISTICS BY FUNCTION

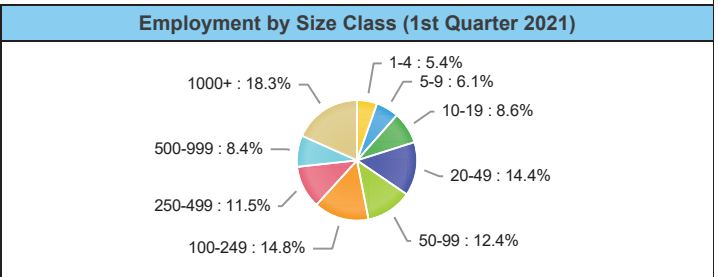
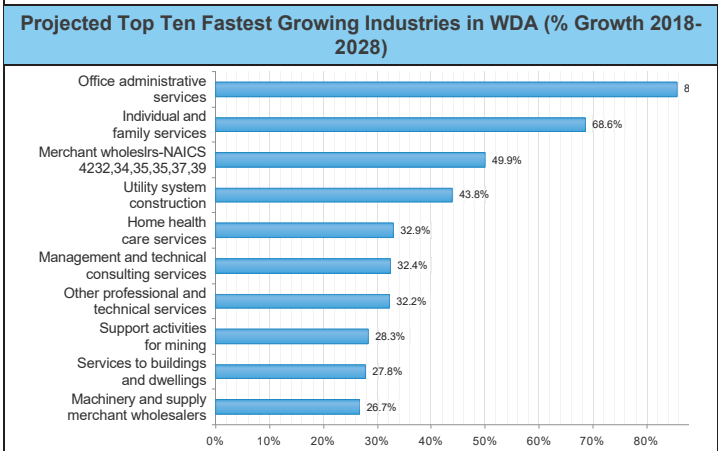
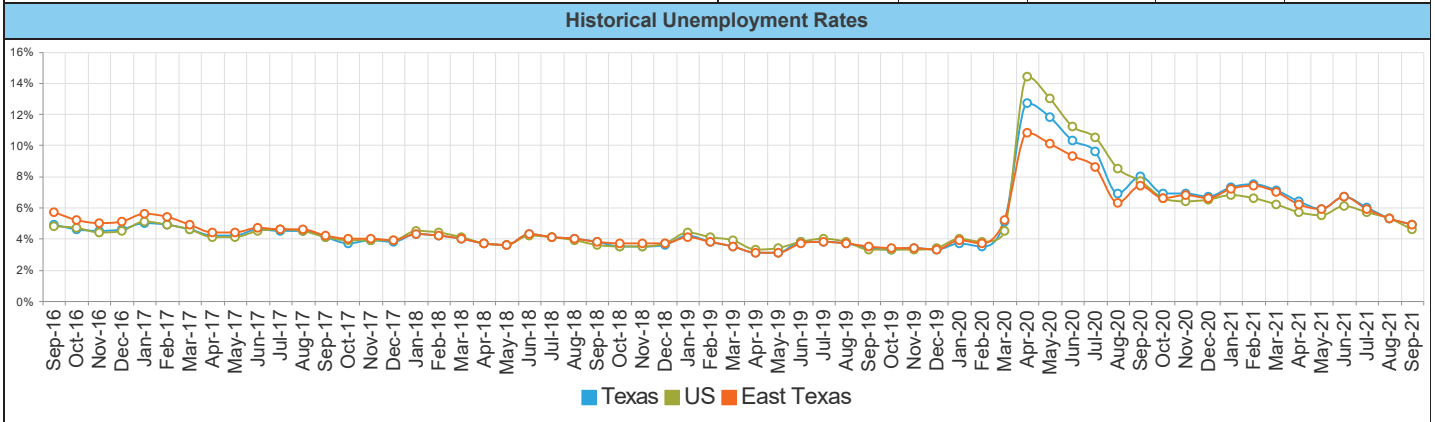
LAST TEN FISCAL YEARS

	<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>	<u>2021</u>
<b><u>General Government</u></b>										
Buildings	1	1	1	1	1	1	1	1	1	1
Building Improvements	-	1	1	3	4	5	5	6	6	8
Facility Storage Shed	-	-	-	-	1	1	1	1	1	1
Office Equipment	11	11	12	14	13	14	15	15	13	13
Ring Central Phone System	-	-	-	-	-	-	-	-	1	1
Security Equipment	-	-	-	1	1	1	1	1	1	1
Vehicles	9	9	9	9	6	9	10	10	10	10
Haulmark Enclosed Trailer	-	-	-	-	-	-	-	-	-	1
<b><u>Workforce Development</u></b>										
Office Equipment	2	2	4	4	4	4	4	4	4	4
Arc Welder Equipment	-	-	-	-	1	1	1	1	1	1
Building Improvements/Signage	1	1	1	1	1	1	1	1	1	1
Vehicles	1	1	1	1	1	5	5	6	8	9
Mobile Unit	1	1	1	2	3	3	3	3	3	3
<b><u>Emergency Communications</u></b>										
PSAP Equipment	17	17	17	17	17	17	17	17	17	18
Network	1	1	1	1	-	-	-	-	-	1
Recorders	5	5	5	5	5	5	5	5	5	6
Access Control System	-	-	-	-	-	-	-	1	1	1
911 Server	-	-	-	-	-	-	-	-	1	1
Office Equipment	8	11	12	13	12	13	13	14	12	14
Generator	-	-	-	-	-	-	-	-	-	1
<b><u>Homeland Security</u></b>										
Office Equipment	-	-	-	-	-	-	-	-	-	-
<b><u>Aging</u></b>										
Buildings	1	1	1	1	1	1	1	1	2	2
Transportation Vehicles	9	9	9	14	13	13	13	10	10	11
Office Equipment	6	6	6	6	7	7	7	7	6	6
<b><u>Transportation</u></b>										
Transportation Vehicles	63	59	61	55	51	52	75	72	66	76
Addition to Transp Vehicle	-	-	-	-	-	-	-	-	1	5
Trolley	-	-	-	-	-	-	-	-	1	1
SmartDrive SR4 Camera System	-	-	-	-	-	-	-	-	1	1
Decontamination System	-	-	-	-	-	-	-	-	1	1
Marshall Chair Lift	-	1	1	1	1	1	1	1	1	1
Digital Dispatch Equipment	1	1	1	1	1	-	-	-	-	-

Note: Assets in excess of \$5,000

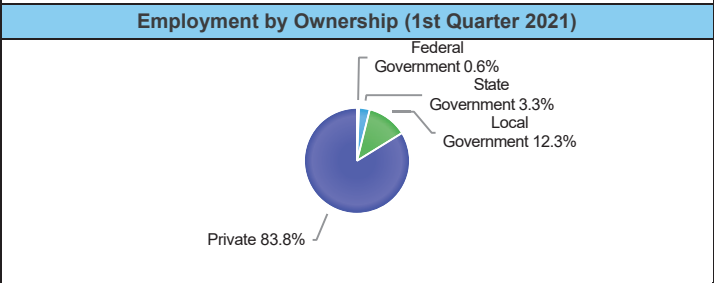
Assets purchased with grant funds but reported by subrecipients are not included.

East Texas Workforce Development Area				
		September 2021		
		WDA Labor Force Statistics		
Civilian Labor Force	Sep-21	Aug-21	Sep-20	Yearly Change
Employed	369,411	367,117	356,717	12,694
Unemployed	19,207	20,448	28,677	-9,470
Unemployment Rate	4.9%	5.3%	7.4%	-2.5%
Texas Labor Force Statistics				
Civilian Labor Force	Sep-21	Aug-21	Sep-20	Yearly Change
Employed	14,254,432	14,191,262	13,993,842	260,590
Unemployed	13,549,183	13,432,920	12,877,405	671,778
Unemployment Rate	705,249	758,342	1,116,437	-411,188
Unemployment Rate	4.9%	5.3%	8.0%	-3.1%
US Labor Force Statistics				
Civilian Labor Force	Sep-21	Aug-21	Sep-20	Yearly Change
Employed	161,392,000	161,788,000	160,073,000	1,319,000
Unemployed	154,026,000	153,232,000	147,796,000	6,230,000
Unemployment Rate	7,366,000	8,556,000	12,277,000	-4,911,000
Unemployment Rate	4.6%	5.3%	7.7%	-3.1%
Continued Claims for the Week of the 12th				
WDA	Sep-21	Aug-21	Sep-20	Yearly Change
Texas	2,259	2,963	16,100	-13,841
Texas	92,894	123,285	634,196	-541,302



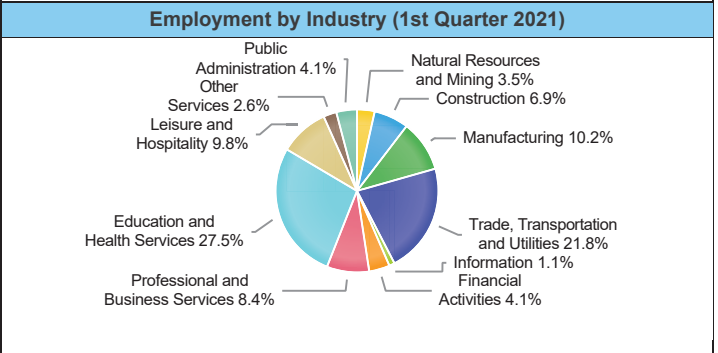
### Average Weekly Wage (1st Quarter 2021)

	Q1 2021	Q4 2020	Q1 2020	Quarterly Change	Yearly Change
WDA	\$876	\$973	\$875	-\$97	\$1
Texas	\$1,261	\$1,294	\$1,231	-\$33	\$30
US	\$1,289	\$1,339	\$1,221	-\$50	\$68



### Employment by Industry (1st Quarter 2021, Percent Change)

Industry	Employment	% of Total	% Quarterly Change	% Yearly Change
Natural Resources and Mining	10,480	3.5%	1.4%	-22.0%
Construction	20,563	6.9%	-1.6%	-7.6%
Manufacturing	30,611	10.2%	-1.3%	-5.4%
Trade, Transportation and Utilities	65,392	21.8%	-2.3%	-0.8%
Information	3,412	1.1%	3.1%	-5.5%
Financial Activities	12,184	4.1%	0.2%	-1.9%
Professional and Business Services	25,210	8.4%	-0.9%	-3.8%
Education and Health Services	82,576	27.5%	-1.2%	-3.5%
Leisure and Hospitality	29,462	9.8%	-0.1%	-6.0%
Other Services	7,797	2.6%	-1.4%	-4.5%
Public Administration	12,443	4.1%	-1.9%	-3.8%





**east Texas  
council of  
governments**



## **SINGLE AUDIT SECTION**



**east Texas  
council of  
governments**

The logo consists of the text "east Texas council of governments" in a bold, black, sans-serif font. The words are arranged in four lines: "east Texas" on the top line, "council of" on the second line, "governments" on the third line, and "of" on the fourth line. The word "of" is positioned between "council" and "governments". Three stylized trees, represented by green triangles with horizontal black stripes, are integrated into the design. One tree is positioned behind the letter 'T' in "Texas", another is behind the letter 'f' in "of", and a third is behind the letter 'n' in "governments".

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**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**

Board of Directors  
East Texas Council of Governments  
Kilgore, Texas

We have audited, 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, the financial statements of the governmental activities, the discretely presented component unit, and each major fund of the East Texas Council of Governments (the "Council"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated March 25, 2022.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Council'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 Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council'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 Council'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 financial statements. 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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Waco, Texas  
March 25, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH UNIFORM GUIDANCE AND THE STATE OF TEXAS  
UNIFORM GRANT MANAGEMENT STANDARDS**

Board of Directors  
East Texas Council of Governments  
Kilgore, Texas

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

We have audited East Texas Council of Governments' (the "Council") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* and the State of Texas *Uniform Grant Management Standards* ("UGMS"), issued by the Texas Comptroller of Public Accounts, that could have a direct and material effect on each of the Council's major federal and state programs for the year ended September 30, 2021. The Council's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Council's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of 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 UGMS. Those standards, the Uniform Guidance, and UGMS require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Council'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 and state program. However, our audit does not provide a legal determination of the Council's compliance.

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

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2021.

## Report on Internal Control over Compliance

Management of the Council 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 Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and UGMS, 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 Council'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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses, and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 and UGMS. Accordingly, this report is not suitable for any other purpose.

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

Waco, Texas  
March 25, 2022

**EAST TEXAS COUNCIL OF GOVERNMENTS**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

<b>Federal Grantor/Pass-through Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-through Grantor's Number</b>	<b>Expenditures</b>	<b>Amounts Provided to Subrecipients</b>
<b>Federal Awards:</b>				
<b><u>U.S. Department of Agriculture</u></b>				
Passed through Texas Workforce Commission:				
Supplemental Nutrition Assistance Program 9/30/21	10.561	0821SNE001	\$ 504,736	\$ 315,264
Total SNAP Cluster			<u>504,736</u>	<u>315,264</u>
Total Passed through Texas Workforce Commission			<u>504,736</u>	<u>315,264</u>
<b>Total U.S. Department of Agriculture</b>			<u>504,736</u>	<u>315,264</u>
<b><u>U.S. Department of Commerce</u></b>				
Direct programs:				
District Planning Assistance Program 12/31/23	11.302	ED21AUS3020019	74,305	-
District Planning Assistance Program 12/31/20	11.302	ED18AUS3020013	<u>24,312</u>	<u>-</u>
Total 11.302			<u>98,617</u>	<u>-</u>
EDA CARES Act 6-30-22	11.307	ED20AUS3070067	96,748	-
EDA Broadband 1-31-22	11.307	08-79-05290	<u>156,514</u>	<u>-</u>
Total Economic Development Cluster			<u>253,262</u>	<u>-</u>
Total Direct Programs			<u>351,879</u>	<u>-</u>
<b>Total U.S. Department of Commerce</b>			<u>351,879</u>	<u>-</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Passed through Texas Department of Agriculture:				
Texas Community Development Program 8/31/21	14.228	C719213	318	-
Total Passed through Texas Department Agriculture			<u>318</u>	<u>-</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>318</u>	<u>-</u>
<b><u>U.S. Department of Labor</u></b>				
Passed through Texas Workforce Commission:				
Workforce Commission Initiatives 9/30/21	17.207	0821WCI001	16,060	-
Workforce Commission Initiatives 6/30/21	17.207	0820WCI001	4,665	-
Employment Services 12/31/21	17.207	0821WPA001	48,172	-
Employment Services 6/30/21	17.207	0820WPA001	274,381	174,073
Veterans Outreach Program 9/30/21	17.801	0821TVC001	<u>20,841</u>	<u>-</u>
Total Employment Service Cluster			<u>364,119</u>	<u>174,073</u>
Reemployment & Eligibility to 12/31/21	17.225	0821REA001	160,191	111,776
Reemployment & Eligibility to 3/31/21	17.225	0820REA001	<u>86,438</u>	<u>54,446</u>
Total 17.225			<u>246,629</u>	<u>166,222</u>
Trade Act 12/31/21	17.245	0821TRA001	150,649	-
Trade Act 12/31/20	17.245	0820TRA001	<u>5,237</u>	<u>-</u>
Total 17.245			<u>155,886</u>	<u>-</u>
WIOA National Emergency Grant 3-31-22 - COVID-19	17.277	0820NDW001	606,482	472,225
Total 17.277			<u>606,482</u>	<u>472,225</u>

**EAST TEXAS COUNCIL OF GOVERNMENTS**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

<b>Federal Grantor/Pass-through Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-through Grantor's Number</b>	<b>Expenditures</b>	<b>Amounts Provided to Subrecipients</b>
<b>Federal Awards (Continued):</b>				
<b>U.S. Department of Labor (Continued)</b>				
High Demand Training 4/30/22	17.258	0821HJT001	\$ -	\$ -
High Demand Training 4/30/21	17.258	0820HJT002	104,750	-
High Demand Training 12/31/20	17.258	0819HJT001	5,846	-
Workforce Commission Initiatives 5/31/21	17.258	0819WCI000	(614)	-
WIOA Adult 6/30/23	17.258	0821WOA001	3,693	-
WIOA Adult 6/30/22	17.258	0820WOA001	1,432,206	711,760
WIOA Adult 6/30/21	17.258	0819WOA001	84,842	84,842
COVID-19 Statewide 6/30/21	17.258	0820COV001	21,714	-
WIOA WAF 8/31/21	17.258	0819WAF001	248,481	36,676
WIOA Youth 6/30/23	17.259	0821WOY001	3,693	-
WIOA Youth 6/30/22	17.259	0820WOY002	1,268,353	714,791
WIOA Youth 6/30/21	17.259	0819WOY001	364,224	243,427
WIOA Rapid Response 6/30/21	17.278	0820WOR001	167	112
WIOA Dislocated Worker 6/30/23	17.278	0821WOD001	3,943	-
WIOA Dislocated Worker 6/30/22	17.278	0820WOD001	847,159	386,144
WIOA Dislocated Worker 6/30/21	17.278	0819WOD001	743,461	447,576
COVID-19 Statewide 6/30/21	17.278	0820COV001	21,713	-
Total WIOA Cluster			<u>5,153,631</u>	<u>2,625,328</u>
Total Passed through Texas Workforce Commission			<u>6,526,747</u>	<u>3,437,848</u>
<b>Total U.S. Department of Labor</b>			<u>6,526,747</u>	<u>3,437,848</u>
<b>U.S. Department of Transportation</b>				
Passed through Texas Department of Transportation:				
Regional Federal Planning 2/28/22	20.505	51008011021	43,928	-
Regional Federal Planning 5/31/21	20.505	51R08A11019	31,832	-
Total 20.505			<u>75,760</u>	-
Rural Transportation CARES ACT 12/31/22 - COVID-19	20.509	51018031021	1,388,499	-
Rural Transportation 12/31/22	20.509	51018011022	63,179	-
Rural Transportation 12/31/21	20.509	51018011021	1,050,155	168,000
Rural Transportation 5/31/21	20.509	51018011019	612,966	-
Rural Transportation 10/31/20	20.509	51018011020	543,092	-
Bus & Bus Facilities to 10-31-20	20.509	51003F11019	664,524	-
Total 20.509			<u>4,322,415</u>	<u>168,000</u>
Elderly & Disabled ARP 8/31/22 - COVID-19	20.513	51016011021	300,844	-
Elderly & Disabled 8/31/21	20.513	51016051019	159,792	-
Enhanced Mobility 8/31/22	20.513	51016011022	2,333	-
Total Transit Services Programs Cluster			<u>462,969</u>	-
Bus & Bus Facilities to 12-31-21	20.526	51003011020	137,865	-
Total Federal Transit Cluster			<u>137,865</u>	-
Total Passed through Texas Dept. of Transportation			<u>4,999,009</u>	<u>168,000</u>
<b>Total U.S. Department of Transportation</b>			<u>4,999,009</u>	<u>168,000</u>



**EAST TEXAS COUNCIL OF GOVERNMENTS**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Expenditures	Amounts Provided to Subrecipients
<b>Federal Awards (Continued):</b>				
<b>U.S. Department of Health and Human Services</b>				
Passed through Texas Health and Human Services Commission:				
Title VII Elder Abuse 9/30/21	93.041	539-16-0012-00001	\$ 2,990	\$ -
Total 93.041			2,990	-
Title VII Ombudsman Services 9/30/21	93.042	539-16-0012-00001	26,524	-
CARES Act Title VII Ombudsman 9/30/21 - COVID-19	93.042	539-16-0012-00001	37,481	-
Total 93.042			64,005	-
Title III Part D 9/30/21	93.043	539-16-0012-00001	49,368	-
Total 93.043		539-16-0012-00001	49,368	-
Title III Part B 9/30/21	93.044	539-16-0012-00001	1,049,186	568,092
CARES Act Title III Part B 9/30/21 - COVID-19	93.044	539-16-0012-00001	362,379	47,830
CARES Act Title III Part C 9/30/21 - COVID-19	93.044	539-16-0012-00001	1,266,429	1,152,323
CDC Vaccination Title III Part CB 9/30/21	93.044	HHS000874100011	13,084	-
COVID-19 Title III-C1 9/30/20	93.045	539-16-0012-00001	9,859	9,028
Title III Part C1 9/30/21	93.045	539-16-0012-00001	382,680	72,331
Title III Part C2 9/30/21	93.045	539-16-0012-00001	726,664	726,664
Consolidated Appropriations III-C2 9/30/21	93.045	539-16-0012-00001	135,088	-
Nutrition Service Incentive Program 9/30/21	93.053	539-16-0012-00001	325,117	210,128
Total Aging Cluster			4,270,486	2,786,396
CARES Act Title III Part E 9/30/21 - COVID-19	93.052	539-16-0012-00001	179,450	19,001
Title III Part E 9/30/21	93.052	539-16-0012-00001	445,531	334,096
Total 93.052			624,981	353,097
MIPPA Priority 8/31/21	93.071	539-16-0012-00001	17,061	-
Total 93.071			17,061	-
HICAP 3/31/22	93.324	HHS000874100011	58,635	-
HICAP 3/31/21	93.324	539-16-0012-00001	34,067	-
Total 93.324			92,702	-
Total Passed through Texas Health and Human Services Commission			5,121,593	3,139,493
Passed through Texas Workforce Commission:				
Employment Services 12/31/21	93.558	0821WPA001	9,378	-
Employment Services 6/30/21	93.558	0820WPA001	75,582	49,009
TANF 10/31/21	93.558	0821TAF001	1,304,279	929,390
TANF 10/31/20	93.558	0820TAF001	216,538	160,939
Texas Intern Initiative 6/5/21	93.558	0819TAN002	6,665	1,586
Non Custodial Parent 9/30/21	93.558	0821NCP001	234,829	151,733
Workforce Commission Initiatives 9/30/21	93.558	0821WCI001	18,507	-
Workforce Commission Initiatives 5/31/21	93.558	0819WCI000	733	-
Workforce Commission Initiatives 6/30/21	93.558	0820WCI001	27,079	-
Total 93.558			1,893,590	1,292,657

**EAST TEXAS COUNCIL OF GOVERNMENTS**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

<b>Federal Grantor/Pass-through Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-through Grantor's Number</b>	<b>Expenditures</b>	<b>Amounts Provided to Subrecipients</b>
<b>Federal Awards (Continued):</b>				
<b><u>U.S. Department of Health and Human Services (Continued)</u></b>				
TRSCC 12-31-20	93.575	0820BSA001	\$ 3,400	\$ -
Workforce Commission Initiatives 5/31/21	93.575	0819WCI000	14,690	-
Childcare Attendance Automation System 11/30/21	93.575	0821CAA001	43,560	43,560
Childcare 12/31/21	93.575	0821CCF001	14,161,803	13,423,129
Childcare 12/31/20 - COVID-19	93.575	0820CCF001	1,296,836	1,207,924
Childcare Quality 10/31/21	93.575	0821CCQ001	617,683	-
Childcare Quality 10/31/20	93.575	0820CCQ001	98,704	50,305
Childcare 12/31/21	93.596	0821CCF001	4,057,870	3,846,038
Childcare Local Match 12/31/21	93.596	0821CCM001	536,321	536,321
Childcare Local Match 12/31/20	93.596	0820CCM001	<u>2,316,588</u>	<u>2,316,588</u>
Total CCDF Cluster			23,147,455	21,423,865
Social Services Block Grant - Childcare 12/31/21	93.667	0821CCF001	<u>58,516</u>	<u>55,461</u>
Total 93.667			<u>58,516</u>	<u>55,461</u>
Total Passed through Texas Workforce Commission			<u>25,099,561</u>	<u>22,771,983</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>30,221,154</u>	<u>25,911,476</u>
<b><u>U.S. Department of Homeland Security</u></b>				
Passed through the Office of the Governor, Division of Emergency Management:				
Homeland Security Program 9/30/21	97.067	2947606	<u>139,417</u>	<u>-</u>
Total 97.067			139,417	-
Homeland Security M&A 8/31/22	97.073	CJDHS-22-00072	406	-
Homeland Security M&A 8/31/21	97.073	2947606	<u>13,769</u>	<u>-</u>
Total 97.073			14,175	-
Total Passed through the Office of the Governor, Division of Emergency Management			<u>153,592</u>	<u>-</u>
<b>Total U.S. Department of Homeland Security</b>			<u>153,592</u>	<u>-</u>
<b>Total Federal Awards</b>			<u>42,757,435</u>	<u>29,832,588</u>

**EAST TEXAS COUNCIL OF GOVERNMENTS**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

<b>Federal Grantor/Pass-through Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-through Grantor's Number</b>	<b>Expenditures</b>	<b>Amounts Provided to Subrecipients</b>
<b>State Awards:</b>				
<b><u>Texas Health and Human Services Commission:</u></b>				
Direct Programs:				
OMB ALF 8/31/21		539-16-0012-00001	\$ 64,642	\$ -
Housing Bond 8/31/22		539-16-0012-00001	23,218	23,218
State General Revenue 9/30/21		539-16-0012-00001	167,569	28,370
State General Revenue HDM Rate Increase 9/30/21		539-16-0012-00001	82,476	78,786
<b>Total Texas Health and Human Services Commission</b>			<b>337,905</b>	<b>130,374</b>
<b><u>Texas Department of Agriculture:</u></b>				
Direct Programs:				
Consumer Protection Project (Skimmer) 2-28-21		TDA-19-ARED-05	76,339	67,619
<b>Total Department of Agriculture</b>			<b>76,339</b>	<b>67,619</b>
<b><u>Office of the Governor, Criminal Justice Division:</u></b>				
Direct Programs:				
Police Training 8/31/23		1426517	3,095	2,920
Police Training 8/31/21		512-463-1919	179,367	154,028
Criminal Justice & Homeland Security Planning 8/31/22		CJDHS-22-00072	5,236	-
Criminal Justice & Homeland Security Planning 8/31/21		CJDHS2021	48,578	-
Regional Evaluation Services for Juveniles 8/31/22		2541710	239	134
Regional Evaluation Services for Juveniles 8/31/21		2541709	31,223	30,185
<b>Total Office of the Governor, Criminal Justice Division</b>			<b>267,738</b>	<b>187,267</b>
<b><u>Texas Commission on Environmental Quality:</u></b>				
Direct Programs:				
Solid Waste 8/31/23		582-22-30115	26,417	-
Solid Waste 8/31/21		582-20-10211	213,897	102,456
Air Quality 12-31-23		582-20-11978	203,364	189,473
<b>Total Texas Commission on Environmental Quality</b>			<b>443,678</b>	<b>291,929</b>
<b><u>Commission on State Emergency Communications:</u></b>				
Direct Programs:				
9-1-1 8/31/22		911-ET-22	120,185	39,079
9-1-1 8/31/21		911-ET-21	3,007,189	415,853
9-1-1 8/31/19		911-ET-19	510,298	92,835
<b>Total Commission on State Emergency Communications</b>			<b>3,637,672</b>	<b>547,767</b>
<b><u>Texas Department of Transportation:</u></b>				
Direct Programs:				
Rural Transportation 12/31/21		51218011021	790,503	-
<b>Total Texas Department of Transportation</b>			<b>790,503</b>	<b>-</b>
<b><u>Texas Veteran's Commission</u></b>				
Direct Programs:				
Veteran's Assistance 6/30/22		GT-FVA21-034	16,037	-
<b>Total Texas Veteran's Commission</b>			<b>16,037</b>	<b>-</b>

**EAST TEXAS COUNCIL OF GOVERNMENTS**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

<b>Federal Grantor/Pass-through Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-through Grantor's Number</b>	<b>Expenditures</b>	<b>Amounts Provided to Subrecipients</b>
<b>State Awards (Continued):</b>				
<b><u>Texas Workforce Commission:</u></b>				
Direct Programs:				
Childcare DFPS 12/31/22		0822CCP001	\$ 108,357	\$ 105,806
Childcare DFPS 12/31/21		0821CCP001	1,612,269	1,574,283
Childcare DFPS 12/31/20		0820CCP001	215	215
Childcare 12/31/21		0821CCF001	2,232,679	2,116,127
Total CCDF - State			<u>3,953,520</u>	<u>3,796,431</u>
VR SEAL 1-31-22		0321VRS061	99,949	94,899
VR Navigator 8-31-23		3018VRS136	90,208	-
VR WSWE 9-30-23		3018VRS174	45,795	-
ISS 10-31-22		0822COL001	11,580	-
ISS 8-31-21		0821COL002	108,595	-
Workforce Commission Initiatives 9/30/21		0821WCI001	2,000	-
Supplemental Nutrition Assistance Program 9/30/21		0821SNE001	46,387	28,986
TANF 10/31/21		0821TAF001	218,547	103,266
Non Custodial Parent 9/30/22		0822NCP001	510	-
Non Custodial Parent 9/30/21		0821NCP001	182,474	117,918
Total TANF - State			<u>401,531</u>	<u>221,184</u>
<b>Total Texas Workforce Commission</b>			<u>4,759,565</u>	<u>4,141,500</u>
<b>Total State Awards</b>			<u>10,329,437</u>	<u>5,366,456</u>
<b>Total Federal and State Awards</b>			<u>\$ 53,086,872</u>	<u>\$ 35,199,044</u>

**EAST TEXAS COUNCIL OF GOVERNMENTS**

NOTES TO SCHEDULE OF EXPENDITURES OF  
FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

**1. GENERAL**

The Schedule of Expenditures of Federal and State Awards presents the activity of all applicable federal and state awards programs of East Texas Council of Governments (the "Council"). The Council's reporting entity is defined in Note 1 of the basic financial statements. Federal and state awards received directly from federal and state agencies, as well as federal awards passed through other government agencies, are included on the Schedule of Expenditures of Federal and State Awards.

**2. BASIS OF ACCOUNTING**

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

**4. NEGATIVE AMOUNTS**

Due to a revision in the allocation of certain costs, the grantor has retroactively allocated certain grant expenditures. As a result of this, the affected grants reflect a negative balance on the current Schedule of Expenditures of Federal and State Awards.

**5. INDIRECT COSTS**

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

**EAST TEXAS COUNCIL OF GOVERNMENTS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**Summary of Auditor's Results**

Financial Statements:

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

Federal and State Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Uniform Guidance or <i>Uniform Grant Management Standards</i> ?	None
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Identification of major programs:

Federal:

Assistance Listing Numbers:	Name of Federal/State Program or Cluster:
93.575, 93.596	CCDF Cluster
93.558	TANF
20.509	Rural Transportation
State:	CCDF Cluster
	TANF
	Rural Transportation

Dollar threshold used to distinguish between type A and type B federal programs	\$1,282,723
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Dollar threshold used to distinguish between type A and type B state programs	\$300,000
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Auditee qualified as low-risk auditee?	Yes
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**Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance With Government Auditing Standards**

None

**Findings and Questioned Costs for Federal and State Awards**

None



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SERVING A FOURTEEN COUNTY REGION

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

FOR THE YEAR ENDED SEPTEMBER 30, 2021

None



**east Texas  
council of  
governments**

The logo consists of the text "east Texas council of governments" in a bold, black, sans-serif font. The words are arranged in four lines: "east Texas" on the top line, "council of" on the second line, "governments" on the third line, and "of" on the fourth line. The word "of" is positioned between "council" and "governments". Three stylized trees, represented by green triangles with horizontal black stripes, are integrated into the design. One tree is positioned above the letter 'T' in "Texas", another is above the letter 'o' in "of", and a third is above the letter 'n' in "governments".