

*COMPREHENSIVE
ANNUAL FINANCIAL REPORT*

of

POLK COUNTY, TEXAS

**For the Year Ended
September 30, 2015**

**Prepared by:
County Auditor's Office**

**Margie Ainsworth
County Auditor**

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POLK COUNTY, TEXAS

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INTRODUCTORY SECTION

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Polk County Auditor
602 E. Church St.
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Livingston, Texas 77351

Polk County

Livingston, Texas

March 24, 2016

To the Honorable Board of District Judges,
Honorable County Judge, Honorable Members of
Commissioners' Court and Citizens of
Polk County, Texas:

State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2015.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

Belt Harris Pechacek, LLLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on Polk County's (the "County") financial statements for the year ended September 30, 2015. The independent auditors' report is the first item in the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of Polk County

Polk County was formed in 1846 as a political subdivision of the Republic of Texas. The County was named in honor of James K. Polk, then President of the United States. The County is located in the tall pine forests of deep east Texas, about 70 miles north of Houston. It currently occupies a total of 1,095 square miles and serves a population of 46,079. The County is empowered to levy a property tax on real property located within its boundaries.

The County's governing body is the Commissioners' Court (the "Court"). The Texas Constitution specifies that the Court consist of a County Judge, who is elected at large and serves as presiding officer, and four County commissioners elected by the voters of their individual precincts. The Court exercises the powers provided by law to conduct the varied business of the County. The Local Government Code prescribes the duties and grants authority to the Court and other County officers relating to financial management. In compliance with state statutes, the Court maintains budgetary control to ensure that provisions embodied within the annually appropriated budget are met for most County functions. According to the budget laws of the State of Texas, expenditures may not exceed the amount appropriated for each fund.

The County provides a full range of services complemented by statute or charter. This includes law enforcement, legal and judicial services, licenses and permits, vital statistics, waste management facilities, construction and maintenance of roads and bridges, and other infrastructure. The County, as the financial reporting entity, includes all the funds of the primary government (i.e., the County as legally defined), as well as any component units. Component units are legally separate entities for which the primary government is financially accountable. The County has one component unit: IAH Public Facility Corporation, which is reported separately within the County's financial statements. Additional information on this legally separate entity can be found in the notes to the financial statements (see note I.a).

The Court is required to adopt a budget for the fiscal year no later than September 30 preceding the beginning of the fiscal year on October 1. This annual budget serves as the foundation for the County's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., sheriff). The County adopts an itemized budget. Any transfers within and between departments, requires approval from the Court.

Local Economy

The County's local economy of farming changed drastically in the 1800's when the railroads came into the area to a timber economy. Today, the timber industry is still a vital part of the local economy and the County's largest employer. The County is the State's largest producer of timber, with over half the land in the County owned by the timber industry. The land of the County is over 80 percent forest and made up of predominantly pine trees.

The County's close proximity to the greater Houston area (fourth largest city in the U.S.) provides the County numerous benefits, the first of which is access to an international airport only 56 miles from the County Courthouse. The County's recreational opportunities also provide an excellent retreat for big city dwellers wanting to escape to a more relaxed lifestyle. Although the County is easily accessible to the Texas Medical Center in Houston, first class medical services are available from CHI St. Luke's Health Memorial Livingston (formerly Memorial Medical Center Livingston), which opened its \$25 million facility in the summer of 2000 and has completed a five-year, \$30 million expansion and improvement program. The complex, located on the Highway 59 Bypass, includes a 90-bed hospital with emergency, surgery, intensive care/critical care, cardiopulmonary, radiology, and women's health departments supported by a community of skilled physicians and specialists. The Polk County College/Commerce Center, located on the Highway 59 Bypass near the hospital, provides advanced curriculum study and technical training through Angelina College and offers much needed public auditorium space.

Because of its location in a region with a varied economic base, unemployment has been relatively stable and has continued to decrease during the current year. During the past ten years, the unemployment rose from an initial low of 5.9 percent (2007), hit a peak high of 10.5 percent (2009), but has settled at 6.2 percent for the current year (2015). Although unemployment rates have decreased nationwide over the last year, the County continues to experience an unemployment rate above the national average. The County's unemployment rate during the current year reflects the current recession. Additional increases may occur in the near future due to layoffs in the oil and gas industries in calendar year 2016.

Median household incomes within the County are lower than for the state as a whole. According to the year 2006 census, the average income in the United States was \$36,276; the state of Texas was \$34,257; while the County's was only \$29,839. The County's population has increased slightly from the 2010 census from 45,413 to an estimated 46,079 as of September 30, 2015. It is possible that people have started moving back due to the decrease in fuel costs. They would rather drive a few extra miles to work and have that lake view with a tranquility of peace of a rural area. According to the latest information available, the housing market has increased to a median price of a single family home in the second quarter of 2015 of \$175,700; housing prices for the state were at \$131,400. Housing prices in the vicinity of the County at the end of second quarter of 2015 were \$78,300.

Over the past ten plus years, the County has experienced a period of significant economic growth and investment. In 2004, the IAH Public Facility Corporation was formed pursuant to The Public Facility Corporation Act Chapter 303 of the Texas Local Government Code for the purpose of financing eligible criminal detention facility projects for the County. The Corporation issued Project Revenue Bonds in 2004 and in 2006 for each of the two phases of the Facility construction – the principal and interest being payable solely from the revenues derived from the operation of the project. Management Training Corporation (MTC) is the contracted operator of the Facility and the County presently contracts with the Department of Homeland Security Immigration and Customs Enforcement (ICE), the U.S. Marshals Service, Bureau of Prisons, and other counties for the housing of detainees within the facility. The operator is paid a fixed fee for each detainee and, in turn, it pays the County a per diem portion. This alternative revenue source allows the County to fund many of the necessary expenditures within the County's budget. The facility has provided jobs and economic stimulus, with the County's portion of contracted per diem and inmate phone revenue generating in excess of \$10,693,000 during the last nine years of operation. In 2013, the facility began to experience a decrease in ICE detainees, which impacted the revenue source of the County's budget through 2015. To preserve jobs and facility operations, the County agreed in February 2015 to relinquish the per diem revenue – allowing the facility to operate on a “cost plus” basis until such time that population counts recovers sufficiently. This change created a significant revenue loss for 2015 (nearly \$915,000) and required the County's attention in budgeting for 2016. The County will continue to work jointly with the new facility operator to solicit agreements with other agencies to house inmates at the facility in order to offset the decrease of ICE detainees.

Despite the current recession in the economy, the County has presently outstanding tax supported debt rated A+ Stable by Standard & Poors and A2 with negative outlook (based on the fact that the IRS settlement agreement had not yet been reached with IAH) by Moody's Investor Service. The County plans to continue to manage debt to maintain or improve these ratings.

During 2015, the Polk County Industrial Development Corporation disbanded and the County will work to re-establish organized economic development support representing County-wide interests. Through tax abatement incentives and additional support in applications for the Texas Enterprise Zone and Texas Capital Fund programs, the County will experience the positive impact of major projects currently underway; the East Texas Hydroelectric Plant, Roy O. Martin's construction of the Corrigan OSB Plant, and expansion of the Georgia Pacific plant in Camden. Efforts to retain existing business and attract new business and industry to the area serve to increase employment opportunities and strengthen the County's tax base.

The Polk County College/Conference Center (the “Center”) construction began in fiscal year 2012 and opened for its first event in August 2013. Angelina College opened the doors for the fall 2013 semester with both day and evening classes. The County financed this project (not tax supported) with an Economic Development Grant of \$4,000,000 and an additional \$3,537,864 in Disaster Recovery and Community Development Block Grant funds. Locally, additional funds were raised in the amount of \$1,755,929 and \$750,000 in support was pledged by the T.L.L. Temple Foundation. The Center provides a conference center capable of meeting local needs that were previously found only in communities located 50-60 miles away and is expected to have a very favorable impact on the local economy.

The County's expenditures related to employee health insurance premiums continue to rise over the past ten years. In 2015, the County has continued to fund the full cost of employee health insurance premiums, unlike many local governments and other employers responding to rising health insurance costs by requiring employee contributions toward their insurance premium. Although no cost of living of

merit increases were budgeted, the County dedicated over \$237,000 in 2015 to improving employee compensation through health insurance and retirement benefits. The County also contributed \$250,000 of the funding recommended by the actuary for the Retiree Health Benefits Trust to ensure availability of health insurance benefits to eligible County retirees and the necessary funding to meet the contribution rate determined annually by the Texas County and District Retirement System to fully fund retiree pensions.

Total fund balance (the total of the nonspendable, restricted, committed, assigned, and unassigned components of fund balance) in the general fund at year end was 41.0 percent of total general fund expenditures. This amount was above the policy guidelines set by the Court for budgetary and planning purposes (i.e., three months of general fund expenditures, approximately 25%) The year-end amount is above the minimum target set by the policy guidelines because of a \$319,298 increase of revenues over expenditures during the year ended September 30, 2015.

Relevant Financial Policies

The County has a policy that requires the adoption of a balanced annual operating budget (i.e., estimated revenues equal to or in excess of appropriations). As a result of the economic downturn, the County had planned to use a portion of its fund balance to cover planned expenditures that exceed planned revenues. In such cases where expenditures exceed appropriations, the policy allows for the appropriation of fund balance to close the gap. The amount necessary for this purpose in the original budget was \$117,716, which decreased to \$100,042 in the final amended budget. However, thanks to measures taken during the year to control expenditures, the County did not have to rely on any fund balance to close any operating deficit; revenues exceeded appropriations by \$419,340.

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 County for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2013. This was the fourth consecutive year that the County has achieved this prestigious award. Due to time constraints, the County did not apply for this award for the fiscal year ending September 30, 2014. In order to be awarded a Certificate of Achievement, the County has to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current CAFR 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.

The County has also received the GFOA's Distinguished Budget Presentation Award since the County's first submittal to the award program of the annual budget for the fiscal year beginning October 1, 1999. To qualify for the Distinguished Budget Presentation Award, the County's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire Auditor's office, combined with special assistance from both the Human Resources and Treasurer Offices. We wish to thank all County departments for their assistance in providing the data necessary to

Polk County, Texas
Letter of Transmittal

prepare this report. Credit also is due to the County Judge and Court for their unfailing support for maintaining the highest standards of professionalism in the management of the County's finances.

Respectfully submitted,

A handwritten signature in cursive script that reads "Margie N. Ainsworth". The signature is written in black ink and is positioned above the typed name.

Margie N. Ainsworth, County Auditor

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POLK COUNTY, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS
September 30, 2015

COMMISSIONERS' COURT:

Sydney Murphy	County Judge
Robert C. Willis	Commissioner, Precinct #1
Ronnie L. Vincent	Commissioner, Precinct #2
Milton B. Purvis	Commissioner, Precinct #3
Charles T. Overstreet	Commissioner, Precinct #4

JUDICIAL:

Lee Hon	District Attorney
Bobbye Richards	District Clerk

COUNTY COURT AT LAW:

Tom Brown	Judge, County Court at Law
Schelana Hock	County Clerk

JUSTICE COURTS:

Darrell Longino	Justice of Peace, Precinct #1
David Johnson	Justice of Peace, Precinct #2
Larry Whitworth	Justice of Peace, Precinct #3
Jamie Jones	Justice of Peace, Precinct #4

LAW ENFORCEMENT:

Kenneth Hammack	County Sheriff
Scott Hughes	Constable, Precinct #1
William Cunningham	Constable, Precinct #2
Ray Myers	Constable, Precinct #3
Dana G. "Bubba" Piper	Constable, Precinct #4

FINANCIAL ADMINISTRATION:

Leslie Jones Burks	Tax Assessor/Collector
Terri Williams	County Treasurer
Margie Ainsworth	County Auditor*

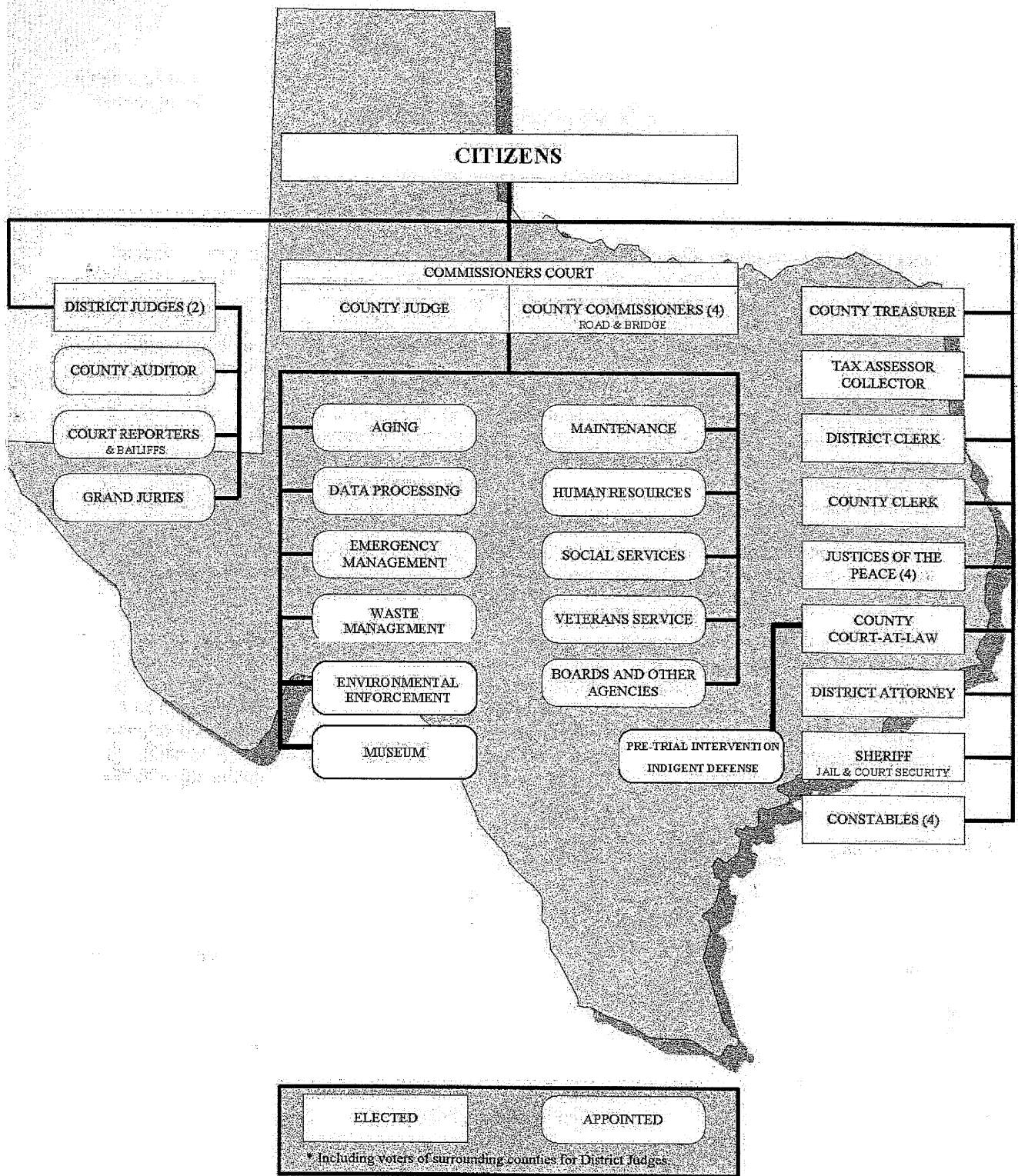
*Designated appointed official. All others are elected.

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POLK COUNTY, TEXAS

ORGANIZATIONAL CHART

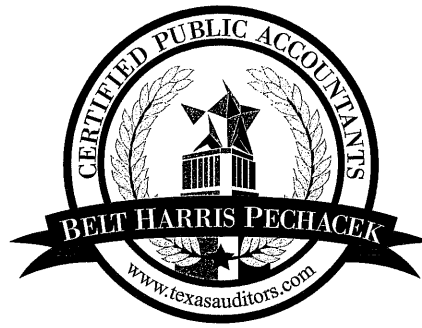
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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and
Members of the Commissioners' Court of
Polk County, Texas:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 County'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 County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of September 30, 2015, 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.

Emphasis of Matter

Change in Accounting Principle

In 2015, the County adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Going Concern for IAH Detention Facility

IAH Public Facility Corporation (the “Corporation”) has been included in the reporting entity as a discretely presented component unit. The Corporation was created under the Public Facility Corporation Act Chapter 303 (the “Act”) of the Texas Local Government Code by the County in 2004 for the purpose of financing for, and on behalf, of the County-eligible jail and criminal detention facility projects and other public buildings and facilities for use by the County. Separate financial statements of the Corporation may be obtained from the County Auditor’s office. The Corporation is a legal separate entity from the County and the County is not liable for the Corporation.

The accompanying financial statements have been prepared assuming that the Corporation will continue as a going concern. As discussed in the Notes to the financial statements, the Corporation did not make a principal payment for their series 2004 and 2006 project revenue bonds during the 2015 fiscal year. These conditions raise substantial doubt about the Corporation’s ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, schedule of contributions, and schedule of funding progress, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion

or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The introductory section, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2016, on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
March 24, 2016

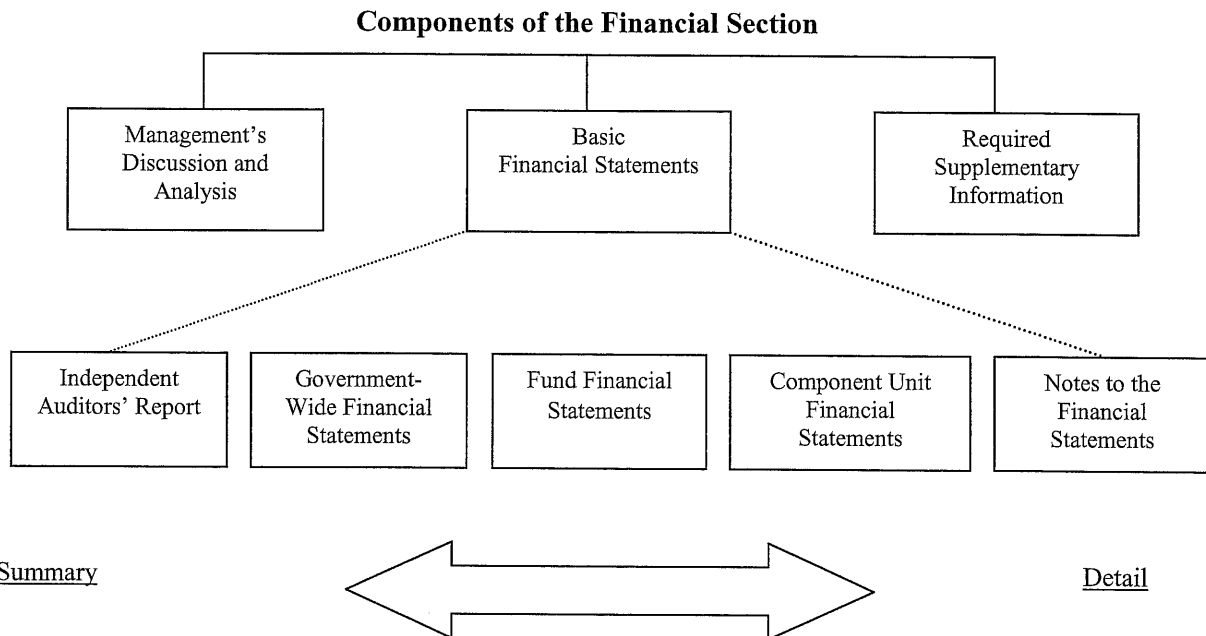
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MANAGEMENT'S DISCUSSION AND ANALYSIS

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2015

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of Polk County, Texas (the "County") for the year ending September 30, 2015. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the County's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The County's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information for the County as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the County as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the County's financial statements, report information on the County's activities that enable the reader to understand the financial condition of the County. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Other non-financial factors, such as the County's property tax base and the condition of the County's infrastructure, need to be considered in order to assess the overall health of the County.

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2015

The Statement of Activities presents information showing how the County's net position changed during the most recent 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 using the accrual method rather than modified accrual that is used in the fund level statements.

In the Statement of Net Position and the Statement of Activities, the County has only one type of activity:

1. *Governmental Activities* – Most of the County's basic services are reported here such as general government, administration of justice, roads and bridges, health and human services, tax administration, and interest and fiscal agent fees on long-term debt. Property tax, sales tax, charges for services, and intergovernmental revenue finance most of these activities.

The government-wide financial statements include not only the County itself (known as the primary government), but also a legally separate Public Corporation for which the County is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the County. They are usually segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The two categories of County funds are governmental and fiduciary.

Governmental Funds

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

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

The County maintains 29 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, road and bridge fund, and grants fund, which are considered to be major funds for reporting purposes.

The County adopts an annual appropriated budget for its general, road and bridge, and debt service funds. Budgetary comparison schedules have been provided for the general, road and bridge, and debt service funds to demonstrate compliance with these budgets.

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2015

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County maintains four fiduciary funds. The County's fiduciary activities are reported in a separate statement of fiduciary net position.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to basic financial statements, this MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes budgetary comparison schedules for the general fund and road and bridge fund, as well as a schedule of changes in net pension liability and related ratios, schedule of contributions, and the Polk County Retiree Healthcare Plan schedule of funding progress. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve, over time, as a useful indicator of the County's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows by \$39,842,909 as of September 30, 2015. This compares to \$38,406,089 from the prior fiscal year. A portion of the County's net position, 79.7 percent, reflects its investments in capital assets (e.g., construction in progress, building, equipment, and infrastructure) less any debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2015

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	Governmental Activities	
	2015	2014
Current and other assets	\$ 17,792,572	\$ 17,564,440
Capital assets, net	58,349,972	58,044,088
Total Assets	76,142,544	75,608,528
Deferred charge on refunding	296,877	321,616
Deferred outflows - pension	1,522,633	992,296
Total Deferred Outflows of Resources	1,819,510	1,313,912
Long-term liabilities	36,040,663	36,419,887
Other liabilities	1,819,408	2,096,464
Total Liabilities	37,860,071	38,516,351
Deferred inflows - pension	259,074	-
Total Deferred Inflows of Resources	259,074	-
Net Position:		
Net investment in capital assets	31,763,084	29,864,824
Restricted	5,576,469	5,567,823
Unrestricted	2,503,356	2,973,442
Total Net Position	\$ 39,842,909	\$ 38,406,089

A portion of the County's net position, \$5,576,469 or 14.0 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$2,503,356 or 6.3 percent, may be used to meet the County's ongoing obligation to citizens and creditors.

During the current fiscal year, the County experienced a decrease in revenue of \$468,546 from the prior year while also experiencing an increase in expenses County-wide of \$1,634,088. The increase in expenses was mainly attributed to repairs made due to storm damages during the year and the County Transportation Infrastructure Program expenses. The County was still able to have a positive increase to net position for the fiscal year and total net position increased by \$1,436,820. This is primarily attributable to the increase in taxes and charges for services during the year.

Current assets increased by \$228,132 to \$17,792,572 as compared to capital assets, which increased by \$305,884 to \$58,349,972. Long-term liabilities decreased by \$379,224 in fiscal year 2015 due to current year debt reductions netted with the addition of the 2015 tax notes and capital lease obligation.

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2015

Statement of Activities:

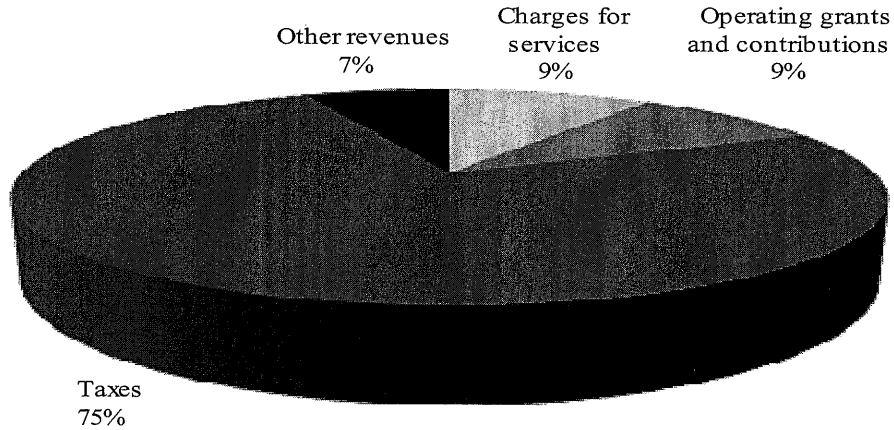
The following table provides a summary of the County's changes in net position:

	Governmental Activities	
	2015	2014
Revenues		
Program revenues:		
Charges for services	\$ 2,791,288	\$ 2,537,929
Operating grants and contributions	2,688,631	4,118,523
General revenues:		
Taxes	22,354,430	21,645,908
Investment income	30,436	10,250
Other revenues	1,988,796	2,009,517
Total Revenues	29,853,581	30,322,127
Expenses		
General government	7,183,313	7,453,356
Administration of justice	10,950,781	10,840,429
Roads and bridges	7,124,431	5,182,543
Health and human services	1,044,763	1,121,303
Tax administration	1,235,406	1,247,269
Interest and fiscal agent fees on long-term debt	878,067	937,773
Total Expenses	28,416,761	26,782,673
Change in Net Position	1,436,820	3,539,454
Beginning net position	38,406,089	34,866,635
Ending Net Position	\$ 39,842,909	\$ 38,406,089

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 For the Year Ended September 30, 2015

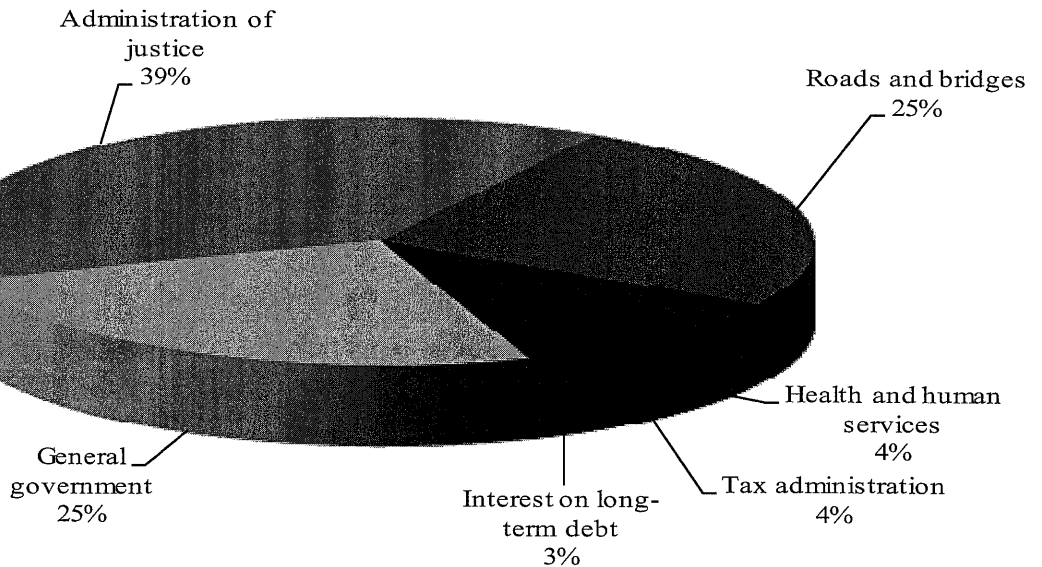
Graphic presentations of selected data from the summary tables follow to assist in the analysis of the County's activities.

Governmental Revenues



Total governmental revenues decreased by \$468,546 from the prior year. This decrease is primarily the result of a reduction in operating grants and contributions offset by an increase in charges for services and tax revenue.

Governmental Expenses



Governmental expenses increased by \$1,634,088 from the prior year. The increase in expenses was mainly attributed to repairs made due to storm damages during the year and the County Transportation Infrastructure Program expenses.

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2015

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

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

The County's governmental funds reflect a combined fund balance of \$13,776,820. Of this, \$48,183 is restricted for debt service, \$788,542 is restricted for endowments/trusts, \$3,105,701 is restricted for road and bridge, \$29,910 is restricted for grants, \$1,603,988 is restricted for special projects, and \$145 is restricted for capital projects. The County has also assigned \$760,277 for post closure care costs. The amount of unassigned fund balance is \$7,440,074.

There was an increase in the combined fund balance of \$328,337 from the prior year. The largest increases in fund balances are in the nonmajor and general funds of \$131,781 and \$319,298, respectively. These increases are related to increases in taxes and intergovernmental revenue.

The fund balance of the general fund had an increase of \$319,298, with an ending fund balance of \$7,440,074. This change can be attributed to an increase in tax revenues. The County's fund balance policy for the general fund is to maintain a minimum balance of 25 percent of average yearly expenditures. Unassigned fund balance for the general fund is in compliance with the policy.

There was an increase of \$8,601 in the debt service fund providing an ending fund balance of \$808,460. Debt service payments totaled \$3,489,913 for the year, which is a slight increase from prior year.

The road and bridge fund had a decrease in fund balance of \$151,392, which brings the ending fund balance to \$3,105,701. The decrease was primarily due to an increase in road material purchased during the year for ongoing projects.

There was a decrease in grant revenues and expenditures when compared to the prior year in the grant fund. This was a result of a decrease in monies received from the Texas General Land Office for Ike recovery-related expenditures and local funds provided by the County to complete ongoing grant related projects. There was a decrease in transfers related to the County portion of the grant related expenditures. The end result was an increased fund balance of \$20,049 in the grants fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

General fund expenditures were under the final budget by \$518,064. This is due to positive expenditure variances in all departments.

During the 2015 year, the Commissioners' Court amended the budget for the following purposes:

- To re-appropriate monies to pay for commitments in the form of encumbrances established prior to September 30, 2015, but not paid by that date;
- To appropriate monies from other governmental units received in year 2015;
- To re-appropriate monies within or between departments; and
- To reflect department year end projections.

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2015

CAPITAL ASSETS

At the end of the year, the County's governmental activities had invested \$58,349,972 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$305,884.

Major capital asset events during the current year included the following:

- Construction in progress for various Texas General Land Office projects
- Eleven large equipment purchases for road and bridge funds use

More detailed information about the County's capital assets is presented in note III.C to the financial statements.

LONG-TERM DEBT

At the end of the year, the County reported total bonds, certificates of obligation, tax notes, and capital leases of \$26,246,198. The County issued \$1,060,000 in tax notes and \$825,865 in capital lease obligations during fiscal year 2015.

More detailed information about the County's long-term liabilities is presented in note III.D to the financial statements.

The County's bonds have an A+ stable bond rating by Standard & Poors. Moody's Investor Service issued a rating update in June 2015 which downgraded the County from A1 to A2 with a negative outlook assigned, mostly as a result of the uncertainty surrounding revenue from the IAH Detention Facility.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic conditions in Polk County were expected to decline in FY2015. In April 2015, Wal-Mart closed its doors with no warning and made the announcement the store would be closed for 6 to 8 months for plumbing repairs and remodeling. Sales tax revenue was expected to drop, but revenues actually came in at \$2,210,700 for a total of \$210,139 above the \$1,999,961 budgeted sales tax revenues for FY2015. The FY2015 sales tax revenues increased \$147,506 above FY2014 sales tax revenues of \$2,063,194. FY2016 sales tax revenues have been projected to increase above the \$1,999,961 budgeted for FY 2015. The County has budgeted \$2,159,169 for the FY2016 sales tax revenues and this revenue projection is consistent with statewide trends reported by the Texas State Comptroller.

Although collections of taxes show larger collections in FY2015, the Certified Net Taxable Value continues to maintain the same collection rate of 96 percent. The FY2016 budget for current property taxes is expected to generate \$18,215,223 in revenues, while delinquent taxes (levied, but not collected while current) are expected to generate \$945,000. In comparison to last year's, projections, combined County ad valorem tax revenue will realize an estimated increase of \$577,598.

2006 construction of the IAH Secure Adult Detention Facility (the "Facility") was financed through the IAH Public Facility Corporation at no cost to the County. The Facility is predominantly occupied by federal inmates of the U.S. Marshals and Immigration and Customs Enforcement (ICE). The Facility has provided jobs and economic stimulus, with the County's portion of contracted per diem and inmate phone revenue generating in excess of \$10,693,000 during the last nine years of operation. In FY2013, the Facility began to experience a decrease in ICE detainees, which impacted the revenue source of the County's budget through FY2015. To preserve jobs and facility operations, the County agreed in February 2015 to relinquish the per diem revenue allowing the facility to operate on a "cost plus" basis until such time that population counts recovers sufficiently. This change created a significant revenue loss for FY2015 (nearly \$915,000) and required the County's attention

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2015

in budgeting for FY2016. County departments were asked to reduce operating expenses to the fullest extent possible and the FY2016 budget was balanced without the use of reserve funds. The County will continue to work jointly with the Facility operator to solicit agreements with other agencies to house inmates at the Facility in order to offset the decrease of ICE detainees. In November 2015, the County agreed to extend the forbearance through February 2017.

During FY2015, the Polk County Industrial Development Corporation disbanded and the County will work to re-establish organized economic development support representing County-wide interests. Through tax abatement incentives and additional support in applications for the Texas Enterprise Zone and Texas Capital Fund programs, the County will experience the positive impact of major projects currently underway: the East Texas Hydroelectric Plant, Roy O. Martin's construction of the Corrigan OSB Plant, and expansion of the Georgia Pacific plant in Camden. Efforts to retain existing business and attract new business and industry to the area serve to increase employment opportunities and strengthen the County's tax base.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County's finances. Questions concerning this report or requests for additional financial information should be directed to Margie Ainsworth, County Auditor, Polk County, 602 East Church Street, Suite 108, Livingston, Texas 77351.

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BASIC FINANCIAL STATEMENTS

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POLK COUNTY, TEXAS

STATEMENT OF NET POSITION

September 30, 2015

	Primary Government	Component
	Governmental Activities	Unit
<u>Assets</u>		
Cash and cash equivalents	\$ 13,972,794	\$ 3,815,473
Investments	-	2,561,090
Receivables, net	3,812,435	659,888
Due from other units	7,343	-
Total Current Assets	17,792,572	7,036,451
Capital assets:		
Nondepreciable capital assets	7,670,249	330,346
Capital assets, net of accumulated depreciation	50,679,723	20,283,897
	58,349,972	20,614,243
Total Assets	76,142,544	27,650,694
<u>Deferred Outflows of Resources</u>		
Deferred charge on refunding	296,877	-
Deferred outflows - pensions	1,522,633	-
	1,819,510	
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued liabilities	1,314,658	6,239,847
Accrued interest payable	95,439	1,053,937
Due to other units	409,311	-
Total Current Liabilities	1,819,408	7,293,784
Noncurrent liabilities:		
Long-term liabilities due within one year	3,999,088	3,965,000
Long-term liabilities due in more than one year	32,041,575	34,120,644
	36,040,663	38,085,644
Total Liabilities	37,860,071	45,379,428
<u>Deferred Inflows of Resources</u>		
Deferred inflows - pension	259,074	-
<u>Net Position</u>		
Net investment in capital assets	31,763,084	(15,419,667)
Restricted for:		
Debt service	48,183	-
Endowments/trusts:		
Expendable	220,957	-
Nonexpendable	567,585	-
Road and bridge	3,105,701	-
Grants	29,910	-
Special projects	1,603,988	-
Capital projects	145	-
Unrestricted	2,503,356	(2,309,067)
Total Net Position	\$ 39,842,909	\$ (17,728,734)

See Notes to Financial Statements.

POLK COUNTY, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2015

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General government	\$ 7,183,313	\$ 2,204,713	\$ 2,098,783
Administration of justice	10,950,781	337,454	66,904
Roads and bridges	7,124,431	105,240	154,904
Health and human services	1,044,763	143,881	368,040
Tax administration	1,235,406	-	-
Interest and fiscal agent fees on long-term debt	878,067	-	-
Total Governmental Activities	28,416,761	2,791,288	2,688,631
Total Primary Government	\$ 28,416,761	\$ 2,791,288	\$ 2,688,631
 IAH Public Facility Corporation			
Detention facility	\$ 9,854,980	\$ 7,654,975	\$ -
Interest and fiscal agent fees on long-term debt	2,852,051	-	-
Total Component Unit	\$ 12,707,031	\$ 7,654,975	\$ -

General Revenues:

Property taxes
Sales taxes
Other taxes
Investment income
Other revenues

Total General Revenues

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position	
<u>Governmental Activities</u>	<u>Component Unit</u>
\$ (2,879,817)	\$ -
(10,546,423)	-
(6,864,287)	-
(532,842)	-
(1,235,406)	-
(878,067)	-
<u>(22,936,842)</u>	<u>-</u>
<u>(22,936,842)</u>	<u>-</u>
-	(2,200,005)
-	(2,852,051)
<u>-</u>	<u>(5,052,055)</u>
18,758,175	-
2,210,700	-
1,385,555	-
30,436	65,946
1,988,796	-
<u>24,373,662</u>	<u>65,946</u>
1,436,820	(4,986,109)
<u>38,406,089</u>	<u>(12,742,625)</u>
<u>\$ 39,842,909</u>	<u>\$ (17,728,734)</u>

POLK COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2015

	<u>General</u>	<u>Debt Service</u>	<u>Road and Bridge</u>	<u>Grants</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 5,861,370	\$ 814,407	\$ 3,301,441	\$ 1,093,145
Receivables, net	1,933,309	491,845	729,297	573,233
Due from other funds	1,570,706	-	1,937	53,772
Due from other units	7,343	-	-	-
Total Assets	<u>\$ 9,372,728</u>	<u>\$ 1,306,252</u>	<u>\$ 4,032,675</u>	<u>\$ 1,720,150</u>
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 627,715	\$ 693	\$ 289,050	\$ 185,259
Due to other units	12,114	-	104,774	-
Due to other funds	257	17,459	13,575	1,504,981
Total Liabilities	<u>640,086</u>	<u>18,152</u>	<u>407,399</u>	<u>1,690,240</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	<u>1,292,568</u>	<u>479,640</u>	<u>519,575</u>	<u>-</u>
<u>Fund Balances</u>				
Restricted:				
Debt service	-	48,183	-	-
Endowments/trusts	-	-	-	-
Road and bridge	-	-	3,105,701	-
Grants	-	-	-	29,910
Special projects	-	-	-	-
Capital projects	-	-	-	-
Assigned:				
Post closure care costs	-	760,277	-	-
Unassigned	7,440,074	-	-	-
Total Fund Balances	<u>7,440,074</u>	<u>808,460</u>	<u>3,105,701</u>	<u>29,910</u>
Total Liabilities, Deferred Inflows of of Resources, and Fund Balances	<u>\$ 9,372,728</u>	<u>\$ 1,306,252</u>	<u>\$ 4,032,675</u>	<u>\$ 1,720,150</u>

See Notes to Financial Statements.

<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ 2,902,431	\$ 13,972,794
84,751	3,812,435
-	1,626,415
-	7,343
<u>\$ 2,987,182</u>	<u>\$ 19,418,987</u>
\$ 211,941	\$ 1,314,658
292,423	409,311
90,143	1,626,415
<u>594,507</u>	<u>3,350,384</u>
<u>-</u>	<u>2,291,783</u>
-	48,183
788,542	788,542
-	3,105,701
-	29,910
1,603,988	1,603,988
145	145
-	760,277
-	7,440,074
<u>2,392,675</u>	<u>13,776,820</u>
<u>\$ 2,987,182</u>	<u>\$ 19,418,987</u>

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POLK COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
September 30, 2015

Fund balances - total governmental funds	\$	13,776,820
Adjustments for the Statement of Net Position:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Nondepreciable capital assets		7,670,249
Depreciable capital assets, net		50,679,723
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		
Deferred revenue		2,291,783
Deferred outflows and deferred inflows related to pension activity during the current period.		
Deferred outflows		1,522,633
Deferred inflows		(259,074)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest payable		(95,439)
Deferred charge on refunding		296,877
Long-term liabilities due within one year		(3,999,088)
Long-term liabilities due in more than one year		(32,041,575)
Net Position of Governmental Activities	\$	39,842,909

See Notes to Financial Statements.

POLK COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2015

	General	Debt Service	Road and Bridge	Grants
Revenues				
Property taxes	\$ 10,807,928	\$ 3,498,121	\$ 4,280,595	\$ -
Sales taxes	2,210,700	-	-	-
Other taxes	402,637	-	964,638	-
Fines and forfeitures	592,670	-	105,240	-
Charges for services	1,436,516	-	-	-
Intergovernmental	516,500	-	154,904	1,582,137
Licenses and permits	160,261	-	-	-
Investment income	27,750	393	1,104	-
Other revenue	1,343,389	-	422,032	-
Total Revenues	17,498,351	3,498,514	5,928,513	1,582,137
Expenditures				
Current:				
General government	5,118,104	-	-	1,615,860
Administration of justice	10,218,029	-	-	-
Roads and bridges	-	-	5,954,742	-
Health and human services	596,555	-	-	-
Tax administration	1,238,932	-	-	-
Debt service:				
Principal	-	2,684,000	825,860	-
Interest and fiscal charges	-	805,913	21,214	-
Debt issuance costs	31,226	-	-	-
Capital outlay	953,483	-	1,097,478	-
Total Expenditures	18,156,329	3,489,913	7,899,294	1,615,860
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	(657,978)	8,601	(1,970,781)	(33,723)
Other Financing Sources (Uses)				
Transfers in	236,036	-	-	53,772
Transfers (out)	(117,269)	-	-	-
Debt issued	858,509	-	1,063,389	-
Sale of capital assets	-	-	756,000	-
Total Other Financing Sources (Uses)	977,276	-	1,819,389	53,772
Net Change in Fund Balances	319,298	8,601	(151,392)	20,049
Beginning fund balances	7,120,776	799,859	3,257,093	9,861
Ending Fund Balances	\$ 7,440,074	\$ 808,460	\$ 3,105,701	\$ 29,910

See Notes to Financial Statements.

<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 18,586,644
-	2,210,700
18,280	1,385,555
23,594	721,504
473,007	1,909,523
435,090	2,688,631
-	160,261
1,189	30,436
223,375	1,988,796
<u>1,174,535</u>	<u>29,682,050</u>
286,327	7,020,291
238,845	10,456,874
-	5,954,742
345,043	941,598
-	1,238,932
-	3,509,860
-	827,127
-	31,226
-	2,050,961
<u>870,215</u>	<u>32,031,611</u>
304,320	(2,349,561)
117,818	407,626
(290,357)	(407,626)
-	1,921,898
-	756,000
<u>(172,539)</u>	<u>2,677,898</u>
131,781	328,337
<u>2,260,894</u>	<u>13,448,483</u>
<u>\$ 2,392,675</u>	<u>\$ 13,776,820</u>

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POLK COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ending September 30, 2015

Net changes in fund balances – total governmental funds \$ 328,337

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 those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	2,927,581
Depreciation expense	(2,116,902)
Capital retirements, net	(504,795)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred revenue	171,531
------------------	---------

Net pension liability, deferred outflows, and deferred inflows related to the net pension liability that is not reported in the governmental funds.

Net pension liability	(205,607)
Deferred outflows	530,337
Deferred inflows	(259,074)

Bonds and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.

Principal payment	3,509,566
Debt issuance	(1,921,898)
Changes to bond premiums	60,446
Amortization of deferred charges	(24,740)
Landfill closure and post closure	(180,980)

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 the governmental funds. This adjustment reflects the net change in interest payable on the accrual basis of accounting and the net change in OPEB obligation and compensated absences.

Accrued interest payable	5,320
Net OPEB obligation	(902,326)
Compensated absences	20,024

Change in Net Position of Governmental Activities	\$ 1,436,820
--	---------------------

See Notes to Financial Statements.

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POLK COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2015

	Retiree Health Benefit Trust	Agency
<u>Assets</u>		
Cash and cash equivalents	\$ 1,018,774	\$ 5,631,542
Due from other units	12,114	-
Total Assets	\$ 1,030,888	\$ 5,631,542
<u>Liabilities</u>		
Due to other units	\$ 7,903	\$ 5,631,542
Total Liabilities	7,903	\$ 5,631,542
<u>Net Position</u>		
Held in trust for other post employment benefits	\$ 1,022,985	

See Notes to Financial Statements.

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POLK COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2015

	<u>Retiree Health Benefit Trust</u>
<u>Additions</u>	
Employer contributions	\$ 250,775
Other revenue	12,114
Investment income	1,876
Total Additions	<u>264,765</u>
<u>Deductions</u>	
Benefits	78,379
Administrative expenses	7,655
Total Deductions	<u>86,034</u>
Change in Net Position	178,731
Beginning net position	844,254
Ending Net Position	<u>\$ 1,022,985</u>

See Notes to Financial Statements.

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POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Polk County, Texas (the “County”) is an independent government entity created in 1846 from Liberty County by an act of the Texas Legislature. The County is governed by Commissioners’ Court, composed of four County Commissioners and the County Judge, all of whom are elected officials.

The County’s financial statements include the accounts of all County operations. The County provides a vast array of services including administration of justice, health and human services, public improvements, and general administration.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the County’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the County is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the County’s financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Discretely Presented Component Unit

IAH Public Facility Corporation

IAH Public Facility Corporation (the “Corporation”) has been included in the reporting entity as a discretely presented component unit. The Corporation was created under the Public Facility Corporation Act Chapter 303 (the “Act”) of the Texas Local Government Code by the County in 2004 for the purpose of financing for, and on behalf, of the County-eligible jail and criminal detention facility projects and other public buildings and facilities for use by the County. The Board of Directors is appointed by and serves at the discretion of the Commissioners’ Court of the County. Commissioners’ Court approval is required for annual budgets and bonded debt issuance. Separate financial statements of the Corporation may be obtained from the County Auditor’s office.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component unit. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, of which the County has none. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

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

The County reports the following governmental funds:

The *general fund* is used to account for and report all financial resources not accounted for and report in another fund. The principal sources of revenues include local property taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, administration of justice, health and human services, and tax administration. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The following special revenue funds are considered major funds for reporting purposes:

Road and Bridge Fund – This fund is used to account for revenues of property taxes levied and vehicle registration fees. Uses of funds are restricted for the maintenance of roads, bridges, and the operations of related facilities. All precinct operations, as well as permanent road monies, are accounted for in this fund.

Grants Fund – This fund is used to account for various grants received by the County which are not reported in a separate fund.

The remaining special revenue funds are considered nonmajor funds for reporting purposes.

The *capital projects funds* are used to account for and report financial resources that are

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The college and commerce fund is considered a nonmajor fund for reporting purposes.

Permanent funds are governmental funds which are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

The County has the following permanent fund which is considered a nonmajor fund for reporting purposes:

Permanent School Fund – This fund was established from proceeds received from the sale of lands granted by the State of Texas for educational purposes. Earnings from this fund, other than oil royalties, accrue directly to the available school fund. Oil royalties are deposited to the permanent school fund, which increases the principal.

Additionally, the County reports the following fund types:

The *fiduciary funds* account for assets held by the government in a trustee capacity or as an agent on behalf of others. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The County has the following types of fiduciary funds:

The *retiree health benefit trust fund* accounts for the funds held in trust for the health care benefit payments for the qualified retired employees of the County.

The *agency funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the County holds for others in an agency capacity. The County's agency funds include the following:

County Clerk's Probate Trust Fund – Registry funds that are in the custody of the County clerk until a court order determines the disposition of such funds are accounted for in this fund.

District Clerk's Trust Fund – Registry funds that are in the custody of the District clerk until a court order determines the disposition of such funds are accounted for in this fund.

Tax Assessor Collector's Fund – Tax collections are deposited intact in the tax collector's agency accounts pending distribution.

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. Measurement Focus and Basis of Accounting

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

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the County reports all investments at fair value, except for "money market

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

investments” and “2a7-like pools.” Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools’ share price.

The Public Funds Investment Act, Chapter 2256 of the Texas Government Code authorizes the County to invest in:

- Direct obligations of U.S. Government or U.S. Government agencies
- Fully collateralized certificates of deposit
- Fully collateralized repurchase agreements
- Securities Lending Program that meets requirements of 2256.0115
- Money market mutual funds that meet certain criteria
- Bankers’ acceptances
- Commercial paper that meets certain criteria
- Guaranteed investment contracts that meet the requirements of 2256.015 for bond proceeds
- Statewide investment pools

3. Inventories and Prepaid Items

The costs of governmental fund inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method). Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years.

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Infrastructure	10 to 45 years
Buildings	20 to 50 years
Improvements other than buildings	5 to 30 years
Equipment	3 to 25 years

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

The costs of a significant portion of capital assets have been estimated based on management's estimated historical cost.

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County has three items that qualify for reporting in this category on the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred charge has been recognized for employer pension plan contributions that were made subsequent to the measurement date through the end of the County's fiscal year. This amount is deferred and recognized as a reduction to the net pension liability during the measurement period in which the contributions were made. Another deferred charge has been recognized for the difference between the projected and actual investment earnings on the pension plan assets. This amount is deferred and amortized over a period of five years.

In addition to liabilities, the statement 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. The County has one item that qualifies for reporting in this category in the government-wide Statement of Net Position. Deferral is recognized as a result of differences between the actuarial expectations and the actual economic experience related to the County's defined benefit pension plan. This amount is deferred and amortized over the average of the expected service lives of pension plan members. At the fund level, the County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

6. Compensated Employee Absences

It is the County's policy to not allow employees to accumulate earned but unused holiday, vacation, and compensatory time. Certain allowances are made for holiday time for law enforcement personnel and extensions can be granted by the employee's supervising elected official or Department head. No liability is reported for unpaid accumulated sick leave since it does not vest. Employees are allowed to maintain an accrual of up to 480 hours of sick leave although it is not compensated on termination. Vacation, compensatory time, and holiday pay that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave and compensatory time that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general, road and bridge, and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

Assets acquired under the terms of a capital lease are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the applicable fund. Lease payments representing both principal and interest are recorded as expenditures in the road and bridge fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

8. Net Position Flow Assumption

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

9. Fund Balance Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. Fund Balance Policies

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

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

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

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

The County must maintain a minimum of 25 percent of expenditures in unassigned fund balance in the general fund.

11. Estimates

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

12. Pensions

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

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

2. Property Taxes

Property taxes are recorded as revenue when levied for the current year and are due, payable, and collected in the current year. Uncollected amounts at year end are reported as deferred revenue. Delinquent property taxes collected within 60 days subsequent to year end were not considered material.

The property tax calendar dates are:

Levy date and due date – October 1
Collection dates – October 1 through January 31
Lien date – February 1

The County bills and collects its own taxes and those for certain government entities within the County. Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the tax assessor's agency fund. Tax collections deposited for the County are distributed on a periodic basis to the general, road and bridge, and debt service funds of the County. This distribution is based upon the tax rate established for each fund by order of the Commissioners' Court for the tax year for which the collections are made.

The appraisal of property within the County is the responsibility of the County-wide appraisal district, which is required under the property tax code to assess all property within the appraisal district on the basis of 100 percent of its appraised value, and is prohibited from applying any assessment ratios. The appraisal district must review the value of the property within the County every three years unless the County, at its own expense, requires more frequent reviews. The County may challenge the appraised values through various appeals and, if necessary, legal action. Under this legislation, the County sets tax rates on County property.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The original budget is adopted by the Commissioners' Court prior to the beginning of the fiscal year. The legal level of control is at the department level in the general fund and road and bridge fund. The debt service fund's legal level of control is at the fund level. The remaining special revenue funds with adopted budgets are: County and district court technology, courthouse security, law library, aging, County records management, County clerk records preservation, hotel/motel tax, JP technology, available school, district attorney collection, district clerk records preservation, environmental services, jail commissary, district attorney special, justice court building security, permanent school, and pre-trial intervention fund. The legal level control for these special revenue funds is at the fund level. Although budgets are adopted annually for these special revenue funds, they are not subject to performance measurement. Management may not amend the budget without the approval of Commissioners' Court. Appropriations lapse at the end of the year for all funds. Budgets are adopted on a generally accepted accounting principles basis for all budgeted funds except for the college and commerce fund, which adopts a project length budget. Several supplemental budget appropriations were made for the year ended September 30, 2015.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
TexPool	\$ 9,036,230	0.00
Texas CLASS	84,964	0.00
	<u>\$ 9,121,194</u>	
Portfolio weighted average maturity		0.00

Interest rate risk. In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less.

Credit risk. State law and the County’s investment policy limit investments to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent. Further, commercial paper must be rated not less than “A-1” or “P-1” or an equivalent rating by at least two nationally recognized credit rating agencies. As of September 30, 2015, the County’s investments in TexPool and Texas CLASS were rated “AAAm” by Standard & Poor’s.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County’s investment policy requires funds on deposit at the depository bank to be collateralized by securities and FDIC insurance. As of September 30, 2015, bank balances did not exceed the market values of pledged securities and FDIC insurance.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. 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. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor’s rate TexPool “AAAm”. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor’s, as well as to the office of the Comptroller of Public Accounts for review.

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust – Texas (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended (the “Act”). CLASS is created under an Amended and Restated Trust Agreement, dated as of December 14, 2011 (the “Agreement”), among certain Texas governmental entities investing in the pool (the “Participants”), with Cutwater Investor Services Corporation as Program Administrator and Wells Fargo Bank Texas, NA as Custodian. CLASS is not SEC registered and is not subject to

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

regulation by the State of Texas. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the “Board”), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for Texas CLASS may be obtained from CLASS’ website at www.texasclass.com.

TexPool and CLASS operate in a manner consistent with the SEC’s rule 2a7 of the Investment Company Act of 1940. TexPool and CLASS use amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool and CLASS are the same as the value of TexPool and CLASS shares.

B. Receivables

The following comprise receivable balances at year end:

	General	Debt Service	Road and Bridge	Grants	Nonmajor	Total
Property taxes	\$ 1,292,568	\$ 479,640	\$ 519,575	\$ -	\$ -	\$ 2,291,783
Other taxes	337,771	-	-	-	-	337,771
Other	302,970	12,205	209,722	573,233	84,751	1,182,881
	<u>\$ 1,933,309</u>	<u>\$ 491,845</u>	<u>\$ 729,297</u>	<u>\$ 573,233</u>	<u>\$ 84,751</u>	<u>\$ 3,812,435</u>

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

C. Capital Assets

A summary of changes in capital assets for the year ended September 30, 2015 is as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 1,574,713	\$ -	\$ -	\$ 1,574,713
Construction in progress	4,592,695	1,502,841	-	6,095,536
Total capital assets not being depreciated	6,167,408	1,502,841	-	7,670,249
Other capital assets:				
Infrastructure	90,929,969	-	-	90,929,969
Buildings	44,779,014	-	-	44,779,014
Improvements	1,998,396	-	-	1,998,396
Equipment	14,604,216	1,424,740	(670,102)	15,358,854
Total other capital assets	152,311,595	1,424,740	(670,102)	153,066,233
Less accumulated depreciation for:				
Infrastructure	(86,899,397)	(78,327)	-	(86,977,724)
Buildings	(3,841,238)	(903,383)	-	(4,744,621)
Improvements	(1,277,847)	(77,206)	-	(1,355,053)
Equipment	(8,416,433)	(1,057,986)	165,307	(9,309,112)
Total accumulated depreciation	(100,434,915)	(2,116,902)	165,307	(102,386,510)
Other capital assets, net	51,876,680	(692,162)	(504,795)	50,679,723
Governmental Activities Capital Assets, Net	\$ 58,044,088	\$ 810,679	\$ (504,795)	58,349,972
			Less associated debt	(26,883,765)
			Plus deferred charge on refunding	296,877
			Net Investment in Capital Assets	\$ 31,763,084

Depreciation was charged to governmental functions as follows:

General government	\$ 486,889
Administration of justice	571,563
Roads and bridges	952,605
Health and human services	105,845
Total Governmental Activities Depreciation Expense	\$ 2,116,902

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

D. Long-Term Liabilities

The following is a summary of changes in the County's total governmental long-term liabilities for the year ended September 30, 2015. In general, the County uses the general, road and bridge, and debt service funds to liquidate governmental long-term liabilities.

	<u>Beginning Balance**</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds, notes payable, and capital leases:					
General obligation	\$ 22,810,000	\$ -	\$ (1,685,000)	\$ 21,125,000	\$ 1,730,000
Tax notes	4,198,000	1,060,000	(999,000)	4,259,000	1,170,000
Obligations under capital leases	825,865	862,198	(825,865)	862,198	862,198
Less deferred amounts:					
Premium	698,013	-	(60,446)	637,567	-
	<u>28,531,878</u>	<u>1,922,198</u>	<u>(3,570,311)</u>	<u>26,883,765</u>	<u>3,762,198</u>
Other:					
Compensated absences	283,235	489,660	(509,684)	263,211	236,890
Net OPEB obligation	2,851,694	902,326	-	3,754,020	-
Net pension liability	1,818,141	205,607	-	2,023,748	-
Landfill closure and post closure care costs	2,934,939	180,980	-	3,115,919	-
	<u>7,888,009</u>	<u>1,778,573</u>	<u>(509,684)</u>	<u>9,156,898</u>	<u>236,890</u>
Total Governmental Activities	<u>\$ 36,419,887</u>	<u>\$ 3,700,771</u>	<u>\$ (4,079,995)</u>	<u>\$ 36,040,663</u>	<u>\$ 3,999,088</u>
Long-term liabilities due in more than one year				<u>\$ 32,041,575</u>	
* Debt associated with capital assets				<u>\$ 26,883,765</u>	

**Beginning balances have been restated.

See note IV.C. for additional information regarding landfill closure and post closure care costs. The County is not obligated in any manner for special assessment debt.

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. The governmental activities compensated absences, net OPEB, and net pension liability obligations are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

Long-term debt as of September 30, 2015, was comprised of the following debt issues:

	<u>Interest Rate Percent</u>	<u>Original Amount</u>	<u>Balance</u>
General Obligation			
Certificates of Obligation, Series 2008	4.00-4.12	\$ 10,120,000	6,130,000
Refunding Bonds, Series 2012	2.00-3.00	\$ 17,760,000	14,995,000
			<u>21,125,000</u>
Tax Notes			
Series 2009	2.00-3.00	\$ 2,525,000	405,000
Series 2010	1.50-2.00	\$ 830,000	255,000
Series 2011	1.83	\$ 449,000	199,000
Series 2012	2.00	\$ 1,015,000	600,000
Series 2013	1.85	\$ 525,000	385,000
Series 2014	1.00-2.00	\$ 1,570,000	1,355,000
Series 2015	1.93	\$ 1,060,000	1,060,000
			<u>4,259,000</u>
Capital Leases			
Bankcorp South Corporation	2.20	\$ 862,198	\$ 862,198
			<u>862,198</u>
		Total	<u>\$ 26,246,198</u>

A summary of the County's debt service requirements, including interest, is as follows:

Year Ending Sept. 30	Governmental Activities					
	General Obligation		Tax Anticipation Notes		Capital Leases	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 1,730,000	\$ 685,494	\$ 1,170,000	\$ 69,193	\$ 862,198	\$ 20,777
2017	1,780,000	637,594	786,000	51,658	-	-
2018	1,840,000	577,294	668,000	38,545	-	-
2019	1,900,000	514,894	615,000	25,992	-	-
2020	1,970,000	450,394	465,000	15,416	-	-
2021-2025	9,020,000	1,236,581	555,000	8,528	-	-
2026-2027	2,885,000	130,500	-	-	-	-
Totals	<u>\$ 21,125,000</u>	<u>\$ 4,232,751</u>	<u>\$ 4,259,000</u>	<u>\$ 209,332</u>	<u>\$ 862,198</u>	<u>\$ 20,777</u>

Machinery and equipment acquired under current capital lease obligations totaled \$857,689.

Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

liability to the County could result. Although the County does not anticipate that it will have any arbitrage liability, it periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

E. Interfund Transactions

Operating transfers between the primary government funds during the year were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amounts</u>
Major funds:		
General fund	Nonmajor governmental funds	\$ 117,269
Nonmajor funds:		
Nonmajor governmental funds	Grants	53,772
Nonmajor governmental funds	General fund	236,036
Nonmajor governmental funds	Nonmajor governmental funds	549
	Total	\$ 407,626

These transfers are for a wide variety of reasons, some of which are for operations within the various funds and salary subsidies.

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

<u>Due to</u>	<u>Due from</u>	<u>Amounts</u>
Major funds:		
General fund	Grant funds	\$ 1,504,981
General fund	Nonmajor governmental funds	\$ 34,691
General fund	Debt Service	17,459
General fund	Road and bridge funds	13,575
Grants fund	Nonmajor governmental funds	53,772
Road and bridge funds	General fund	257
Road and bridge funds	Nonmajor governmental funds	1,680
	Total	\$ 1,626,415

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

F. Restatement of Net Position

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. As a result, the County has restated beginning net position to account for a net pension liability as of the measurement date, December 31, 2013. In addition, the County has restated beginning net position to record a deferred outflow for contributions made to the pension plan between the initial measurement

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

date and the end of the prior fiscal year, September 30, 2014. The beginning net position was restated as follows:

	Governmental Activities
Beginning net position - as reported	\$ 39,231,934
Restatement - Net pension liability	(1,818,141)
Restatement - Deferred outflows	992,296
Beginning net position - restated	\$ 38,406,089

IV. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. In addition, the County participates along with 279 other entities in the Texas Association of Counties' Workers' Compensation Self-Insurance Fund. The Texas Association of Counties created this pool in 1974 to insure the County for workers' compensation related claims. The County also provides its employees benefits, including medical and life insurance, which the County obtains through the Texas Association of Counties' Insurance Trust Fund. This pool purchases commercial insurance at group rates for participants in the pool. The County has no additional risk or responsibility to either of the pools in which it participates, outside of payment of insurance premiums. The County has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three years.

B. Contingent Liabilities

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

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

The County reports liabilities when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency, and amount of payout and other economic and social factors. The liability for claims and judgments is reported in the government-wide financial statements because it is not expected to be liquidated with expendable, available financial resources. No claim liabilities are reported at year end.

C. Landfill Closure and Post Closure Care Cost

On December 1, 2001, the County entered into an agreement ("the Agreement") with a private contractor (the "Contractor") to operate the County's landfill and solid waste collection activities. The

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

Agreement also provides for the Contractor to pay for a portion of the closure and post closure care cost for capacity utilized under their management. The Contractor is required to annually obtain a performance bond to provide financial assurance to the County for such costs. Upon the termination of the Agreement, the contractor is relieved of any financial obligation for closure and post closure care costs. Accordingly, the County is liable or contingently liable for the entire closure and post closure care costs.

Current state regulations and the U.S. Environmental Protection Agency require the County to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County is required to recognize a portion of the landfill closure and post closure care liability each year. Recognition of the liability is based on the landfill capacity used to date. The operations of the landfill are recorded in the environmental service fund, one of the special revenue funds used by the County.

The County revised its estimated closure and post closure care costs in an application for a permit amendment submitted to the Texas Commission on Environmental Quality in 2004 to modify the existing permit for expansion of total permit capacity. The County's estimate of total cost of closure and post closure care for 30 years, under permits and regulations currently in effect, is \$11,168,169.

The \$3,115,919 reported as landfill closure and post closure care liability at September 30, 2015 is based on the use of 27.9 percent of the estimated capacity of the landfill. The estimated net decrease in capacity after the permit modification during the year was three percent related to new estimates of airspace capacity using digital terrain modeling techniques. The accrued liability increased by \$180,980. The County will recognize the remaining estimated cost of closure and post closure care of \$8,052,250 as the remaining estimated capacity is filled. Based on the current rate of materials deposited, the life of the landfill is 48.7 years.

The estimated costs are based on what it would cost to perform all closure and post closure care in 2015 and do not include provisions for inflation. Based on current projections, the present landfill site will be closed in the year 2064. Monitoring would begin on this date and would continue for the next 30 years.

The County expects that future inflation costs will be paid from interest earnings on accumulated landfill earnings. However, if interest earnings are inadequate or additional post closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

The County is not currently required to make contributions to a trust fund to finance closure and post closure costs. The County has reserved \$760,277 in its debt service fund for post closure costs. The County intends to fund the deficiency in amounts currently available and the total estimated costs with contractor franchise fees.

D. Pension Plans

Texas County and District Retirement System

Plan Description

The Texas County and District Retirement System (TCDRS) is a statewide, agent multiple-employer, public-employee retirement system. The system serves 677 actively participating counties and districts

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

throughout Texas. Each employer maintains its own customized plan of benefits. Plan provisions are adopted by the Commissioners' Court of each employer, within the options available in the TCDRS Act. Because of that, the County has the flexibility and local control to select benefits and pay for those benefits based on its needs and budgets.

Each employer has a defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered a tax qualified plan under Section 401(a) of the Internal Revenue Code. TCDRS issues a publicly available comprehensive annual financial report that can be obtained at www.tcdrs.org.

All eligible employees (except temporary staff) of the County must be enrolled in the plan.

Benefits Provided

TCDRS provides retirement, disability, and death benefits. The benefits provisions are adopted by the Commissioners' Court within the options available in Texas state statutes governing TCDRS. Members can retire at age 60 and above with eight or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service, but must leave their accumulated contributions in the plan to receive any County-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

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

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	10
Inactive employees entitled to, but not yet receiving benefits	211
Active employees	305
Total	526

Contributions

A combination of three elements funds each employer's plan: employee deposits, employer contributions, and investment income.

- The deposit rate for employees is four percent, five percent, six percent or seven percent of compensation, as adopted by the employer's governing body.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

- Participating employers are required, by law, to contribute at actuarially determined rates, which are determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method.
- Investment income funds a large part of the benefits employees earn.

Employers have the option of paying more than the required contribution rate each year. Extra contributions can help employers “prefund” benefit increases, such as a cost-of-living adjustment to retirees, and they can be used to help offset or mitigate future increases in the required rate due to negative plan experience. There are two approaches for making extra contributions:

- (a) paying an elected contribution rate higher than the required rate and
- (b) making an extra lump-sum contribution to the employer account.

Employees for the County were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the County were 12.36 percent and 12.12 percent in calendar years 2014 and 2015, respectively. The County’s contributions to TCDRS for the fiscal year ended September 30, 2015 were \$1,302,181 and were equal to the required contributions.

Net Pension Liability

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

Actuarial Assumptions

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

See the information below (Actuarial Methods and Assumptions Used for GASB Calculations) for a listing of key assumptions used in the calculation of the TPL and other GASB 68 metrics.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

Following are the key assumptions and methods used in the December 31, 2014 actuarial valuation:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in the which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	3.0%
Salary Increases	8.10%
Investment Rate of Return	3.5%
Cost of Living Adjustments	Cost-of-living adjustments for the County are not considered to be substantively automatic under GASB 68. Therefore an assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.

The long-term expected rate of return of TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The target allocation and best estimate of geometric real rate of return for each major asset class are summarized in the following table:

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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

Discount Rate

The discount rate used to measure the TPL was 8.10 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Changes for the year:			
Service cost	\$ 1,609,408	\$ -	\$ 1,609,408
Interest	3,913,810	-	3,913,810
Change of benefit terms	-	-	-
Difference between expected and actual experience	(345,432)	-	(345,432)
Changes of assumptions	-	-	-
Contributions - employer	-	1,311,060	(1,311,060)
Contributions - employee	-	742,511	(742,511)
Net investment income	-	3,140,528	(3,140,528)
Benefit payments, including refunds of employee contributions	(1,834,960)	(1,834,960)	-
Administrative expense	-	(37,125)	37,125
Other changes	-	(184,795)	184,795
Net changes	3,342,826	3,137,219	205,607
Balance at December 31, 2013	48,429,228	46,611,087	1,818,141
Balance at December 31, 2014	\$ 51,772,054	\$ 49,748,306	\$ 2,023,748

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of the County, calculated using the discount rate of 8.10 percent, as well as what the County's NPL would be if it were calculated using a discount rate that is one percentage point lower (1.0%) or one percentage point higher (9.1%) than the current rate:

	1% Decrease in Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
County's Net Pension Liability	\$ 8,961,276	\$ 2,023,748	\$ (3,683,725)

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TCDRS financial report. That report may be obtained on the Internet at www.tcdrs.com.

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

For the fiscal year ended September 30, 2015, the County recognized pension expense of \$1,238,170.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 259,074
Difference between projected and actual investment earnings	537,571	-
Contributions subsequent to the measurement date	985,062	-
Total	\$ 1,522,633	\$ 259,074

\$985,062 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Pension Expense Amount
2016	\$ 48,035
2017	48,035
2018	48,035
2019	134,392
2020	-
Thereafter	-
Total	\$ 278,497

E. Other Post Employment Benefits

Plan Description

In order to recognize and reward long-term employees, as well as to provide an incentive for remaining in the County's employment, the County administers a single-employer defined benefit Other Post Employment Benefits (OPEB) plan, known as Polk County Retiree Benefits Trust plan (the "Plan").

Each full-time employee who separates from the service of the County and who, at the time of their separation, is eligible for retirement under the Texas County and District Retirement System (TCDRS) guidelines, and either (1) has total creditable service with the TCDRS and continuous service as a full-

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

time employee of the County for 20 years or more, or (2) has total creditable service with the TCDRS and continuous service as an elected official of the County for 16 years or more; and whose full salary has been paid entirely from the County funds or grant funds received from Federal, State, or other local governments by the County continuously for 20 years or more, or for 16 years or more as an elected official, and is covered by the County group health plan at the time of their retirement, will have the same dollar amount contributed towards their group medical premiums by the County that the County contributes towards such premiums for its full-time employees. Upon reaching Medicare eligibility (retiree must have Medicare A and B, and may have to be 65 or older), employees who meet the above requirements will be eligible to participate in the senior health care plan offered by the County. If the retiree meets the eligibility requirements stated above for premiums to be paid upon reaching Medicare eligibility (must have Medicare A and B, and may have to be 65 or older), the County will pay the premium for the retiree to participate in the senior health plan designated by the County.

Coverage for spouses and dependents who are participants in the County's group health plan on the date of the employee's retirement may also be continued. Premiums for spouses and dependent(s) shall be paid by the retiree. Coverage for spouses or dependent(s) ceases at midnight on the last day of any month in which the premium is not received in the Treasurer's office when due.

Funding Policy and Annual OPEB Cost

The County has elected to finance the OPEB plan on a pay-as-you-go basis.

Annual OPEB Cost

The County's annual OPEB cost is calculated based on the Annual Required Contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of accrual that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed 30 years.

The County's annual OPEB cost for the fiscal year ending September 30, 2015 is as follows:

Annual required contribution (ARC)	\$ 1,175,440
Interest on OPEB obligation	128,326
Adjustment to ARC	(118,893)
Annual OPEB cost (expense) end of year	<u>1,184,873</u>
Net estimated employer contributions	(282,547)
Increase in net OPEB obligation	\$ 902,326
Net OPEB obligation (asset) - as of beginning of year	<u>2,851,694</u>
Net OPEB obligation (asset) - as of end of year	<u><u>\$ 3,754,020</u></u>

A separate audited generally accepted accounting principles basis post employment benefit plan report is not available.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

Three-Year Contribution Information

The County's annual OPEB cost, the amount contributed by the employer, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2015 and the preceding two fiscal years were as follows:

Fiscal Year	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Obligation	
				Beginning	Ending
2013	\$ 929,046	\$ 434,389	46.76%	\$ 1,716,878	\$ 2,211,535
2014	\$ 958,383	\$ 318,224	33.20%	\$ 2,211,535	\$ 2,851,694
2015	\$ 1,184,873	\$ 282,547	23.85%	\$ 2,851,694	\$ 3,754,020

Funded Status

As of the actuarial valuation date of December 31, 2014, the actuarial value of plan assets is \$829,829, the actuarial accrued liability is \$10,444,909, the total unfunded actuarial accrued liability (UAAL) is \$9,615,080, and the actuarial value of assets as a percentage of the actuarial accrued liability is 7.9 percent. The covered payroll was \$10,607,304, and the ratio of the UAAL to the covered payroll was 90.6 percent.

Actuarial Methods and Assumptions

The projected unit credit actuarial cost method is used to calculate the GASB ARC for the County's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions were as follows:

Inflation Rate	3.00% per annum
Investment Rate of Return	4.5%
Actuarial Cost Method	Projected unit credit
Amortization Method	Level % of payroll
Remaining Amortization Period	30 years - open period
Payroll Growth	3.00% per annum
Non-Medicare Medical Trend (Initial/Ulimate)	7.25%/5.5% after 9 years
Medicare Medical Trend (Initial/Ulimate)	7.25%/4.5% after 14 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the ARC of the

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as RSI provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

F. Jointly Governed and Related Organizations

The Adult Probation and Juvenile Probation divisions are operated as combined departments doing business as the 258th and 411th Community Supervision and Correction Departments (the "Departments"). A different board governs each department, although the District Judges preside on both boards. The Departments service the counties of Polk, San Jacinto, and Trinity. Each county is required to provide office space for the operations of the Departments. Substantially all of the Departments' funding is provided by the State. The participating counties provide approximately ten percent of the Departments' budgets.

The Juvenile Probation Board consists of the Polk County Judge and the Polk County Court-at-Law Judge, along with two District judges and County judges from San Jacinto and Trinity Counties. The Adult Probation Department's Board consists of two District judges and the County Court-at-Law Judge from the County. The Departments and their divisions are considered to be legally separate from the County. In addition, the County is not able to appoint a voting majority to either of the Departments' boards or otherwise able to impose its will. The Departments are not fiscally dependent on the County since the County's approvals are ministerial in nature. While the Department's divisions are closely affiliated with the County, they are not considered to be part of the reporting entity, i.e., component units of the County.

G. Component Unit Disclosures

On August 27, 2004, the County sponsored the creation of IAH Public Facility Corporation (the "Corporation") under the Public Facility Corporation Act Chapter 303 (the "Act") of the Texas Local Government Code. The Corporation is legally separate from the County, but the County appoints all of the board members, thereby appointing a voting majority of the Corporation's Board of Directors, and has the ability to remove those board members at will. Currently, a voting majority of the Corporation's Board of Directors is the same as that of Commissioners' Court. The Corporation provides housing for County prisoners.

1. Financing Agreements and Practical Considerations

The Corporation was formed for the initial purpose of building a detention facility (the "Facility"). The project was initially financed with the issuance of the project revenue bonds, series 2004 (the "2004 bond issue") and was expanded with the issuance of the project revenue bonds, series 2006 (the "2006 bond issue"). The bonds are secured by the mortgage on the Facility and the Facility's revenues and are not secured by the full faith and credit of the County nor tax revenues. In connection with these issuances, on November 1, 2004 and December 21, 2006, the Corporation and/or the County entered into a number of legal agreements for the financing of the Facility, many of which are designed to provide additional security to the bondholders.

The Corporation entered into the trust indenture with U.S. Bank National Associates (the "Trustee") to serve as the Trustee related to the 2004 and 2006 bond issues. The trust indenture is primarily for the benefit of the owners of the bonds and calls for the creation of a number of

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

funds and accounts, including the construction fund, bond fund, reserve fund, rebate fund, and project fund. In addition, the trust indenture specifies the amounts of pledged revenues to be placed into each of the funds established by the Trustee and the order of priority of the disposition of the pledged revenues.

The Corporation and the County entered into the lease agreement (the "Lease"), with an option to purchase, whereas the Corporation purchased land and constructed and equipped the Facility which is being leased to the County. The term of the Lease is effectively concurrent with the related bonds. The County is only obligated to make rental payments to the extent that revenues from the Project are available. Under the Lease, the County pledges all revenues to the trust fund established under the trust indenture.

In December 2009, the County extended their facility operation and management agreement with Civigenics-Texas, Inc. (the "Operator") for a one-year term, containing options for both early cancellation and renewal. On February 1, 2012, the County entered into a new Facility Operation and Management Services Agreement with Community Education Centers, Inc. (CEC). This agreement is renewable annually. The Corporation's management was changed in an agreement which is dated February 23, 2015, an Assignment and Assumption of Operation and Management Agreement entered into by and between Management and Training Corporation, (MTC), and the County. MTC assumed the operation and management responsibility of the Facility as of April 30, 2015. The Operator's compensation is payable solely from, and to the extent monies are available in, the operating account, as established in the trust account in accordance with the trust indenture. The Operator pays the County an administrative fee of \$2.75 per prisoner per day for the first 526 prisoners and then \$4.60 per prisoner per day for each prisoner in excess of 526 from the Operator's fee and guarantees the County a minimum aggregate administrative fee of \$100,000 annually. The County has agreed as a result of the forbearance agreement that during the forbearance period that the County will forego the County administration fees.

In practice, the Operator bills the federal agencies and other local governments for prisoners at the Facility, and all payments are made directly to the Polk County Treasurer (the "Treasurer"). The Treasurer wire transfers all payments received directly to the Trustee. The Trustee allocates the funds received among the respective accounts as required by the indenture and the Lease, and disburses the funds directly to the Operator for the amount due. The Operator then disburses the administrative fee to the County. No funds change hands between the Corporation and the County related to lease payments or debt service payments. Although the County remits the gross payments received from the federal agencies and other local governments for prisoners held at the Facility, the only revenue received by the County is disbursed by the Operator for the County's administrative fee and revenue generated from the Operator for a contracted portion of the sale of phone cards and a portion of the phone revenue contracted and paid through the provider, Infinity Networks.

The form of the legal agreements is complex to ensure compliance with the local government code and provide security for the bondholders. In substance, to the extent revenues are available, they will first be used to repay the bonds, then the Operator will be paid, and last, the County will be paid an administrative fee. If revenue is not available, there is no legal obligation for any of the parties to be paid. In that instance, the bondholders' only security interest will be with any remaining trust funds and mortgage of the property. Neither the Corporation nor the County has any obligation in this instance.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

This financing transaction is being accounted for as “substance over form” as the practical consideration in accounting for the transaction overrides the legal form of the agreements. The Corporation is responsible for the repayment of the debt based on the funds that are available and all available funds are recorded in the trust. Accordingly, all monies held in the trust accounts are considered assets of the Corporation and restrictions shown where applicable. Similarly, all monies received by the trust are considered revenues of the Corporation. The Corporation also records a receivable in connection with the billings to federal agencies and the local government which are unpaid. All payments made by the trust are considered expenses of the Corporation. In addition, the Corporation accrues the amount due to the respective parties based on the accounts receivable. To the extent payment is not received, no obligation is due. Neither the County nor the Corporation accounts for the Lease as a lease transaction. The County only reports the administrative fee received in connection with these agreements.

2. Long-Term Debt

On November 5, 2004, the Corporation issued project revenue bonds series 2004, in the amount of \$24,215,000 and, on December 21, 2006, the Corporation issued project revenue bonds, series 2006 in the amount of \$24,820,000.

Long-term debt obligations of the Corporation as of September 30, 2015 are as follows:

Year Ending Sept. 30	Principal	Interest	Total
2016	\$ 3,965,000 *	\$ 5,182,950 *	\$ 9,147,950
2017	2,180,000	2,390,125	4,570,125
2018	2,330,000	2,241,475	4,571,475
2019	2,490,000	2,082,425	4,572,425
2020	2,665,000	1,912,287	4,577,287
2021-2025	16,335,000	6,547,344	22,882,344
2026	8,630,000	600,494	9,230,494
Total	\$ 38,595,000	\$ 20,957,100	\$ 59,552,100

The bonds were issued to finance a project that consists of the acquisition of real property in the County and the construction, furnishing, and equipping of a multi-classification secure detention center. Separate financial statements are available from the County Auditor’s office.

3. Agreement Regarding Protective Advances and Forbearance

Effective December 15, 2014, the Corporation entered into a forbearance agreement (the “Agreement”) with Community Education Centers, Inc. (CEC), and the U.S. Bank National Association (the “Trustee”), an indenture trustee for holders of the bonds and the County. The Agreement would allow the detention facility (the “Facility”) to operate on a cost plus basis, the County would not receive any fees, and an interest only payment would be made in the current fiscal year. The 2015 principal payment will be included in the current year portion of debt to be paid in the 2016 fiscal year. On April 30, 2015, Management and Training Corporation (MTC) assumed the operations of the Facility pursuant to an Assignment and Assumption Agreement dated February 23, 2015 and the parties entered into an amended forbearance Agreement.

The terms of the Agreement, as amended on January 26, 2016, establish a forbearance agreement

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2015

effective April 30, 2015 through February 1, 2016 and the agreement was extended to February 1, 2017. During the forbearance period, MTC must provide to the Corporation and Trustee, invoices of expenses, a monthly balance sheet, a statement of cash flows, and income statements each month. They must also pay a monthly operating fee of 5.1 percent of the adjusted monthly operating costs.

4. Notice of Approval of Trust Instruction Petition and Direction Regarding Payment of Bonds

After the Corporation entered into the Agreement with the County, the Operator and the Trustee, the Trustee received a court order notice from the directing holders of the bonds to withhold the principal payments with respect to the series 2004 and 2006 bonds due on May 1, 2015. This resulted in the temporary suspension of regularly scheduled bond payments. The Corporation did, however, make the interest payment for the 2015 fiscal year and will make two principal payments during the fiscal year 2016.

REQUIRED SUPPLEMENTARY INFORMATION

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 2)
GENERAL FUND

For the Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property taxes	\$ 10,805,591	\$ 10,805,591	\$ 10,807,928	\$ 2,337
Sales taxes	1,999,961	1,999,961	2,210,700	210,739
Other taxes	322,832	322,832	402,637	79,805
Fines and forfeitures	550,000	550,000	592,670	42,670
Charges for services	1,289,800	1,328,668	1,436,516	107,848
Intergovernmental	1,087,150	1,138,000	516,500	(621,500)
Licenses and permits	166,619	166,619	160,261	(6,358)
Investment income	13,000	13,000	27,750	14,750
Other revenue	1,074,188	1,272,837	1,343,389	70,552
Total Revenues	<u>17,309,141</u>	<u>17,597,508</u>	<u>17,498,351</u>	<u>(99,157)</u>
<u>Expenditures</u>				
General Government:				
County Judge	232,768	233,713	233,713	-
Commissioners' Court	533,145	481,897	454,565	27,332
County Clerk	616,898	617,013	583,914	33,099
County Treasurer	169,070	168,470	166,882	1,588
County Auditor	275,450	272,951	253,538	19,413
Data Processing	326,652	289,692	287,876	1,816
Human Resources	148,996	150,240	134,174	16,066
Maintenance	899,819	840,902	810,682	30,220
Fire department support	172,912	157,012	157,012	-
Emergency Management	313,437	300,165	297,869	2,296
General operating	1,305,900	1,417,798	1,417,798	-
Other unclassified	318,297	320,697	320,081	616
	<u>5,313,344</u>	<u>5,250,550</u>	<u>5,118,104</u>	<u>132,446</u>
Administration of Justice:				
Jury	60,500	43,527	43,030	497
County Court-at-law	578,011	684,807	684,807	-
District Clerk	498,944	499,658	466,077	33,581
District Judges	933,120	1,035,517	996,407	39,110
Justice of the Peace Pct. 1	179,363	180,252	175,578	4,674
Justice of the Peace Pct. 2	156,885	157,735	155,622	2,113
Justice of the Peace Pct. 3	159,972	159,161	157,841	1,320
Justice of the Peace Pct. 4	153,245	152,613	145,127	7,486
District Attorney	1,126,400	1,113,182	1,066,608	46,574
Sheriff	3,697,254	3,699,744	3,603,344	96,400
Jail	2,453,270	2,518,589	2,429,669	88,920
Constables	241,335	232,471	224,331	8,140
DPS	64,536	70,546	69,588	958
	<u>10,302,835</u>	<u>10,547,802</u>	<u>10,218,029</u>	<u>329,773</u>

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 2 of 2)
GENERAL FUND

For the Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures (continued)</u>				
Health and Human Services:				
Museum	\$ 55,567	\$ 55,567	\$ 55,567	\$ -
Social Services	319,836	316,210	304,341	11,869
Veterans Services	58,467	57,707	48,912	8,795
County Extension	141,480	138,947	127,346	11,601
Environmental Services	69,947	66,313	60,389	5,924
	<u>645,297</u>	<u>634,744</u>	<u>596,555</u>	<u>38,189</u>
Tax Administration:				
Appraisal District	420,509	402,454	402,454	-
Tax Assessor Collector	860,814	850,836	836,478	14,358
	<u>1,281,323</u>	<u>1,253,290</u>	<u>1,238,932</u>	<u>14,358</u>
Debt Service:				
Debt issuance costs	-	31,226	31,226	-
Capital:				
Capital outlay	2,825	956,781	953,483	3,298
Total Expenditures	<u>17,545,624</u>	<u>18,674,393</u>	<u>18,156,329</u>	<u>518,064</u>
(Deficiency) of (Under) Expenditures	<u>(236,483)</u>	<u>(1,076,885)</u>	<u>(657,978)</u>	<u>418,907</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	236,036	236,036	236,036	-
Transfers (out)	(117,269)	(117,269)	(117,269)	-
Debt issuance	-	858,076	858,509	433
Total Other Financing Sources	<u>118,767</u>	<u>976,843</u>	<u>977,276</u>	<u>433</u>
Net Change in Fund Balance	<u>\$ (117,716)</u>	<u>\$ (100,042)</u>	319,298	<u>\$ 419,340</u>
Beginning fund balance			<u>7,120,776</u>	
Ending Fund Balance			<u>\$ 7,440,074</u>	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 4,279,670	\$ 4,279,670	\$ 4,280,595	\$ 925
Other taxes	969,470	969,470	964,638	(4,832)
Fines and forfeitures	87,000	87,000	105,240	18,240
Intergovernmental	-	154,904	154,904	-
Investment income	2,357	2,357	1,104	(1,253)
Other revenue	48,926	328,905	422,032	93,127
Total Revenues	<u>5,387,423</u>	<u>5,822,306</u>	<u>5,928,513</u>	<u>106,207</u>
Expenditures				
Roads and Bridges:				
Permanent	-	450,000	284,082	165,918
Pct. 1	1,195,292	1,533,857	1,471,806	62,051
Pct. 2	1,188,679	1,321,499	1,293,747	27,752
Pct. 3	1,433,044	1,734,099	1,565,154	168,945
Pct. 4	1,441,161	1,591,161	1,339,953	251,208
Debt Service:				
Principal	825,865	825,865	825,860	5
Interest	20,267	21,215	21,214	1
Capital Outlay	-	1,153,978	1,097,478	56,500
Total Expenditures	<u>6,104,308</u>	<u>8,631,674</u>	<u>7,899,294</u>	<u>732,380</u>
(Deficiency) of Revenues (Under) Expenditures	(716,885)	(2,809,368)	(1,970,781)	838,587
Other Financing Sources (Uses)				
Debt issuance	-	660,407	1,063,389	402,982
Sale of capital assets	742,000	742,948	756,000	13,052
Total Other Financing Sources	<u>742,000</u>	<u>1,403,355</u>	<u>1,819,389</u>	<u>416,034</u>
Net Change in Fund Balance	<u>\$ 25,115</u>	<u>\$ (1,406,013)</u>	<u>(151,392)</u>	<u>\$ 1,254,621</u>
Beginning fund balance			<u>3,257,093</u>	
Ending Fund Balance			<u>\$ 3,105,701</u>	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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POLK COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Year Ended September 30, 2015

	Measurement Year
Total Pension Liability	2014*
Service cost	\$ 1,609,408
Interest (on the total pension liability)	3,913,810
Changes of benefit terms	-
Difference between expected and actual accrued liability (UAAL)	(345,432)
Change of assumptions	-
Benefit payments, including refunds of employee contributions	(1,834,961)
Net Change in Total Pension Liability	3,342,825
Beginning total pension liability	48,429,228
Ending Total Pension Liability	\$ 51,772,053
 Plan Fiduciary Net Position	
Contributions - employer	\$ 1,311,060
Contributions - employee	742,511
Net investment income	3,140,528
Benefit payments, including refunds of employee contributions	(1,834,961)
Administrative expense	(37,125)
Other	(184,795)
Net Change in Plan Fiduciary Net Position	3,137,218
Beginning plan fiduciary net position	46,611,088
Ending Plan Fiduciary Net Position	\$ 49,748,306
Net Pension Liability	\$ 2,023,747
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.09%
Covered Employee Payroll	\$ 10,607,304
Net Pension Liability as a Percentage of Covered Employee Payroll	19.08%

Notes to Schedule:

*Only one year of information is currently available. The County will build this schedule over the next nine-year period.

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POLK COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
For the Year Ended December 31, 2015

	<u>Measurement Year</u>	
	<u>2013</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,199,141	\$ 1,311,060
Contributions in relation to the actuarially determined contribution	<u>1,199,141</u>	<u>1,311,060</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered employee payroll	 \$ 10,249,111	 \$ 10,607,304
 Contributions as a percentage of covered employee payroll	 11.70%	 12.36%

Notes to Required Supplementary Information:

There were no benefit changes during the year.

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POLK COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS
POST EMPLOYMENT HEALTHCARE BENEFITS
For the Year Ended September 30, 2015

Actuarial Valuation Date ¹	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/10	\$ -	\$ 5,394,882	\$ 5,394,882	0.0%	\$ 10,068,500	53.6%
12/31/12	\$ 194,467	\$ 8,154,612	\$ 7,960,145	2.4%	\$ 10,160,869	78.3%
12/31/14	\$ 829,829	\$ 10,444,909	\$ 9,615,080	7.9%	\$ 10,607,304	90.6%

¹Valuations are performed every two years in accordance with GASB Statement No. 45 parameters.

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***COMBINING STATEMENTS
AND SCHEDULES***

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

County and District Court Technology - This fund and the associated fee assessed to certain offenders and case filings were approved by the Legislature and became effective in late 2009. Monies will be utilized, per statute, to improve the technology in County and District courts.

Courthouse Security Fund - This fund is used to account for special fees collected by the District clerk and County clerk for the purpose of defraying expenses related to providing security in the County's court rooms.

Law Library Fund - This fund accounts for revenues and expenditures to maintain a County law library at the County seat. Commissioners' Court has established a fee for each civil case filed in the County or District court.

Aging Fund - This fund is used to account for a program created by the County and is funded in part by the Deep East Texas Council of Governments. This program provides senior citizens with nutrition and activity centers, home delivered meal programs, and counseling.

County Records Management Fund - Fees collected by the District clerk and County clerk at law, as approved by the Texas Legislature, are accounted for in this fund. The requests to expend funds collected are addressed to Commissioners' Court.

County Clerk Records Preservation Fund - Fees collected by the County clerk for filing official documents, such as birth and death certificates, are deposited in this fund and are expended for the purpose of preservation of documents within the County clerk's office.

Hotel/Motel Tax Fund - This fund is used to account for revenues generated from a hotel occupancy tax and expenditures for improvements that serve the purpose of attracting visitors and tourists.

JP Technology Fund - This fund is used account for ticket revenues designated for technology expenditures.

Historical Commission Fund - Revenues received by the Historical Commission are recorded in this fund. The purpose of the fund is to preserve the heritage of the Polk County area and to promote its history.

Available School Fund - This fund is used to accumulate investment earnings from the permanent school fund including lease payments received on properties owned by the County in Throckmorton and Baylor counties.

District Attorney Collection Fund - Fees collected in connection with processing checks issued or passed in violation of the Texas Penal Code are deposited in this fund and used for the purposes of defraying the salaries and expenses of the District attorney.

District Clerk Records Preservation Fund - This fund is used to account for records preserved by the District clerk and fees collected.

Forfeiture Fund - Funds collected in connection with gambling, drug seizures, and forfeitures for the use of the District attorney or sheriff are deposited into this fund. Depending on the nature of funds obtained, these monies can be used for either department.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Special Revenue Funds (continued)

District Clerk TDCJ Fund - Monies contributed by the Texas Department of Criminal Justice to help offset the additional costs of the District clerk's office for having a prison located within the County are recorded within this fund.

Judiciary Fund - Fees collected by the County and District clerk for various agencies are accumulated in this fund until payment is made.

Officials' Fee Account Fund - This fund is used to account for monies held in official fee bank accounts. County officials (two justices of the peace and the County clerk) have bank accounts into which they deposit their collections.

Sheriff Federal Revenue Sharing Fund - This fund is used to account for revenues seized and distributed by the federal government to the County.

District Attorney's Check Restitution Fund - This fund is used to collect and remit restitution for insufficient checks. Fees collected are remitted to the District attorney collection fund.

Waste Mangement Fund - This fund is used to account for all revenues generated from the County's environmental related services.

Jail Commissary Fund - This fund is used to account for all revenues generated from the County's jails.

District Attorney Special Fund - Money requested by the District Attorney from the state is deposited into this fund and used for the purposes of defraying costs of salaries within the District Attorney's office. Also, funds from the state for the District Attorney's investigators for education and training expenses are included.

Justice Court Building Security - This fund is used to account for special fees collected for the purpose of defraying expenses related to providing security in the County's court rooms.

Pre-Trial Intervention Fund - This fund is used to account for special fees collected for the purpose of defraying expenses related to the pretrial intervention program.

Permanent Fund

Permanent Fund - This fund is used to account for mineral lease revenue derived from property awarded in Texas land grants to be held for the benefit of schools within the County. These funds may be distributed if approved by the Commissioners' Court.

Capital Projects Funds

Capital projects funds are governmental funds which are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

College/Commerce Center Fund - This fund was established from proceeds received from grants and foundation funds. Its purpose is to develop and build the College and Commerce Center.

POLK COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 3)
September 30, 2015

	<u>Special Revenue Funds</u>			
	<u>County and District Court Technology</u>	<u>Courthouse Security</u>	<u>Law Library</u>	<u>Aging</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 4,530	\$ 22,310	\$ 69,362	\$ 244,459
Receivables, net	-	131	-	36,842
Total Assets	\$ 4,530	\$ 22,441	\$ 69,362	\$ 281,301
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 5,298	\$ 162	\$ 9,504
Due to other funds	-	-	-	-
Due to other units	-	-	-	-
Total Liabilities	-	5,298	162	9,504
<u>Fund Balances:</u>				
Restricted:				
Special projects	4,530	17,143	69,200	271,797
Capital projects	-	-	-	-
Endowments/trusts	-	-	-	-
Total Fund Balances	4,530	17,143	69,200	271,797
Total Liabilities and Fund Balances	\$ 4,530	\$ 22,441	\$ 69,362	\$ 281,301

** Formerly called College and Commerce

Special Revenue Funds

County Records Mgmt.	County Clerk Records Preservation	Hotel/Motel Tax	JP Technology	Historical Commission	Available School
\$ 4,427	\$ 292,660	\$ 35,757	\$ 8,378	\$ 436,608	\$ 220,957
-	243	2,929	158	-	-
<u>\$ 4,427</u>	<u>\$ 292,903</u>	<u>\$ 38,686</u>	<u>\$ 8,536</u>	<u>\$ 436,608</u>	<u>\$ 220,957</u>
\$ 2,480	\$ 850	\$ 229	\$ -	\$ 670	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,480</u>	<u>850</u>	<u>229</u>	<u>-</u>	<u>670</u>	<u>-</u>
1,947	292,053	38,457	8,536	435,938	-
-	-	-	-	-	-
-	-	-	-	-	220,957
<u>1,947</u>	<u>292,053</u>	<u>38,457</u>	<u>8,536</u>	<u>435,938</u>	<u>220,957</u>
<u>\$ 4,427</u>	<u>\$ 292,903</u>	<u>\$ 38,686</u>	<u>\$ 8,536</u>	<u>\$ 436,608</u>	<u>\$ 220,957</u>

POLK COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 3)
September 30, 2015

	<u>Special Revenue Funds</u>			
	<u>District Attorney Collection</u>	<u>District Clerk Records Preservation</u>	<u>Forfeiture</u>	<u>District Clerk TDCJ</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 35,670	\$ 46,062	\$ 430,378	\$ 20,116
Receivables, net	-	-	-	-
Total Assets	\$ 35,670	\$ 46,062	\$ 430,378	\$ 20,116
<u>Liabilities:</u>				
Accounts payable	\$ 90	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other units	-	-	232,997	20,116
Total Liabilities	90	-	232,997	20,116
<u>Fund Balances:</u>				
Restricted:				
Special projects	35,580	46,062	197,381	-
Capital projects	-	-	-	-
Endowments/trusts	-	-	-	-
	<u>35,580</u>	<u>46,062</u>	<u>197,381</u>	<u>-</u>
Total Liabilities and Fund Balances	\$ 35,670	\$ 46,062	\$ 430,378	\$ 20,116

Special Revenue Funds

<u>Judiciary</u>	<u>Officials' Fee Account</u>	<u>Sheriff Federal Revenue Sharing</u>	<u>District Attorney's Check Restitution</u>	<u>Waste Management*</u>	<u>Jail Commissary</u>
\$ 181,982	\$ 39,009	\$ 21,409	\$ 494	\$ 2,334	\$ 41,155
3,357	420	-	-	40,252	379
<u>\$ 185,339</u>	<u>\$ 39,429</u>	<u>\$ 21,409</u>	<u>\$ 494</u>	<u>\$ 42,586</u>	<u>\$ 41,534</u>
\$ 185,339	\$ 119	\$ 2,617	\$ 494	\$ 1,082	\$ 1,427
-	-	-	-	36,371	-
-	39,310	-	-	-	-
<u>185,339</u>	<u>39,429</u>	<u>2,617</u>	<u>494</u>	<u>37,453</u>	<u>1,427</u>
-	-	18,792	-	5,133	40,107
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>18,792</u>	<u>-</u>	<u>5,133</u>	<u>40,107</u>
<u>\$ 185,339</u>	<u>\$ 39,429</u>	<u>\$ 21,409</u>	<u>\$ 494</u>	<u>\$ 42,586</u>	<u>\$ 41,534</u>

POLK COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 3)
September 30, 2015

	Special Revenue Funds			Permanent Fund
	District Attorney Special	Justice Court Building Security	Pre-Trial Intervention	Permanent School
Assets				
Cash and cash equivalents	\$ 1,301	\$ 37,274	\$ 84,297	\$ 567,585
Receivables, net	-	40	-	-
Total Assets	\$ 1,301	\$ 37,314	\$ 84,297	\$ 567,585
Liabilities:				
Accounts payable	\$ 435	\$ -	\$ 1,145	\$ -
Due to other funds	-	-	-	-
Due to other units	-	-	-	-
Total Liabilities	435	-	1,145	-
Fund Balances:				
Restricted:				
Special projects	866	37,314	83,152	-
Capital projects	-	-	-	-
Endowments/trusts	-	-	-	567,585
	866	37,314	83,152	567,585
Total Liabilities and Fund Balances	\$ 1,301	\$ 37,314	\$ 84,297	\$ 567,585

<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<u>College/ Commerce Center**</u>	
\$ 53,917	\$ 2,902,431
-	84,751
<u>\$ 53,917</u>	<u>\$ 2,987,182</u>
\$ -	\$ 211,941
53,772	90,143
-	292,423
<u>53,772</u>	<u>594,507</u>
-	1,603,988
145	145
-	788,542
<u>145</u>	<u>2,392,675</u>
<u>\$ 53,917</u>	<u>\$ 2,987,182</u>

POLK COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 3)
For the Year Ended September 30, 2015

	Special Revenue Funds			
	County and District Court Technology	Courthouse Security	Law Library	Aging
Revenues				
Other taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	1,154	-	-	-
Charge for services	-	31,976	12,686	-
Intergovernmental	-	-	-	368,040
Investment income	-	-	-	-
Other revenue	-	4,780	-	3,549
Total Revenues	1,154	36,756	12,686	371,589
Expenditures				
Current:				
General government	-	-	6,090	-
Administration of justice	-	120,883	-	-
Health and human services	-	-	-	345,043
Total Expenditures	-	120,883	6,090	345,043
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,154	(84,127)	6,596	26,546
Other Financing Sources (Uses)				
Transfers in	-	100,845	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	100,845	-	-
Net Change in Fund Balances	1,154	16,718	6,596	26,546
Beginning fund balances	3,376	425	62,604	245,251
Ending Fund Balances	\$ 4,530	\$ 17,143	\$ 69,200	\$ 271,797

* Formerly called Environmental Services

** Formerly called College and Commerce

Special Revenue Funds

County Records Mgmt.	County Clerk Records Preservation	Hotel/Motel Tax	JP Technology	Historical Commission	Available School
\$ -	\$ -	\$ 18,280	\$ -	\$ -	\$ -
-	-	-	18,002	-	-
15,266	250,548	-	-	-	-
-	-	-	-	-	-
-	-	-	-	605	217
-	-	-	-	15,328	136,491
<u>15,266</u>	<u>250,548</u>	<u>18,280</u>	<u>18,002</u>	<u>15,933</u>	<u>136,708</u>
29,743	42,455	12,810	-	2,971	139,219
-	-	-	37,729	-	-
-	-	-	-	-	-
<u>29,743</u>	<u>42,455</u>	<u>12,810</u>	<u>37,729</u>	<u>2,971</u>	<u>139,219</u>
<u>(14,477)</u>	<u>208,093</u>	<u>5,470</u>	<u>(19,727)</u>	<u>12,962</u>	<u>(2,511)</u>
16,424	-	-	-	-	549
-	(96,036)	-	-	-	-
<u>16,424</u>	<u>(96,036)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>549</u>
1,947	112,057	5,470	(19,727)	12,962	(1,962)
-	179,996	32,987	28,263	422,976	222,919
<u>\$ 1,947</u>	<u>\$ 292,053</u>	<u>\$ 38,457</u>	<u>\$ 8,536</u>	<u>\$ 435,938</u>	<u>\$ 220,957</u>

POLK COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 3)
For the Year Ended September 30, 2015

	Special Revenue Funds			
	District Attorney Collection	District Clerk Records Preservation	Forfeiture	District Clerk TDCJ
Revenues				
Other taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Charge for services	2,774	15,876	-	-
Intergovernmental	-	-	1,296	-
Investment income	-	-	53	-
Other revenue	-	-	-	-
Total Revenues	<u>2,774</u>	<u>15,876</u>	<u>1,349</u>	<u>-</u>
Expenditures				
Current:				
General government	-	-	-	-
Administration of justice	3,268	-	12,411	5,648
Health and human services	-	-	-	-
Total Expenditures	<u>3,268</u>	<u>-</u>	<u>12,411</u>	<u>5,648</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(494)</u>	<u>15,876</u>	<u>(11,062)</u>	<u>(5,648)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(494)</u>	<u>15,876</u>	<u>(11,062)</u>	<u>(5,648)</u>
Beginning fund balances	<u>36,074</u>	<u>30,186</u>	<u>208,443</u>	<u>5,648</u>
Ending Fund Balances	<u>\$ 35,580</u>	<u>\$ 46,062</u>	<u>\$ 197,381</u>	<u>\$ -</u>

Special Revenue Funds

Judiciary	Officials' Fee Account	Sheriff Federal Revenue Sharing	District Attorney's Check Restitution	Waste Management*	Jail Commissary
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	143,881	-
-	-	36,269	-	-	-
-	-	-	-	-	-
-	-	-	-	-	17,504
-	-	36,269	-	143,881	17,504
-	-	-	-	-	-
-	-	25,519	-	-	13,815
-	-	-	-	-	-
-	-	25,519	-	-	13,815
-	-	10,750	-	143,881	3,689
-	-	-	-	-	-
-	-	-	-	(140,000)	-
-	-	-	-	(140,000)	-
-	-	10,750	-	3,881	3,689
-	-	8,042	-	1,252	36,418
\$ -	\$ -	\$ 18,792	\$ -	\$ 5,133	\$ 40,107

POLK COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 3)
For the Year Ended September 30, 2015

	Special Revenue Funds			Permanent Fund
	District Attorney Special	Justice Court Building Security	Pre-Trial Intervention	Permanent School
Revenues				
Other taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	4,438	-	-
Charge for services	-	-	-	-
Intergovernmental	-	-	29,339	-
Investment income	-	-	-	314
Other revenue	13,691	-	-	32,032
Total Revenues	<u>13,691</u>	<u>4,438</u>	<u>29,339</u>	<u>32,346</u>
Expenditures				
Current:				
General government	-	-	-	53,039
Administration of justice	13,692	-	5,880	-
Health and human services	-	-	-	-
Total Expenditures	<u>13,692</u>	<u>-</u>	<u>5,880</u>	<u>53,039</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1)</u>	<u>4,438</u>	<u>23,459</u>	<u>(20,693)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	(549)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(549)</u>
Net Change in Fund Balances	<u>(1)</u>	<u>4,438</u>	<u>23,459</u>	<u>(21,242)</u>
Beginning fund balances	<u>867</u>	<u>32,876</u>	<u>59,693</u>	<u>588,827</u>
Ending Fund Balances	<u>\$ 866</u>	<u>\$ 37,314</u>	<u>\$ 83,152</u>	<u>\$ 567,585</u>

<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<u>College/ Commerce Center**</u>	
\$ -	\$ 18,280
-	23,594
-	473,007
146	435,090
-	1,189
-	223,375
<u>146</u>	<u>1,174,535</u>
-	286,327
-	238,845
-	345,043
<u>-</u>	<u>870,215</u>
<u>146</u>	<u>304,320</u>
-	117,818
<u>(53,772)</u>	<u>(290,357)</u>
<u>(53,772)</u>	<u>(172,539)</u>
(53,626)	131,781
<u>53,771</u>	<u>2,260,894</u>
<u>\$ 145</u>	<u>\$ 2,392,675</u>

POLK COUNTY, TEXAS

COMBINING BALANCE SHEET

ROAD AND BRIDGE FUNDS

September 30, 2015

	Road and Bridge Capital Leases*	Road and Bridge Precinct No. 1	Road and Bridge Precinct No. 2	Road and Bridge Precinct No. 3
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ 1,058,731	\$ 391,602	\$ 831,087
Receivables, net	-	195,809	151,078	190,759
Due from other funds	-	436	440	529
Total Assets	\$ -	\$ 1,254,976	\$ 543,120	\$ 1,022,375
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 51,711	\$ 128,695	\$ 51,432
Due to other units	-	-	-	-
Due to other funds	-	2,753	6,813	1,979
Total Liabilities	-	54,464	135,508	53,411
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	-	116,691	117,714	142,084
<u>Fund Balances</u>				
Restricted	-	1,083,821	289,898	826,880
Total Fund Balances	-	1,083,821	289,898	826,880
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 1,254,976	\$ 543,120	\$ 1,022,375

* Formerly known as Road and Bridge Debt Service

<u>Road and Bridge Precinct No. 4</u>	<u>Total Road and Bridge Funds</u>
\$ 1,020,021	\$ 3,301,441
191,651	729,297
532	1,937
<u>\$ 1,212,204</u>	<u>\$ 4,032,675</u>
\$ 57,212	\$ 289,050
104,774	104,774
2,030	13,575
<u>164,016</u>	<u>407,399</u>
<u>143,086</u>	<u>519,575</u>
<u>905,102</u>	<u>3,105,701</u>
<u>905,102</u>	<u>3,105,701</u>
<u>\$ 1,212,204</u>	<u>\$ 4,032,675</u>

POLK COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ROAD AND BRIDGE FUNDS
For the Year Ended September 30, 2015

	Road and Bridge Capital Leases*	Road and Bridge Precinct No. 1	Road and Bridge Precinct No. 2	Road and Bridge Precinct No. 3
Revenues				
Property taxes	\$ -	\$ 961,375	\$ 969,803	\$ 1,170,580
Other taxes	-	221,866	221,867	260,452
Fines and forfeitures	-	25,096	24,432	28,613
Intergovernmental	-	42,215	29,831	44,591
Investment income	-	189	135	410
Other	-	224,102	151,961	22,161
Total Revenues	-	1,474,843	1,398,029	1,526,807
Expenditures				
Permanent road	-	-	-	-
Roads and bridges	-	1,471,806	1,293,747	1,565,154
Capital outlay	861,898	-	201,491	-
Debt service:				
Principal	825,860	-	-	-
Interest charges	21,214	-	-	-
Total Expenditures	1,708,972	1,471,806	1,495,238	1,565,154
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,708,972)	3,037	(97,209)	(38,347)
Other Financing Sources (Uses)				
Debt issued	861,898	-	201,491	-
Transfers in	69,397	-	-	-
Transfers (out)	-	(9,841)	(19,852)	(19,852)
Sale of capital asset	756,000	-	-	-
Total Other Financing Sources (Uses)	1,687,295	(9,841)	181,639	(19,852)
Net Change in Fund Balances	(21,677)	(6,804)	84,430	(58,199)
Beginning fund balances	21,677	1,090,625	205,468	885,079
Ending Fund Balances	\$ -	\$ 1,083,821	\$ 289,898	\$ 826,880

* Formerly known as Road and Bridge Debt Service

<u>Road and Bridge Precinct No. 4</u>	<u>Total Road and Bridge Funds</u>
\$ 1,178,837	\$ 4,280,595
260,453	964,638
27,099	105,240
38,267	154,904
370	1,104
23,808	422,032
<u>1,528,834</u>	<u>5,928,513</u>
284,082	284,082
1,339,953	5,670,660
34,089	1,097,478
-	825,860
-	21,214
<u>1,658,124</u>	<u>7,899,294</u>
<u>(129,290)</u>	<u>(1,970,781)</u>
-	1,063,389
-	69,397
(19,852)	(69,397)
-	756,000
<u>(19,852)</u>	<u>1,819,389</u>
(149,142)	(151,392)
<u>1,054,244</u>	<u>3,257,093</u>
<u>\$ 905,102</u>	<u>\$ 3,105,701</u>

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POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property taxes	\$ 3,497,365	\$ 3,497,365	\$ 3,498,121	\$ 756
Investment income	750	750	393	(357)
Total Revenues	<u>3,498,115</u>	<u>3,498,115</u>	<u>3,498,514</u>	<u>399</u>
<u>Expenditures</u>				
Principal	2,684,000	2,684,000	2,684,000	-
Interest and fiscal charges	812,507	812,507	805,913	6,594
Total Expenditures	<u>3,496,507</u>	<u>3,496,507</u>	<u>3,489,913</u>	<u>6,594</u>
Net Change in Fund Balance	<u>\$ 1,608</u>	<u>\$ 1,608</u>	8,601	<u>\$ 6,993</u>
Beginning fund balance			<u>799,859</u>	
Ending Fund Balance			<u>\$ 808,460</u>	

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POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND - Precinct One
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 961,167	\$ 961,167	\$ 961,375	\$ 208
Other taxes	222,978	222,978	221,866	(1,112)
Fines and forfeitures	20,010	20,010	25,096	5,086
Intergovernmental	-	42,215	42,215	-
Investment income	400	400	189	(211)
Other	11,253	149,817	224,102	74,285
Total Revenues	<u>1,215,808</u>	<u>1,396,587</u>	<u>1,474,843</u>	<u>78,256</u>
Expenditures				
Roads and Bridges:				
Pct. 1	1,195,292	1,533,857	1,471,806	62,051
Total Expenditures	<u>1,195,292</u>	<u>1,533,857</u>	<u>1,471,806</u>	<u>62,051</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	<u>20,516</u>	<u>(137,270)</u>	<u>3,037</u>	<u>140,307</u>
Other Financing Sources (Uses)				
Transfers out	(14,876)	(14,876)	(9,841)	5,035
Total Other Financing (Uses)	<u>(14,876)</u>	<u>(14,876)</u>	<u>(9,841)</u>	<u>5,035</u>
Net Change in Fund Balance	<u>\$ 5,640</u>	<u>\$ (152,146)</u>	<u>(6,804)</u>	<u>\$ 145,342</u>
Beginning fund balance			<u>1,090,625</u>	
Ending Fund Balance			<u>\$ 1,083,821</u>	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND - Precinct Two
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Property taxes	\$ 969,593	\$ 969,593	\$ 969,803	\$ 210
Other taxes	222,978	222,978	221,867	(1,111)
Fines and forfeitures	20,010	20,010	24,432	4,422
Intergovernmental	-	29,831	29,831	-
Investment income	287	287	135	(152)
Other	11,253	144,072	151,961	7,889
Total Revenues	<u>1,224,121</u>	<u>1,386,771</u>	<u>1,398,029</u>	<u>11,258</u>
Expenditures				
Roads and Bridges:				
Pct. 2	1,188,679	1,321,499	1,293,747	27,752
Capital Outlay	-	201,491	201,491	-
Total Expenditures	<u>1,188,679</u>	<u>1,522,990</u>	<u>1,495,238</u>	<u>27,752</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>35,442</u>	<u>(136,219)</u>	<u>(97,209)</u>	<u>39,010</u>
Other Financing Sources (Uses)				
Transfers out	(29,752)	(29,752)	(19,852)	9,900
Debt issuance	-	201,491	201,491	-
Total Other Financing Sources (Uses)	<u>(29,752)</u>	<u>171,739</u>	<u>181,639</u>	<u>9,900</u>
Net Change in Fund Balance	<u>\$ 5,690</u>	<u>\$ 35,520</u>	84,430	<u>\$ 48,910</u>
Beginning fund balance			<u>205,468</u>	
Ending Fund Balance			<u>\$ 289,898</u>	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND - Precinct Three
For the Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property taxes	\$ 1,170,327	\$ 1,170,327	\$ 1,170,580	\$ 253
Other taxes	261,757	261,757	260,452	(1,305)
Fines and forfeitures	23,490	23,490	28,613	5,123
Intergovernmental	-	44,591	44,591	-
Investment income	880	880	410	(470)
Other	13,210	21,806	22,161	355
Total Revenues	<u>1,469,664</u>	<u>1,522,851</u>	<u>1,526,807</u>	<u>3,956</u>
<u>Expenditures</u>				
Roads and Bridges:				
Pct. 3	1,433,044	1,734,099	1,565,154	168,945
Capital outlay	-	56,500	-	56,500
Total Expenditures	<u>1,433,044</u>	<u>1,790,599</u>	<u>1,565,154</u>	<u>225,445</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	<u>36,620</u>	<u>(267,748)</u>	<u>(38,347)</u>	<u>229,401</u>
<u>Other Financing Sources (Uses)</u>				
Transfers out	(29,752)	(29,752)	(19,852)	9,900
Total Other Financing (Uses)	<u>(29,752)</u>	<u>(29,752)</u>	<u>(19,852)</u>	<u>9,900</u>
Net Change in Fund Balance	<u>\$ 6,868</u>	<u>\$ (297,500)</u>	<u>(58,199)</u>	<u>\$ 239,301</u>
Beginning fund balance			<u>885,079</u>	
Ending Fund Balance			<u>\$ 826,880</u>	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND - Precinct Four
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues</u>				
Property taxes	\$ 1,178,583	\$ 1,178,583	\$ 1,178,837	\$ 254
Other taxes	261,757	261,757	260,453	(1,304)
Fines and forfeitures	23,490	23,490	27,099	3,609
Intergovernmental	-	38,267	38,267	-
Investment income	790	790	370	(420)
Other	13,210	13,210	23,808	10,598
Total Revenues	1,477,830	1,516,097	1,528,834	12,737
<u>Expenditures</u>				
Roads and Bridges:				
Permanent	-	450,000	284,082	165,918
Pct. 4	1,441,161	1,591,161	1,339,953	251,208
Capital Outlay	-	34,089	34,089	-
Total Expenditures	1,441,161	2,075,250	1,658,124	417,126
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,669	(559,153)	(129,290)	429,863
<u>Other Financing Sources (Uses)</u>				
Transfers out	(29,752)	(29,752)	(19,852)	9,900
Total Other Financing (Uses)	(29,752)	(29,752)	(19,852)	9,900
Net Change in Fund Balance	\$ 6,917	\$ (588,905)	(149,142)	\$ 439,763
Beginning fund balance			1,054,244	
Ending Fund Balance			\$ 905,102	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND - Capital Leases
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Expenditures</u>				
Debt Service:				
Principal	\$ 825,865	\$ 825,865	\$ 825,860	\$ 5
Interest	20,267	21,215	21,214	1
Capital Outlay	-	861,898	861,898	-
Total Expenditures	<u>846,132</u>	<u>1,708,978</u>	<u>1,708,972</u>	<u>6</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>(846,132)</u>	<u>(1,708,978)</u>	<u>(1,708,972)</u>	<u>6</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	104,132	104,132	69,397	(34,735)
Debt issued	-	861,898	861,898	-
Sale of capital assets	742,000	742,948	756,000	13,052
Total Other Financing Sources	<u>846,132</u>	<u>1,708,978</u>	<u>1,687,295</u>	<u>(21,683)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(21,677)</u>	<u>\$ (21,677)</u>
Beginning fund balance			<u>21,677</u>	
Ending Fund Balance			<u>\$ -</u>	

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POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY AND DISTRICT COURT TECHNOLOGY
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 915	\$ 915	1,154	\$ 239
Total Revenues	915	915	1,154	239
Expenditures				
Administration of justice	915	915	-	915
Total Expenditures	915	915	-	915
Net Change in Fund Balance	\$ -	\$ -	1,154	\$ 1,154
Beginning fund balance			3,376	
Ending Fund Balance			\$ 4,530	

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURTHOUSE SECURITY
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 30,100	\$ 30,100	\$ 31,976	\$ 1,876
Other	-	4,780	4,780	-
Total Revenues	30,100	34,880	36,756	1,876
Expenditures				
Administration of justice	130,945	135,725	120,883	14,842
Total Expenditures	130,945	135,725	120,883	14,842
(Deficiency) of Revenues (Under) Expenditures	(100,845)	(100,845)	(84,127)	16,718
Other Financing Sources (Uses)				
Transfers in	100,845	100,845	100,845	-
Total Other Financing Sources	100,845	100,845	100,845	-
Net Change in Fund Balance	\$ -	\$ -	16,718	\$ 16,718
Beginning fund balance			425	
Ending Fund Balance			\$ 17,143	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LAW LIBRARY

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 11,500	\$ 11,500	\$ 12,686	\$ 1,186
Total Revenues	<u>11,500</u>	<u>11,500</u>	<u>12,686</u>	<u>1,186</u>
Expenditures				
General government	11,500	11,500	6,090	5,410
Total Expenditures	<u>11,500</u>	<u>11,500</u>	<u>6,090</u>	<u>5,410</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	6,596	<u>\$ 6,596</u>
Beginning fund balance			62,604	
Ending Fund Balance			<u>\$ 69,200</u>	

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

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 304,100	\$ 306,898	\$ 368,040	\$ 61,142
Other	-	2,987	3,549	562
Total Revenues	<u>304,100</u>	<u>309,885</u>	<u>371,589</u>	<u>61,704</u>
Expenditures				
Health and human services	455,274	467,710	345,043	122,667
Total Expenditures	<u>455,274</u>	<u>467,710</u>	<u>345,043</u>	<u>122,667</u>
Net Change in Fund Balance	<u>\$ (151,174)</u>	<u>\$ (157,825)</u>	26,546	<u>\$ 184,371</u>
Beginning fund balance			245,251	
Ending Fund Balance			<u>\$ 271,797</u>	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY RECORDS MANAGEMENT
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 13,300	\$ 13,319	\$ 15,266	\$ 1,947
Total Revenues	13,300	13,319	15,266	1,947
Expenditures				
General government	29,724	29,743	29,743	-
Total Expenditures	29,724	29,743	29,743	-
(Deficiency) of Revenues (Under) Expenditures	(16,424)	(16,424)	(14,477)	1,947
Other Financing Sources (Uses)				
Transfers in	16,424	16,424	16,424	-
Total Other Financing Sources	16,424	16,424	16,424	-
Net Change in Fund Balance	\$ -	\$ -	1,947	\$ 1,947
Beginning fund balance			-	
Ending Fund Balance			\$ 1,947	

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK RECORDS PRESERVATION
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 132,100	\$ 132,100	\$ 250,548	\$ 118,448
Total Revenues	132,100	132,100	250,548	118,448
Expenditures				
General governmental	32,609	45,109	42,455	2,654
Total Expenditures	32,609	45,109	42,455	2,654
Excess of Revenues Over Expenditures	99,491	86,991	208,093	121,102
Other Financing Sources (Uses)				
Transfers (out)	(96,036)	(96,036)	(96,036)	-
Total Other Financing (Uses)	(96,036)	(96,036)	(96,036)	-
Net Change in Fund Balance	\$ 3,455	\$ (9,045)	112,057	\$ 121,102
Beginning fund balance			179,996	
Ending Fund Balance			\$ 292,053	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL TAX

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other taxes	\$ 20,000	\$ 20,000	\$ 18,280	\$ (1,720)
Total Revenues	20,000	20,000	18,280	(1,720)
Expenditures				
General government	20,000	20,000	12,810	7,190
Total Expenditures	20,000	20,000	12,810	7,190
Net Change in Fund Balance	\$ -	\$ -	5,470	\$ 5,470
Beginning fund balance			32,987	
Ending Fund Balance			\$ 38,457	

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

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 17,725	\$ 17,725	\$ 18,002	\$ 277
Total Revenues	17,725	17,725	18,002	277
Expenditures				
Administration of justice	34,200	37,729	37,729	-
Total Expenditures	34,200	37,729	37,729	-
Net Change in Fund Balance	\$ (16,475)	\$ (20,004)	(19,727)	\$ 277
Beginning fund balance			28,263	
Ending Fund Balance			\$ 8,536	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AVAILABLE SCHOOL

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 1,500	\$ 1,500	\$ 217	\$ (1,283)
Other	136,492	136,492	136,491	(1)
Total Revenues	<u>137,992</u>	<u>137,992</u>	<u>136,708</u>	<u>(1,284)</u>
Expenditures				
General government	137,992	139,219	139,219	-
Total Expenditures	<u>137,992</u>	<u>139,219</u>	<u>139,219</u>	<u>-</u>
(Deficiency) of Revenues (Under) Expenditures	<u>-</u>	<u>(1,227)</u>	<u>(2,511)</u>	<u>(1,284)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	549	549
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>549</u>	<u>549</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (1,227)</u>	<u>(1,962)</u>	<u>\$ (735)</u>
Beginning fund balance			222,919	
Ending Fund Balance			<u>\$ 220,957</u>	

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

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 5,000	\$ 5,000	\$ 2,774	\$ (2,226)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>2,774</u>	<u>(2,226)</u>
Expenditures				
Administration of justice	5,000	5,000	3,268	1,732
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>3,268</u>	<u>1,732</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(494)</u>	<u>\$ (494)</u>
Beginning fund balance			36,074	
Ending Fund Balance			<u>\$ 35,580</u>	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT CLERK RECORDS PRESERVATION
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 17,325	\$ 17,325	\$ 15,876	\$ (1,449)
Total Revenues	<u>17,325</u>	<u>17,325</u>	<u>15,876</u>	<u>(1,449)</u>
Expenditures				
Administration of justice	17,325	17,325	-	17,325
Total Expenditures	<u>17,325</u>	<u>17,325</u>	<u>-</u>	<u>17,325</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	15,876	<u>\$ 15,876</u>
Beginning fund balance			<u>30,186</u>	
Ending Fund Balance			<u>\$ 46,062</u>	

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ENVIRONMENTAL SERVICES
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 140,000	\$ 140,000	\$ 143,881	3,881
Total Revenues	<u>140,000</u>	<u>140,000</u>	<u>143,881</u>	<u>3,881</u>
Excess of Revenues Over Expenditures	<u>140,000</u>	<u>140,000</u>	<u>143,881</u>	<u>3,881</u>
Other Financing Sources (Uses)				
Transfers (out)	(140,000)	(140,000)	(140,000)	-
Total Other Financing (Uses)	<u>(140,000)</u>	<u>(140,000)</u>	<u>(140,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	3,881	<u>\$ 3,881</u>
Beginning fund balance			<u>1,252</u>	
Ending Fund Balance			<u>\$ 5,133</u>	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JAIL COMMISSARY
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$ 20,000	\$ 20,000	\$ 17,504	\$ (2,496)
Total Revenues	20,000	20,000	17,504	(2,496)
Expenditures				
Administration of justice	20,000	20,000	13,815	6,185
Total Expenditures	20,000	20,000	13,815	6,185
Net Change in Fund Balance	\$ -	\$ -	3,689	\$ 3,689
Beginning fund balance			36,418	
Ending Fund Balance			\$ 40,107	

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT ATTORNEY SPECIAL
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$ 24,000	\$ 24,785	\$ 13,691	\$ (11,094)
Total Revenues	24,000	24,785	13,691	(11,094)
Expenditures				
Administration of justice	24,000	24,785	13,692	11,093
Total Expenditures	24,000	24,785	13,692	11,093
Net Change in Fund Balance	\$ -	\$ -	(1)	\$ (1)
Beginning fund balance			867	
Ending Fund Balance			\$ 866	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUSTICE COURT BUILDING SECURITY
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 4,350	\$ 4,350	\$ 4,438	\$ 88
Total Revenues	4,350	4,350	4,438	88
Expenditures				
General government	3,900	3,900	-	3,900
Total Expenditures	3,900	3,900	-	3,900
Net Change in Fund Balance	\$ 450	\$ 450	4,438	\$ 3,988
Beginning fund balance			32,876	
Ending Fund Balance			\$ 37,314	

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PERMANENT SCHOOL
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ -	\$ -	\$ 314	\$ 314
Other	50,000	50,000	32,032	(17,968)
Total Revenues	50,000	50,000	32,346	(17,654)
Expenditures				
General government	50,000	53,588	53,039	549
Total Expenditures	50,000	53,588	53,039	549
(Deficiency) of Revenues				
(Under) Expenditures	-	(3,588)	(20,693)	(17,105)
Other Financing Sources (Uses)				
Transfers (out)	-	-	(549)	(549)
Total Other Financing (Uses)	-	-	(549)	(549)
Net Change in Fund Balance	\$ -	\$ (3,588)	(21,242)	\$ (17,654)
Beginning fund balance			588,827	
Ending Fund Balance			\$ 567,585	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PRE-TRIAL INTERVENTION PROGRAM
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 17,000	\$ 17,000	\$ 29,339	\$ 12,339
Total Revenues	<u>17,000</u>	<u>17,000</u>	<u>29,339</u>	<u>12,339</u>
Expenditures				
Administration of justice	17,000	17,000	5,880	11,120
Total Expenditures	<u>17,000</u>	<u>17,000</u>	<u>5,880</u>	<u>11,120</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	23,459	<u>\$ 23,459</u>
Beginning fund balance			<u>59,693</u>	
Ending Fund Balance			<u>\$ 83,152</u>	

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SHERIFF FEDERAL REVENUE SHARING
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 25,520	\$ 36,269	\$ 10,749
Total Revenues	<u>-</u>	<u>25,520</u>	<u>36,269</u>	<u>10,749</u>
Expenditures				
Administration of justice	-	25,520	25,519	1
Total Expenditures	<u>-</u>	<u>25,520</u>	<u>25,519</u>	<u>1</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	10,750	<u>\$ 10,750</u>
Beginning fund balance			<u>8,042</u>	
Ending Fund Balance			<u>\$ 18,792</u>	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HISTORICAL COMMISSION
For the Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Investment income	\$ -	\$ -	\$ 605	\$ 605
Other revenue	-	2,971	15,328	12,357
Total Revenues	-	2,971	15,933	12,962
<u>Expenditures</u>				
General government	-	2,971	2,971	-
Total Expenditures	-	2,971	2,971	-
Net Change in Fund Balance	\$ -	\$ -	12,962	\$ 12,962
Beginning fund balance			422,976	
Ending Fund Balance			\$ 435,938	

POLK COUNTY, TEXAS
COMBINING STATEMENT OF NET POSITION
AGENCY FUNDS
September 30, 2015

	<u>County Clerk's Probate Trust</u>	<u>District Clerk's Trust</u>	<u>Tax Assessor Collector</u>	<u>Total Agency Funds</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 732,936	\$ 3,644,384	\$ 1,254,222	\$ 5,631,542
Total Assets	\$ 732,936	\$ 3,644,384	\$ 1,254,222	\$ 5,631,542
<u>Liabilities</u>				
Due to other units	\$ 732,936	\$ 3,644,384	\$ 1,254,222	\$ 5,631,542
Total Liabilities	\$ 732,936	\$ 3,644,384	\$ 1,254,222	\$ 5,631,542

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POLK COUNTY, TEXAS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2015

	<u>Balance October 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2015</u>
<u>County Clerk's Probate Trust</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 732,666	\$ 270	\$ -	\$ 732,936
Total Assets	<u>\$ 732,666</u>	<u>\$ 270</u>	<u>\$ -</u>	<u>\$ 732,936</u>
<u>Liabilities</u>				
Due to other units	\$ 732,666	\$ 270	\$ -	\$ 732,936
Total Liabilities	<u>\$ 732,666</u>	<u>\$ 270</u>	<u>\$ -</u>	<u>\$ 732,936</u>
<u>District Clerk's Trust</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 4,042,343	\$ -	\$ (397,959)	\$ 3,644,384
Total Assets	<u>\$ 4,042,343</u>	<u>\$ -</u>	<u>\$ (397,959)</u>	<u>\$ 3,644,384</u>
<u>Liabilities</u>				
Due to other units	\$ 4,042,343	\$ -	\$ (397,959)	\$ 3,644,384
Total Liabilities	<u>\$ 4,042,343</u>	<u>\$ -</u>	<u>\$ (397,959)</u>	<u>\$ 3,644,384</u>
<u>Tax Assessor Collector</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 1,117,565	\$ 136,657	\$ -	\$ 1,254,222
Total Assets	<u>\$ 1,117,565</u>	<u>\$ 136,657</u>	<u>\$ -</u>	<u>\$ 1,254,222</u>
<u>Liabilities</u>				
Due to other units	\$ 1,117,565	\$ 136,657	\$ -	\$ 1,254,222
Total Liabilities	<u>\$ 1,117,565</u>	<u>\$ 136,657</u>	<u>\$ -</u>	<u>\$ 1,254,222</u>

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STATISTICAL SECTION

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and Required Supplementary Information says about the County's overall financial health.

Contents

Financial Trends (Page 132)

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity (Page 140)

These schedules contain information to help the reader assess the County's most significant local revenue source, property tax.

Debt Capacity (Page 150)

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information (Page 158)

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

Operating Information (Page 162)

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

POLK COUNTY, TEXAS

NET POSITION BY COMPONENT

Last Ten Years

(Accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
Governmental activities				
Net investment in capital assets	\$ 13,101,783	\$ 15,748,347	\$ 16,127,180	14,526,990
Restricted	1,315,496	1,096,393	988,219	1,003,827
Unrestricted	4,751,455	6,043,734	7,914,865	10,422,140
Total governmental activities net position	<u>\$ 19,168,734</u>	<u>\$ 22,888,474</u>	<u>\$ 25,030,264</u>	<u>25,952,957</u>

Fiscal Year

2010	2011	2012	2013	2014	2015
\$ 11,091,425	\$ 13,205,126	\$ 19,677,873	\$ 27,247,770	\$ 29,864,824	\$ 31,763,084
2,785,081	2,542,014	5,086,759	4,430,353	5,567,823	5,576,469
7,334,856	7,276,085	6,321,114	4,014,357	3,799,287	2,503,356
<u>\$ 21,211,362</u>	<u>\$ 23,023,225</u>	<u>\$ 31,085,746</u>	<u>\$ 35,692,480</u>	<u>\$ 39,231,934</u>	<u>\$ 39,842,909</u>

POLK COUNTY, TEXAS

CHANGES IN NET POSITION

Last Ten Years

(Accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
Expenses				
Governmental activities				
General government	\$ 4,758,365	\$ 5,503,708	\$ 5,086,750	\$ 13,153,683
Administration of justice	7,215,233	6,462,550	8,777,239	8,933,374
Roads and bridges	5,220,888	4,984,706	6,737,830	6,126,250
Health and human services	981,990	962,227	1,029,386	1,164,876
Tax administration	807,230	865,141	903,615	1,001,973
Interest and fiscal agent fees	205,970	580,113	1,353,728	1,602,765
Total governmental activities expenses	\$ 19,189,676	\$ 19,358,445	\$ 23,888,548	\$ 31,982,921
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 2,158,693	\$ 2,474,710	\$ 2,489,079	\$ 2,473,938
Administration of justice	176,852	53,985	54,658	97,530
Roads and bridges	-	-	107,534	137,495
Health and human services	186,991	255,530	229,727	148,421
Operating grants and contributions	1,819,107	1,442,147	4,144,123	10,420,519
Total governmental activities program revenues	4,341,643	4,226,372	7,025,121	13,277,903
Net (Expense)				
Governmental activities	\$ (14,848,033)	\$ (15,132,073)	\$ (16,863,427)	\$ (18,705,018)
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes	\$ 14,864,665	\$ 16,189,813	\$ 16,198,654	\$ 17,595,693
Investment earnings	338,495	726,705	1,350,300	338,323
Other revenues	2,044,675	1,747,855	1,456,263	1,693,695
Gain on sale of capital assets	415,906	-	-	-
Total governmental activities	17,663,741	18,664,373	19,005,217	19,627,711
Change in Net Position				
Governmental activities	\$ 2,815,708	\$ 3,532,300	\$ 2,141,790	\$ 922,693

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 4,730,688	\$ 5,400,250	\$ 7,113,066	\$ 10,804,098	\$ 7,453,356	\$ 7,183,313
10,384,722	9,883,929	10,501,266	10,179,505	10,840,429	10,950,781
5,774,317	6,343,810	4,646,530	4,732,628	5,182,543	7,124,431
1,062,130	977,523	1,055,093	1,068,339	1,121,303	1,044,763
992,019	1,042,231	1,042,583	1,174,054	1,247,269	1,235,406
1,611,384	1,247,829	1,527,916	925,609	937,773	878,067
<u>\$ 24,555,260</u>	<u>\$ 24,895,572</u>	<u>\$ 25,886,454</u>	<u>\$ 28,884,233</u>	<u>\$ 26,782,673</u>	<u>\$ 28,416,761</u>
\$ 2,313,774	\$ 2,286,156	\$ 2,227,281	\$ 2,044,160	\$ 2,048,349	\$ 2,204,713
42,364	52,826	39,145	221,211	291,860	337,454
77,566	74,070	99,227	82,282	67,811	105,240
138,900	141,251	132,073	139,624	129,909	143,881
2,676,971	2,673,300	8,748,161	9,137,367	4,118,523	2,688,631
<u>5,249,575</u>	<u>5,227,603</u>	<u>11,245,887</u>	<u>11,624,644</u>	<u>6,656,452</u>	<u>5,479,919</u>
<u>\$ (19,305,685)</u>	<u>\$ (19,667,969)</u>	<u>\$ (14,640,567)</u>	<u>\$ (17,259,589)</u>	<u>\$ (20,126,221)</u>	<u>\$ (22,936,842)</u>
\$ 18,207,997	\$ 19,089,029	\$ 19,047,013	\$ 20,113,427	\$ 21,645,908	\$ 22,354,430
163,124	49,727	58,869	20,216	10,250	30,436
1,408,586	1,830,102	4,081,736	1,834,354	2,009,517	1,988,796
-	-	-	-	-	-
<u>19,779,707</u>	<u>20,968,858</u>	<u>23,187,618</u>	<u>21,967,997</u>	<u>23,665,675</u>	<u>24,373,662</u>
<u>\$ 474,022</u>	<u>\$ 1,300,889</u>	<u>\$ 8,547,051</u>	<u>\$ 4,708,408</u>	<u>\$ 3,539,454</u>	<u>\$ 1,436,820</u>

POLK COUNTY, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Years
 (Modified accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Unassigned	2,975,092	3,956,435	5,392,980	6,082,958
Total general fund	<u>\$ 2,975,092</u>	<u>\$ 3,956,435</u>	<u>\$ 5,392,980</u>	<u>\$ 6,082,958</u>
All Other Governmental Funds				
Restricted	\$ 1,692,570	\$ 21,265,700	\$ 31,254,888	\$ 30,498,536
Assigned	688,804	725,951	749,843	625,968
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 2,381,374</u>	<u>\$ 21,991,651</u>	<u>\$ 32,004,731</u>	<u>\$ 31,124,504</u>

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ -	\$ 18,292	\$ 15,547	\$ 13,763	\$ 15,548	\$ -
5,936,757	6,744,271	6,840,851	6,605,018	7,105,228	7,440,074
<u>\$ 5,936,757</u>	<u>\$ 6,762,563</u>	<u>\$ 6,856,398</u>	<u>\$ 6,618,781</u>	<u>\$ 7,120,776</u>	<u>\$ 7,440,074</u>
\$ 17,730,144	\$ 5,297,356	\$ 6,471,158	\$ 4,430,313	\$ 5,567,823	\$ 5,576,469
527,160	758,046	758,908	759,628	759,884	760,277
-	(28,095)	-	-	-	-
<u>\$ 18,257,304</u>	<u>\$ 6,027,307</u>	<u>\$ 7,230,066</u>	<u>\$ 5,189,941</u>	<u>\$ 6,327,707</u>	<u>\$ 6,336,746</u>

POLK COUNTY, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Years
(Modified accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
Revenues				
Taxes	\$ 14,583,975	\$ 15,635,471	\$ 16,345,276	\$ 17,590,374
Licenses and permits	202,912	228,543	204,668	159,036
Fines and forfeitures	927,082	854,030	931,688	1,034,937
Charges for services	1,595,454	1,930,195	1,744,642	1,618,011
Intergovernmental	1,819,107	1,442,147	4,144,123	10,465,919
Investment earnings	338,495	726,705	1,350,300	338,323
Other revenue	1,841,763	1,519,312	1,456,263	1,693,695
Total revenues	21,308,788	22,336,403	26,176,960	32,900,295
Expenditures				
General government	4,850,509	5,545,641	6,207,669	12,980,872
Administration of justice	7,312,142	8,179,894	8,843,965	9,242,196
Roads and bridges	4,885,421	6,051,944	6,533,096	5,289,566
Health and human services	877,338	860,987	911,810	1,018,449
Tax administration	802,646	859,964	897,198	994,935
Capital outlay	-	85,106	1,270,589	2,805,599
Debt service				
Principal	2,448,376	2,770,449	2,365,761	3,006,295
Debt issuance costs	-	-	-	-
Interest and paying agent	229,130	922,972	1,550,143	1,536,376
Payment to refunded bond escrow agent	-	-	-	-
Advance refunding escrow	-	-	-	-
Total expenditures	21,405,562	25,276,957	28,580,231	36,874,288
(Deficiency) of revenues (under) expenditures	(96,774)	(2,940,554)	(2,403,271)	(3,973,993)
Other Financing Sources (Uses)				
Transfers in	2,136,685	680,334	629,389	328,837
Transfers out	(2,136,685)	(680,334)	(629,389)	(328,837)
Issuance of debt	1,714,497	22,067,160	13,029,656	3,044,332
Premium on bonds issued	-	-	-	-
Sale of capital assets	415,906	610,450	823,240	739,412
Total other financing sources	2,130,403	22,677,610	13,852,896	3,783,744
Net change in fund balances	\$ 2,033,629	\$ 19,737,056	\$ 11,449,625	\$ (190,249)
Debt service as a percentage of noncapital expenditures	12.51%	14.66%	14.34%	13.33%

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 17,956,886	\$ 18,953,467	\$ 19,189,170	\$ 20,213,918	\$ 21,466,960	\$ 22,182,899
168,435	160,603	164,353	175,398	178,133	160,261
810,322	836,365	866,696	718,960	652,276	721,504
1,614,709	1,569,874	1,466,677	1,592,959	1,707,520	1,909,523
2,656,109	2,660,761	8,748,161	9,137,367	4,118,523	2,688,631
163,124	49,727	58,869	20,216	10,250	30,436
1,408,586	1,830,102	4,081,736	1,834,354	2,009,517	1,988,796
<u>24,778,171</u>	<u>26,060,899</u>	<u>34,575,662</u>	<u>33,693,172</u>	<u>30,143,179</u>	<u>29,682,050</u>
5,221,830	5,433,652	12,269,676	15,307,259	8,711,024	7,020,291
9,551,963	9,399,418	9,992,612	9,886,816	10,726,732	10,456,874
5,473,262	4,993,689	4,613,980	4,819,560	4,664,171	5,954,742
978,597	916,618	972,777	971,190	1,016,281	941,598
985,611	1,041,238	1,041,590	1,174,054	1,247,269	1,238,932
13,562,056	13,107,972	2,280,999	93,215	1,078,353	2,050,961
3,181,266	3,249,886	3,137,930	3,258,789	3,267,645	3,509,860
36,839	30,025	600,040	28,213	52,847	31,226
1,450,296	1,364,011	1,013,583	956,778	869,231	827,127
-	-	17,834,875	-	-	-
-	-	386,221	-	-	-
<u>40,441,720</u>	<u>39,536,509</u>	<u>54,144,283</u>	<u>36,495,874</u>	<u>31,633,553</u>	<u>32,031,611</u>
(15,663,549)	(13,475,610)	(19,568,621)	(2,802,702)	(1,490,374)	(2,349,561)
485,496	257,695	612,412	2,826,354	1,029,953	407,626
(485,496)	(257,695)	(612,412)	(2,826,354)	(1,029,953)	(407,626)
1,775,558	1,194,779	19,566,434	525,000	2,395,865	1,921,898
-	-	658,576	-	26,552	-
874,590	876,640	640,205	-	707,678	756,000
<u>2,650,148</u>	<u>2,071,419</u>	<u>20,865,215</u>	<u>525,000</u>	<u>3,130,095</u>	<u>2,677,898</u>
<u>\$ (13,013,401)</u>	<u>\$ (11,404,191)</u>	<u>\$ 1,296,594</u>	<u>\$ (2,277,702)</u>	<u>\$ 1,639,721</u>	<u>\$ 328,337</u>
17.25%	17.48%	43.64%	11.59%	13.56%	14.90%

POLK COUNTY, TEXAS
TAX REVENUES BY SOURCE, GOVERNMENTAL ACTIVITIES
 Last Ten Years
 (Accrual basis of accounting)

Function	Fiscal Year			
	2006	2007	2008	2009
Property	\$ 11,989,686	\$ 12,653,787	\$ 13,081,465	\$ 14,495,487
Sales	1,736,997	2,283,286	1,940,152	1,941,259
Other taxes	1,137,982	1,252,740	1,177,037	1,158,947
	<u>\$ 14,864,665</u>	<u>\$ 16,189,813</u>	<u>\$ 16,198,654</u>	<u>\$ 17,595,693</u>

Fiscal Year						Change
2010	2011	2012	2013	2014	2015	2014-2015
\$ 15,346,309	\$ 16,111,147	\$ 16,000,772	\$ 16,548,137	\$ 18,212,134	\$ 18,586,644	2.1%
1,623,603	1,812,359	1,824,271	2,354,141	2,063,194	2,210,700	(12.4%)
1,238,085	1,165,523	1,221,970	1,211,149	1,370,580	1,385,555	1.1%
<u>\$ 18,207,997</u>	<u>\$ 19,089,029</u>	<u>\$ 19,047,013</u>	<u>\$ 20,113,427</u>	<u>\$ 21,645,908</u>	<u>\$ 22,182,899</u>	2.5%

POLK COUNTY, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
Real Property	\$ 1,503,984,334	\$ 1,640,053,202	\$ 1,662,956,029	\$ 1,954,019,389
Personal Property	311,314,465	312,333,843	319,782,986	415,350,005
Mineral	277,116,300	312,441,209	340,812,815	322,631,740
Total assessed value (1)	2,092,415,099	2,264,828,254	2,323,551,830	2,692,001,134
Less: real property exemptions	(270,149,713)	(303,249,234)	(334,218,024)	(369,238,526)
Total Taxable Assessed Value (Net)(1)	1,822,265,386	1,961,579,020	1,989,333,806	2,322,762,608
Less: freeze taxable exemptions	(251,043,717)	(176,509,120)	(196,283,406)	(214,215,136)
Total Freeze Adjusted Taxable(1)	\$ 1,571,221,669	\$ 1,785,069,900	\$ 1,793,050,400	\$ 2,108,547,472
Total Direct Tax Rate	\$ 0.6277	\$ 0.6277	\$ 0.6277	\$ 0.6277

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value.

Source: Polk Central Appraisal District

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 2,149,623,793	\$ 1,864,972,789	\$ 1,888,429,689	\$ 1,886,501,642	\$ 2,038,542,297	\$ 2,584,070,818
447,387,229	432,705,637	443,841,435	470,556,096	512,183,088	535,973,582
291,241,527	318,143,220	287,995,665	349,102,310	352,464,821	336,421,796
<u>2,888,252,549</u>	<u>2,615,821,646</u>	<u>2,620,266,789</u>	<u>2,706,160,048</u>	<u>2,903,190,206</u>	<u>3,456,466,196</u>
(394,447,560)	(277,276,388)	(415,465,243)	(429,347,409)	(442,563,250)	(456,123,623)
<u>2,493,804,989</u>	<u>2,338,545,258</u>	<u>2,204,801,546</u>	<u>2,276,812,639</u>	<u>2,460,626,956</u>	<u>3,000,342,573</u>
(265,603,022)	(281,802,394)	(278,671,325)	(310,369,756)	(352,192,056)	(393,901,443)
<u>\$ 2,228,201,967</u>	<u>\$ 2,056,742,864</u>	<u>\$ 1,926,130,221</u>	<u>\$ 1,966,442,883</u>	<u>\$ 2,108,434,900</u>	<u>\$ 2,606,441,130</u>
\$ 0.6277	\$ 0.6277	\$ 0.6277	\$ 0.6277	\$ 0.6461	\$ 0.6461

POLK COUNTY, TEXAS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
<u>Polk County by fund:</u>				
General	\$ 0.38070	\$ 0.36790	\$ 0.30160	\$ 0.32370
Road and Bridge	0.12590	0.13760	0.17390	0.15410
Debt Service	0.12110	0.12220	0.15220	0.14990
	<u>0.62770</u>	<u>0.62770</u>	<u>0.62770</u>	<u>0.62770</u>
<u>Cities:</u>				
City of Corrigan	0.59000	0.58580	0.48610	0.48610
City of Goodrich	0.72710	0.73500	0.68870	0.55170
<u>School Districts:</u>				
Big Sandy ISD	1.58900	1.45600	1.11650	1.11130
Corrigan-Camden ISD	1.61000	1.48860	1.17390	1.18900
Goodrich ISD	1.50000	1.37000	1.04000	1.04000
Leggett ISD	1.50000	1.50700	1.18010	1.16610
Livingston ISD	1.55250	1.42450	1.11000	1.40000
Onalaska ISD	1.67100	1.54290	1.20180	1.20020
<u>Utility Districts:</u>				
Memorial Point Utility District	0.86000	0.84000	0.84000	0.84000
Polk County FWSD	0.48000	0.48000	0.44400	0.44000
Total Direct and Overlapping Rates	<u>\$ 12.70730</u>	<u>\$ 12.05750</u>	<u>\$ 9.90880</u>	<u>\$ 10.05210</u>

Tax rates per \$100 of assessed valuation
 Source: Polk County Tax Assessor/Collector

Fiscal Year

2010	2011	2012	2013	2014	2015
\$ 0.33760	\$ 0.33760	\$ 0.33310	\$ 0.33350	\$ 0.36390	\$ 0.37570
0.15150	0.15150	0.15430	0.15050	0.14880	0.14880
0.13860	0.13860	0.14030	0.14370	0.13340	0.12160
<u>0.62770</u>	<u>0.62770</u>	<u>0.62770</u>	<u>0.62770</u>	<u>0.64610</u>	<u>0.64610</u>
0.48610	0.48610	0.48610	0.48150	0.48150	0.44310
0.55170	0.50000	0.50000	0.55150	0.50840	0.49320
1.11130	1.19750	1.21610	1.19480	1.18210	1.17540
1.16780	1.20200	1.20750	1.19290	1.20000	1.18000
1.04000	1.04000	1.04000	1.04000	1.17000	1.17000
1.16610	1.13520	1.13150	1.14500	1.14190	1.14000
1.40000	1.41350	1.39500	1.39500	1.39500	1.39500
1.20020	1.18000	1.16800	1.16500	1.15600	1.29880
0.84000	0.84000	0.89000	0.89000	0.89000	0.89000
0.44000	0.38700	0.37300	0.37300	0.35800	0.35800
<u>\$ 10.03090</u>	<u>\$ 10.00900</u>	<u>\$ 10.03490</u>	<u>\$ 10.05640</u>	<u>\$ 10.12900</u>	<u>\$ 10.18960</u>

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POLK COUNTY, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Property Taxpayer	2015			2006		
	2014 Taxable Assessed Value	Rank	% of Taxable Assessed Value	2005 Taxable Assessed Value	Rank	% of Taxable Assessed Value
Georgia Pacific LLC*	\$ 94,899,340	1	3.15%	\$ 102,700,273	2	5.64%
Unit Petroleum	51,953,804	2	1.73%	-	n/a	0.00%
Memorial Production Operating	51,044,154	3	1.69%	-	n/a	0.00%
ETC Katy Pipeline LTD	37,497,330	4	1.25%	-	n/a	0.00%
Transcanada Keystone Pipeline LP	33,630,805	5	1.12%	-	n/a	0.00%
Enbridge Pipelines (East TX)	33,465,560	6	1.11%	-	n/a	0.00%
Unit Petroleum Company	27,738,503	7	0.92%	17,232,460	4	0.95%
BBX Operating LLC	27,399,760	8	0.91%	-	n/a	0.00%
RMS Texas Timberlands LP	22,960,088	9	0.76%	-	n/a	0.00%
Black Stone Materials	22,244,548	10	0.74%	21,271,580	3	1.17%
Comstock Oil & Gas	-	n/a	0.00%	151,872,400	1	8.33%
Lowe's Home Centers, Inc.	-	n/a	0.00%	16,879,131	5	0.93%
Wal-Mart Stores #01-0275	-	n/a	0.00%	16,714,587	6	0.92%
Sam Houston Electric Coop.	-	n/a	0.00%	16,267,718	7	0.89%
Corrigan Timberland	-	n/a	0.00%	14,931,234	8	0.82%
Eastex Telephone	-	n/a	0.00%	14,626,250	9	0.80%
Subtotal	<u>402,833,892</u>		<u>13.38%</u>	<u>385,391,813</u>		<u>21.15%</u>
Other taxpayers	<u>2,597,508,681</u>		<u>86.62%</u>	<u>1,436,873,573</u>		<u>78.85%</u>
Total	<u>\$ 3,000,342,573</u>		<u>100.00%</u>	<u>\$ 1,822,265,386</u>		<u>100.00%</u>

Source: Polk Central Appraisal District

*Previously named International Paper Company

POLK COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
Adjusted tax levy	\$ 11,565,442	\$ 11,953,364	\$ 13,038,903	\$ 14,226,340
Current tax collected	\$ 11,037,132	\$ 11,418,475	\$ 12,457,010	\$ 13,669,417
Percentage of current tax collections	94.80%	94.00%	95.54%	96.09%
Delinquent tax collections	\$ 432,395	\$ 426,691	\$ 461,693	\$ 483,652
Total tax collections	\$ 11,469,526	\$ 11,845,166	\$ 12,918,703	\$ 14,153,069
Total collections as a percentage of current levy	98.66%	95.65%	99.41%	97.00%
Outstanding delinquent taxes	\$ 95,915	\$ 108,199	\$ 120,199	\$ 73,271
Outstanding delinquent taxes as percentage of current levy	0.83%	0.91%	0.92%	0.52%

Source: Polk County Tax Assessor/Collector

Fiscal Year						
2010	2011	2012	2013	2014	2015	
\$ 15,110,680	\$ 15,868,728	\$ 15,837,389	\$ 16,354,546	\$ 17,876,863	\$ 18,472,325	
\$ 14,431,072	\$ 15,192,264	\$ 15,230,709	\$ 15,776,269	\$ 17,270,190	\$ 17,690,427	
95.50%	95.74%	96.17%	96.46%	96.61%	95.77%	
\$ 415,865	\$ 520,506	\$ 560,625	\$ 507,835	\$ 457,464	\$ 543,324	
\$ 14,846,937	\$ 15,712,771	\$ 15,791,334	\$ 16,284,104	\$ 17,727,655	\$ 18,233,751	
97.00%	97.00%	97.00%	99.57%	99.17%	98.71%	
\$ 263,742	\$ 155,958	\$ 46,055	\$ 70,441	\$ 149,209	\$ 238,574	
1.75%	0.98%	0.29%	0.43%	0.83%	1.29%	

POLK COUNTY, TEXAS
RATIO OF GENERAL BONDED DEBT OUTSTANDING
 Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
Net Taxable Assessed Value				
All property	\$ 1,822,265,386	\$ 1,961,579,020	\$ 1,989,333,806	\$ 2,322,762,608
Net Bonded Debt				
Gross bonded debt	6,369,635	24,933,372	35,020,686	35,335,000
Less debt service funds	246,801	127,418	78,923	40,825
Net Bonded Debt	<u>\$ 6,122,834</u>	<u>\$ 24,805,954</u>	<u>\$ 34,941,763</u>	<u>\$ 35,294,175</u>
Ratio of Net Bonded Debt To Assessed Value	0.3360%	1.2646%	1.7565%	1.5195%
Population (1,2,3)**	46,291	46,206	46,604	46,530
Net Bonded Debt per Capita	\$ 132	\$ 537	\$ 750	\$ 759

Data sources:

- (1) U.S. Bureau of Economic Analysis**
 - (2) Texas Association of Counties (County Information Project)**
 - (3) US Census Bureau**
- **Most current information available from these data sources.

Fiscal Year

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 2,493,804,989	\$ 2,235,684,028	\$ 2,204,801,546	\$ 2,284,032,548	\$ 2,460,626,956	\$ 3,000,342,573
33,930,000	32,094,000	30,648,000	28,306,000	27,008,000	25,384,000
56,042	-	30,092	33,694	39,975	48,183
<u>\$ 33,873,958</u>	<u>\$ 32,094,000</u>	<u>\$ 30,617,908</u>	<u>\$ 28,272,306</u>	<u>\$ 26,968,025</u>	<u>\$ 25,335,817</u>
1.3583%	1.4355%	1.3887%	1.2378%	0.9290%	0.8444%
45,413	45,413	45,725	45,790	46,079	46,079
\$ 746	\$ 707	\$ 670	\$ 617	\$ 585	\$ 550

POLK COUNTY, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
 Last Five Years(1)

	Fiscal Year			
	2011	2012	2013	2014
Governmental activities:				
General obligation	\$ 26,795,000	\$ 25,735,000	\$ 24,455,000	\$ 22,810,000
Tax notes	5,299,000	4,913,000	3,851,000	4,198,000
Obligations under capital leases	761,980	791,434	399,645	825,865
Net Governmental Debt	<u><u>\$ 32,855,980</u></u>	<u><u>\$ 31,439,434</u></u>	<u><u>\$ 28,705,645</u></u>	<u><u>\$ 27,833,865</u></u>
Percentage of personal income	1.90%	1.68%	1.50%	1.46%
Net Bonded Debt per Capita	\$ 723	\$ 688	\$ 632	\$ 608

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

(1) The requirement for statistical data is ten years; only the current year and prior four years are available at this time.

Fiscal Year

2015

\$	21,125,000
	4,259,000
	862,198
\$	<u>26,246,198</u>

1.58%

\$ 570

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POLK COUNTY, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2015

<u>Governmental Unit</u>	<u>Net Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Cities:			
Corrigan	\$ 1,076,000	100%	\$ 1,076,000
Goodrich	205,000	100%	205,000
Livingston	8,350,000	100%	8,350,000
School Districts:			
Big Sandy ISD	2,635,477	100%	\$ 2,635,477
Chester ISD	185,000	43.90%	\$ 88,208
Corrigan-Camden ISD	4,635,000	100%	\$ 4,635,000
Leggett ISD	1,350,000	100%	\$ 1,350,000
Livingston ISD	65,810,243	100%	\$ 65,810,243
Onalaska ISD	12,716,425	100%	\$ 12,716,425
Woodville ISD	2,721,068	2.95%	\$ 80,272
Subtotal, overlapping debt	<u>99,684,213</u>		<u>96,946,625</u>
Polk County direct debt	<u>26,246,198</u>	100%	<u>26,246,198</u>
Total direct and overlapping debt	<u><u>\$ 125,930,411</u></u>		<u><u>\$ 123,192,823</u></u>

Source: Texas Municipal Reports

(1) Estimated Percentage Applicable obtained from Municipal Advisory Council of Texas: "The percentage of overlapping debt applicable is determined by dividing the County's certified taxable value within the taxing jurisdiction by the certified taxable value of the taxing jurisdiction."

POLK COUNTY, TEXAS
LEGAL DEBT MARGIN INFORMATION
 Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
Debt limit	\$ 182,226,539	\$ 196,157,902	\$ 198,933,381	\$ 232,276,261
Total net debt applicable to limit	6,369,635	24,933,372	35,020,868	35,335,000
Legal debt margin	\$ 175,856,904	\$ 171,224,530	\$ 163,912,513	\$ 196,941,261
Total net debt applicable to the limit as a percentage of debt limit	3.50%	12.71%	17.60%	15.21%

Legal Debt Margin Calculation for 2015

Assessed value	\$ 3,000,342,573
Debt limit (25% of assessed value)	750,085,643
Debt applicable to limit:	
General obligation bonds	21,125,000
Tax notes	4,259,000
Less: amount set aside for repayment of debt	(48,183)
Total net debt applicable to limit	25,335,817
Legal debt margin	\$ 724,749,826

Fiscal Year

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 249,380,499	\$ 558,921,007	\$ 551,200,387	\$ 571,008,137	\$ 615,244,268	\$ 750,085,643
<u>33,930,000</u>	<u>32,094,000</u>	<u>25,704,908</u>	<u>28,272,306</u>	<u>26,968,025</u>	<u>25,335,817</u>
<u><u>\$ 215,450,499</u></u>	<u><u>\$ 526,827,007</u></u>	<u><u>\$ 525,495,479</u></u>	<u><u>\$ 542,735,831</u></u>	<u><u>\$ 588,276,243</u></u>	<u><u>\$ 724,749,826</u></u>
13.61%	5.74%	4.66%	4.95%	4.38%	3.38%

POLK COUNTY, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
Population (1,2,4)**	46,291	46,206	46,604	46,530
Personal income (1,4,5)**	\$1,381,286,000	\$1,470,836,000	\$1,597,567,000	\$1,726,151,000
Per capita personal income (1,4,5)**	\$ 29,839	\$ 31,832	\$ 34,280	\$ 37,098
Median age (1,4,5)**	39.2	38.7	38.3	42.9
School enrollment (2)				
Big Sandy ISD	433	456	471	465
Chester ISD	45	77	73	71
Corrigan Camden ISD	1,028	990	990	956
Goodrich ISD	289	259	247	241
Leggett ISD	221	205	202	190
Livingston ISD	3,742	3,753	3,728	3,733
Onalaska ISD	826	813	817	846
Total	<u>6,584</u>	<u>6,553</u>	<u>6,528</u>	<u>6,502</u>
Unemployment rate (3)	6.10%	5.90%	6.40%	10.50%

Data sources:

- (1) U.S. Bureau of Economic Analysis**
- (2) Texas Education Agency
- (3) Texas Workforce Commission
- (4) Texas Association of Counties (County Information Project)**
- (5) US Census Bureau**

**Most current information available from these data sources.

Fiscal Year

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
45,413	45,413	45,725	45,790	45,790	46,079
\$ 1,726,151,000	\$1,726,151,000	\$1,875,855,000	\$1,907,585,000	\$1,907,585,000	\$ 1,663,552,000
\$ 38,747	\$ 37,839	\$ 41,014	\$ 41,659	\$ 37,194	\$ 36,102
42.9	42.9	43.2	42.9	42.9	43.6
451	453	470	494	464	455
171	174	166	181	155	157
947	923	930	1,018	945	911
247	224	220	235	207	225
173	170	174	187	159	150
3,741	3,829	3,862	4,098	3,788	3,826
880	889	881	942	846	846
<u>6,610</u>	<u>6,663</u>	<u>6,701</u>	<u>7,155</u>	<u>7,155</u>	<u>7,155</u>
10.00%	10.50%	7.70%	8.00%	6.80%	6.20%

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POLK COUNTY, TEXAS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Georgia Pacific*	1,000	1	2.17%	1,050	1	2.27%
Texas Dept of Criminal Justice, Polunsky Unit	691	2	1.50%	900	2	1.94%
Livingston ISD	604	3	1.31%	600	3	1.30%
Wal-Mart	483	4	1.05%	450	4	0.97%
Polk County	315	5	0.68%	282	5	0.61%
CHI St. Lukes's Health Memorial Livingston	299	6	0.65%	139	7	0.30%
Brookshire Brothers (Corrigan, Livingston, Onalaska)	282	7	0.61%	158	9	0.34%
Alabama Coushatta Indian Reservation	220	8	0.48%	148	8	0.32%
Corrigan/Camden ISD	200	9	0.43%	178	6	0.38%
Sam Houston Electric Cooperative	157	10	0.34%	-	10	0.00%
Total	4,251		9.23%	3,905		8.44%

Source: Polk County Economic & Industrial Development Corporation
Texas Workforce Commission

*Previously named International Paper Company

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POLK COUNTY, TEXAS

COUNTY EMPLOYEES

Last Ten Years

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government:										
County Judge	3	3	3	3	3	3	3	3	3	3
Commissioners' Court	1	1	1	1	1	1	1	1	1	1
County Clerk	10	10	10	10	10	10	10	10	10	10
County Auditor	4	5	5	5	5	5	5	5	5	4
County Treasurer	2	2	3	3	3	3	3	3	3	3
Data Processing	2	2	2	2	2	2	2	2	2	2
Maintenance/Custodial	2	3	3	3	3	3	4	-	-	-
Maintenance/Engineering	4	5	6	7	7	7	7	11	11	11
Emergency Management	5	5	5	5	5	5	5	5	5	5
Personnel/Human Resources	2	2	2	3	3	3	3	3	3	2
Road and Bridges:										
Commissioners	4	4	4	4	4	4	4	4	4	4
Road & Bridge Workers	40	40	39	37	37	45	45	47	37	36
Administration of Justice:										
County Court-at-Law	3	3	4	4	4	4	4	4	3	4
District Clerk	9	9	9	10	10	10	10	10	9	10
District Judges	5	6	7	7	7	7	7	8	9	9
JP Pct 1	3	3	3	4	4	4	4	3	3	3
JP Pct 2	2	2	2	3	3	3	4	3	3	3
JP Pct 3	3	3	3	3	3	3	3	3	3	3
JP Pct 4	3	3	3	3	3	3	3	3	2	3
District Attorney	13	15	15	15	17	18	17	16	16	18
Sheriff's Dept	46	47	50	50	50	50	52	54	50	53
Jail	30	31	31	33	33	35	37	41	39	41
Constables	4	4	4	4	4	4	4	4	4	4
DPS	1	1	1	1	1	1	1	1	1	1
Courthouse Security	1	1	1	1	1	1	2	2	2	2
Health and Human Services:										
Library & Museum	1	1	2	2	2	2	2	2	2	1
Social Services	2	2	2	2	2	2	2	2	2	2
Veterans Service	2	2	2	2	2	2	1	1	1	1
County Extension	4	4	4	4	4	4	4	4	4	4
Environmental Enforcement	1	1	1	1	1	1	1	1	1	1
Aging Services	6	6	6	4	4	4	4	4	5	5
Tax Administration:										
Tax Assessor/Collector	17	17	17	17	17	14	17	17	12	14
Totals:	<u>235</u>	<u>243</u>	<u>250</u>	<u>253</u>	<u>255</u>	<u>263</u>	<u>271</u>	<u>277</u>	<u>255</u>	<u>263</u>

Source: Polk County Human Resources (Based on Full Time Status)

POLK COUNTY, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
<u>County Court</u>				
Civil Cases				
Pending Beginning of Year	2,705	2,836	2,829	2,980
Docket Adjust	27	(30)	75	56
Added	1,442	1,304	1,230	1,352
Disposed	(1,338)	(1,281)	(1,154)	(1,176)
Pending End of Year	2,836	2,829	2,980	3,212
Criminal Cases				
Pending Beginning of Year	2,889	2,935	2,798	2,719
Docket Adjust	13	(5)	(7)	113
Added	1,774	1,779	1,446	1,307
Disposed	(1,741)	(1,911)	(1,518)	(1,470)
Pending End of Year	2,935	2,798	2,719	2,669
<u>District Court</u>				
Civil Cases				
Pending Beginning of Year	670	757	842	885
Docket Adjust	(5)	(40)	20	(146)
Added	328	411	336	342
Disposed	(236)	(286)	(313)	(297)
Pending End of Year	757	842	885	784
Criminal Cases				
Pending Beginning of Year	1,254	1,385	1,033	810
Docket Adjust	(350)	(461)	(121)	(77)
Added	930	924	890	980
Disposed	(449)	(815)	(992)	(890)
Pending End of Year	1,385	1,033	810	823
<u>Justice of the Peace Courts</u>				
Cases Filed				
Traffic	7,342	6,387	7,472	8,007
Non-Traffic	2,439	2,565	2,725	2,526
Small Claims Suits	114	84	83	127
Forcible Entry and Detainer	146	154	119	155
Other Civil Suits	218	219	327	217
Cases Disposed				
Traffic	6,338	6,252	6,834	6,826
Non-Traffic	1,923	2,337	2,148	2,102
Small Claims Suits	79	81	54	174
Forcible Entry and Detainer	124	143	109	134
Other Civil Suits	108	170	205	272
Cases Appealed				
Traffic	19	14	19	22
Non-Traffic	1	2	1	2
Small Claims Suits	1	-	-	-
Forcible Entry and Detainer	1	1	-	-
Other Civil Suits	-	-	-	1
Miscellaneous				
Examining Trials	1	-	-	-
Inquests	206	195	210	181

Source: Texas Courts Online (Office of Court Administration)

*FY11 had reporting changes

Fiscal Year					
2010	2011*	2012	2013	2014	2015
3,212	1,051	1,305	1,472	1,678	1,734
(435)	-	(16)	(31)	46	-
1,306	743	723	813	789	707
(1,051)	(490)	(540)	(576)	(779)	(673)
3,032	1,305	1,472	1,678	1,734	1,724
2,669	2,560	2,856	3,120	3,142	3,180
(9)	(1)	(8)	(15)	(6)	-
1,002	1,276	1,243	874	1,145	994
(1,079)	(979)	(971)	(837)	(1,101)	(957)
2,583	2,856	3,120	3,142	3,180	2,294
784	803	862	860	889	956
(3)	(2)	(50)	(35)	-	-
324	330	1,021	304	334	272
(227)	(269)	(973)	(240)	(267)	(227)
878	862	860	889	956	707
823	778	1,198	1,639	1,561	1,687
(15)	(3)	(14)	(48)	-	-
847	1,187	1,256	967	919	704
(848)	(764)	(801)	(997)	(793)	(513)
807	1,198	1,639	1,561	1,687	918
4,772	4,922	5,833	4,290	4,162	4,837
1,961	1,828	2,962	2,913	2,507	2,100
68	73	38	44	168	155
130	106	128	106	165	179
174	209	292	238	195	281
4,837	4,240	4,798	3,780	3,658	2,922
1,903	1,971	2,382	2,373	2,007	1,545
123	61	42	33	170	182
111	101	113	95	147	188
212	145	233	200	101	208
18	15	16	12	10	10
5	9	26	2	5	-
2	-	2	-	-	-
2	1	5	-	1	2
1	-	-	-	-	-
1	4	-	-	1	-
178	212	209	215	243	312

POLK COUNTY, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Years

Function/Program	Fiscal Year			
	2006	2007	2008	2009
<u>General Government</u>				
Commissioners' Court	3	4	4	4
County Clerk	14	14	15	15
Veterans Service	1	1	1	1
General Operations	26	31	34	34
District Clerk	3	3	3	3
JP Pct 1	-	-	-	-
JP Pct 2	-	-	-	-
JP Pct 3	-	-	-	-
JP Pct 4	-	-	-	-
Judicial	4	4	4	4
District Attorney	5	5	6	6
County Auditor	4	4	4	4
County Treasurer	3	3	3	3
Tax Assessor/Collector	5	4	4	4
Delinquent Tax Collection	1	1	1	1
Data Processing	11	11	13	12
Maintenance/Custodial	2	2	3	4
Maintenance/Engineering	19	20	23	28
Jail	8	13	13	14
Constable Pct 1	1	1	1	1
Constable Pct 2	1	1	2	2
Constable Pct 3	1	1	1	1
Constable Pct 4	1	1	1	1
Sheriff's Department	49	60	66	70
Social Services	4	4	4	4
Extension	1	1	1	1
Emergency Management	12	13	13	14
Environmental Enforcement	1	1	1	2
<u>Road & Bridge</u>				
Road and Bridge Pct 1	78	79	80	84
Road and Bridge Pct 2	55	60	63	67
Road and Bridge Pct 3	63	77	82	83
Road and Bridge Pct 4	55	68	76	78
<u>Security</u>				
Security Department	1	1	1	1
<u>Historical Commission</u>				
Historical	2	2	2	2
<u>Waste Management</u>				
Waste Management	46	46	46	36
<u>Aging</u>				
Aging Services	3	6	7	8

Source: County Inventory Reports

Fiscal Year					
2010	2011	2012	2013	2014	2015
4	1	1	2	2	2
15	4	4	6	6	7
1	-	-	-	-	-
40	41	54	69	46	44
3	1	1	2	2	2
-	-	-	-	-	-
-	-	1	1	1	1
-	-	-	-	-	-
-	-	-	-	-	-
4	4	5	5	5	5
6	6	7	6	6	6
4	2	2	2	2	2
3	2	2	2	2	2
4	3	3	3	3	4
1	1	1	-	-	-
13	13	13	14	14	13
-	-	-	-	-	-
37	36	34	30	33	32
17	9	8	13	14	14
1	1	1	1	1	2
1	1	1	2	2	3
1	1	1	1	2	2
1	1	1	1	1	1
79	77	80	88	96	93
4	3	3	2	3	3
1	1	1	1	1	1
14	11	11	12	13	14
2	2	2	3	-	3
49	46	46	40	40	41
40	39	38	39	41	41
80	77	78	83	83	82
67	66	66	66	67	68
1	1	1	1	1	1
2	2	2	2	2	2
35	35	35	34	35	35
9	8	9	11	10	10

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