

Polk County, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2021



*ANNUAL COMPREHENSIVE
FINANCIAL REPORT*

of

POLK COUNTY, TEXAS

For the Year Ended
September 30, 2021

Prepared by:
County Auditor's Office

Louis Ploth
County Auditor

POLK COUNTY, TEXAS

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September 30, 2021

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INTRODUCTORY SECTION

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Polk County
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

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POLK COUNTY, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS
For the Year Ended September 30, 2021

DISTRICT JUDGES:

| | |
|-------------------------|----------------------|
| John Wells | 411th District Judge |
| Travis E. Kitchens, Jr. | 258th District Judge |

COMMISSIONERS' COURT:

| | |
|-----------------------|---------------------------|
| Sydney Murphy | County Judge |
| Guylene Roberts on | 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 Christopher | 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 |
| Sarah Rasberry | Justice of Peace, Precinct #2 |
| Robert Johnson | Justice of Peace, Precinct #3 |
| Jamie Richardson | Justice of Peace, Precinct #4 |

LAW ENFORCEMENT:

| | |
|---------------------------|------------------------|
| Byron Lyons | County Sheriff |
| Scott Hughes | Constable, Precinct #1 |
| William "Bill" Cunningham | Constable, Precinct #2 |
| Anthony "Ray" Myers | Constable, Precinct #3 |
| Darwon Evans | Constable, Precinct #4 |

FINANCIAL ADMINISTRATION:

| | |
|--------------------|------------------------|
| Leslie Jones Burks | Tax Assessor/Collector |
| Terri Williams | County Treasurer |
| Louis Ploth | County Auditor* |

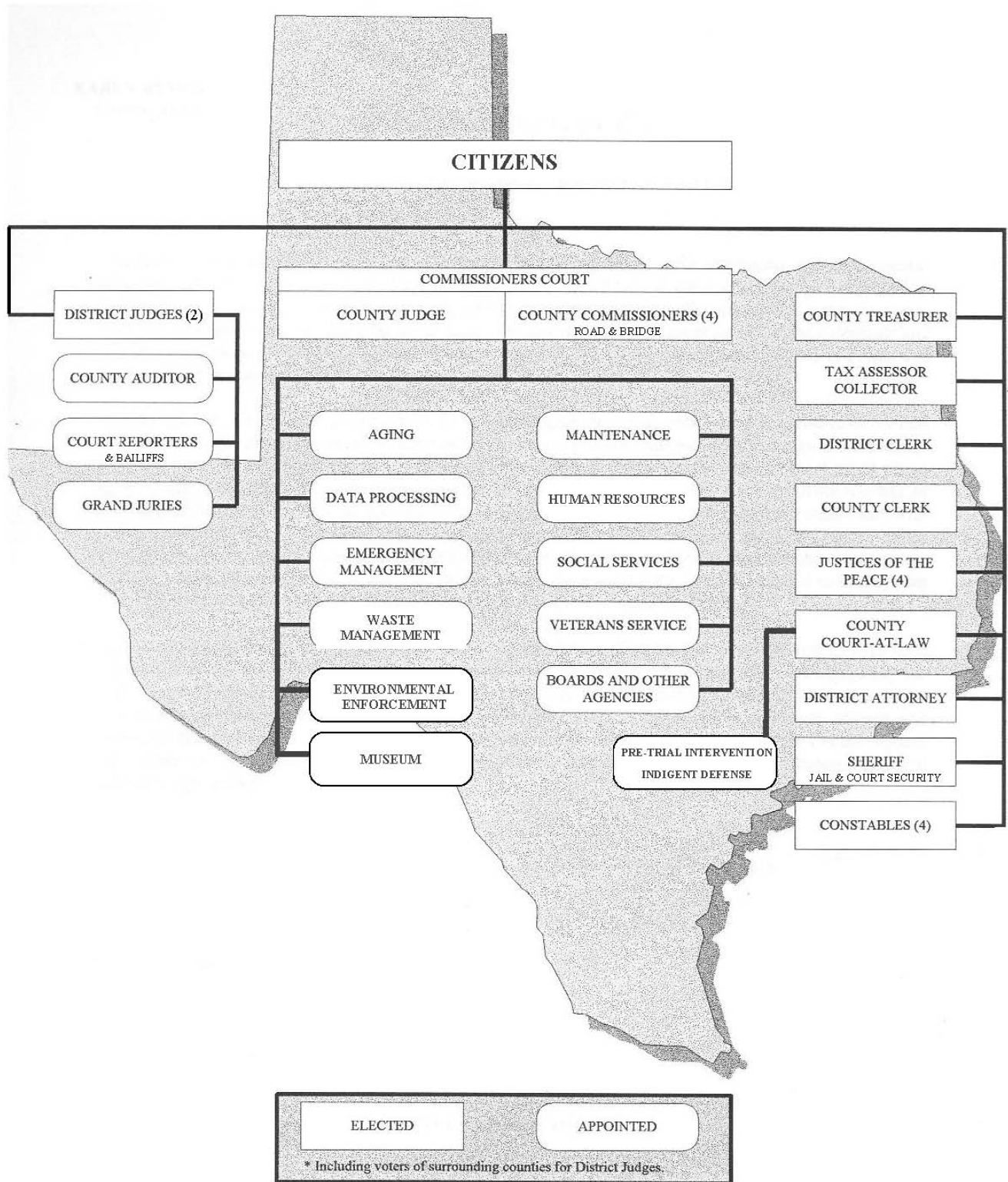
*Designated appointed official. All others are elected.

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POLK COUNTY, TEXAS

ORGANIZATIONAL CHART

September 30, 2021



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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and
Members of the Commissioners' Court
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, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of changes in net pension and other post-employment liability and related ratios, and schedule of contributions, 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 29, 2022, 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 the effectiveness of the County's 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 29, 2022

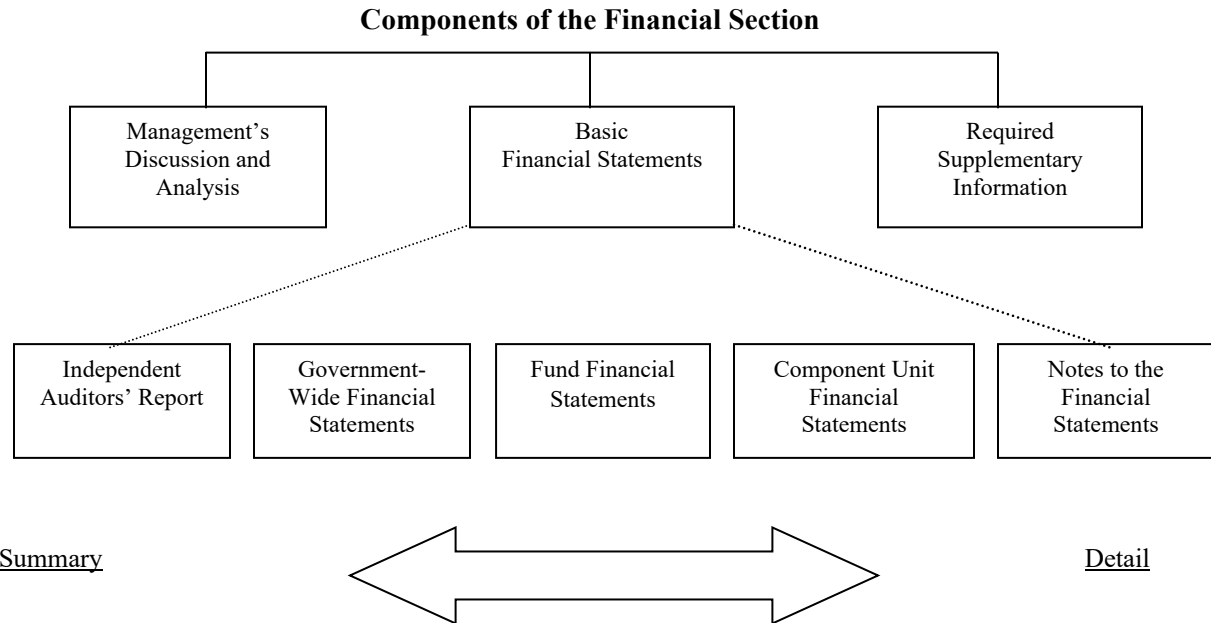
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MANAGEMENT'S DISCUSSION AND ANALYSIS

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021

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, 2021. 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 outflows/inflows 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 nonfinancial 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, 2021

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 36 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 American Rescue Plan Act fund, which are considered to be major funds for reporting purposes.

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

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

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 accrual basis of accounting is used for fiduciary funds. The County maintains six fiduciary funds. The County's fiduciary activities are reported in a separate statement of fiduciary net position and statement of changes in 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 and schedule of contributions for the Texas County and District Retirement System and a schedule of charges in net other postemployment benefits (OPEB) for the Polk County Retiree Healthcare Plan. 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 of resources by \$50,101,791 as of September 30, 2021. This compares to \$45,281,104 from the prior fiscal year. A significant portion of the County's net position reflects its investments in capital assets, \$42,402,129, (e.g., construction in progress, buildings, 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, 2021

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

| | <u>Governmental Activities</u> | |
|---|--------------------------------|----------------------|
| | <u>2021</u> | <u>2020</u> |
| Current and other assets | \$ 33,321,712 | \$ 26,212,220 |
| Capital assets, net | 58,031,012 | 58,205,144 |
| Total Assets | <u>91,352,724</u> | <u>84,417,364</u> |
| Deferred charge on refunding | 1,019,946 | 1,193,495 |
| Deferred outflows - pensions | 4,164,058 | 1,292,818 |
| Deferred outflows - OPEB | 3,327,859 | 2,418,067 |
| Total Deferred Outflows of Resources | <u>8,511,863</u> | <u>4,904,380</u> |
| Other liabilities | 12,504,755 | 7,500,400 |
| Long-term liabilities | 31,683,362 | 31,669,091 |
| Total Liabilities | <u>44,188,117</u> | <u>39,169,491</u> |
| Deferred inflows - pensions | 2,872,914 | 1,945,775 |
| Deferred inflows - OPEB | 2,701,765 | 2,925,374 |
| Total Deferred Inflows of Resources | <u>5,574,679</u> | <u>4,871,149</u> |
| Net Position: | | |
| Net investment in capital assets | 42,402,129 | 40,272,870 |
| Restricted | 6,699,618 | 7,031,257 |
| Unrestricted | 1,000,044 | (2,023,023) |
| Total Net Position | <u>\$ 50,101,791</u> | <u>\$ 45,281,104</u> |

A portion of the County's net position, \$6,699,618 or 13.4 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is \$1,000,044. The County had an increase to net position of \$4,820,687 for the fiscal year, which is primarily due to an increase in current and other assets from an increase in the general fund balance along with an increase in deferred outflows and OPEB from changes in actuarial assumptions.

Current assets increased by \$7,109,492 to \$33,321,712 as compared to capital assets, which decreased by \$174,132 to \$58,031,012. Long-term liabilities remained consistent with the prior year with an increase of \$14,271. Total deferred outflows and inflows of resources increased due primarily to deferred outflows from changes in actuarial assumptions for pension and OPEB and inflows from deferred inflows from projected and actual investment earnings for pensions. There was an increase in other liabilities primarily due to unearned revenue of \$5,208,372 which also increased current and other assets.

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

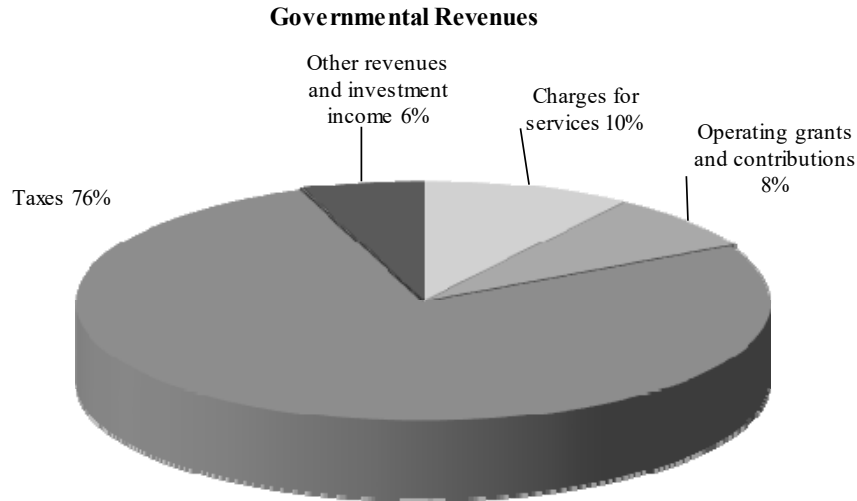
Statement of Activities

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

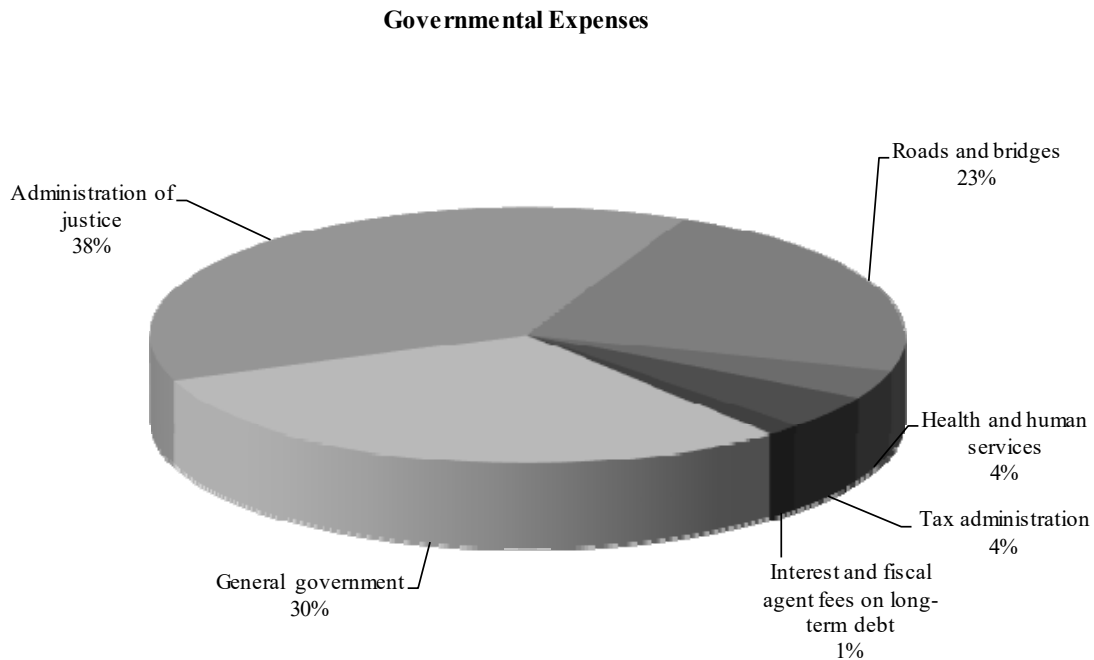
| | Governmental Activities | |
|---|--------------------------------|----------------------|
| | 2021 | 2020 |
| Revenues | | |
| Program revenues: | | |
| Charges for services | \$ 3,350,170 | \$ 2,866,564 |
| Operating grants and contributions | 2,627,211 | 6,020,646 |
| General revenues: | | |
| Taxes | 26,812,272 | 26,632,818 |
| Investment income | 32,870 | 213,083 |
| Other revenues | 1,949,580 | 2,552,147 |
| Total Revenues | 34,772,103 | 38,285,258 |
| Expenses | | |
| General government | 9,099,542 | 12,183,608 |
| Administration of justice | 11,271,427 | 12,540,565 |
| Roads and bridges | 6,774,048 | 7,017,278 |
| Health and human services | 1,058,807 | 1,368,351 |
| Tax administration | 1,312,104 | 1,393,851 |
| Interest and fiscal agent fees on long-term debt | 435,488 | 851,342 |
| Total Expenses | 29,951,416 | 35,354,995 |
| Change in Net Position | 4,820,687 | 2,930,263 |
| Beginning net position | 45,281,104 | 42,350,841 |
| Ending Net Position | \$ 50,101,791 | \$ 45,281,104 |

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

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



Total governmental revenues decreased by \$3,513,155 from the prior year. The decrease can be attributed to the decrease in operating grants and contributions related to the corona virus relief grant received in the prior year.



Governmental expenses decreased by \$5,403,579 from the prior year. The decrease in expenses was mainly attributed to decreases in general government and administration of justice. General government and administration of justice expenses decreased significantly primarily due to expenses that occurred within emergency management related to the tornado that devastated an area in the County and COVID-19 related expenses in the prior year.

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

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 \$23,214,910. Of this, \$821,917 is restricted for endowments/trusts, \$1,733,397 is restricted for road and bridge, \$3,969,576 is restricted for special projects, \$174,728 is restricted for debt service, \$4,503 is restricted for capital projects, and \$11,018 is considered as nonspendable for prepaids. The County has also assigned \$805,547 for post closure care costs for its landfill. The amount of unassigned fund balance is \$15,694,224.

There was an increase in the combined fund balance of \$1,668,706 from the prior year. The largest increases in fund balances are in the general fund, road and bridge fund, and nonmajor governmental funds of \$1,995,587, \$652,850 and \$268,020, respectively.

The fund balance of the general fund had an increase of \$1,995,587, with an ending fund balance of \$16,290,703. This change can be attributed to a reductions in expenditures for the year. 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 \$53,955 in the debt service fund providing an ending fund balance of \$980,275. Debt service expenditures totaled \$3,400,273 for the year, which is an increase from the prior year. Debt service expenditures was supported primarily with revenues from property taxes.

The road and bridge fund had an increase in fund balance of \$652,850, which brings the ending fund balance to \$1,733,397. The increase was primarily due to an increase in property and sales tax during the year offset with lower expenditures.

The County received grant funds of \$4,987,359 for the American Rescue Plan Act during the current fiscal year. No expenditures occurred during the year and the funds received was recorded as unearned revenue to be used in the County's next fiscal years.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County had a planned for a decrease in the general fund balance after amendments for \$1,074,724. Actual revenues exceeded budgeted revenues by \$1,603,765 primarily due to more than expected revenues from taxes. The final general fund expenditures were under the final budget by \$1,463,928 mainly due to less general government and administration of justice expenditures. During the 2021 fiscal 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, 2021, but not paid by that date;
- To appropriate monies from other governmental units received in year September 30, 2021;
- 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, 2021

CAPITAL ASSETS

At the end of the year, the County's governmental activities had invested \$58,031,012 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net decrease of \$174,132.

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

- Four new vehicle purchases for the jail and constables
- Equipment for the recycling center
- Eight Mack trucks and 1 Mustang motor grader for road and bridge department

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, tax notes, and capital leases of \$15,384,871. The County issued \$500,000 in tax notes and \$1,077,600 in capital leases during 2021.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The economy faced several challenges in fiscal year 2021 with the most predominant factor being the continuing effects of the 2020 pandemic, causing the Commissioners' Court to face challenges during the 2022 budget process. Sales tax revenue is expected to remain relatively constant during the fiscal year 2022 as compared to fiscal year 2021. The fiscal year 2022 budget for current property taxes is expected to generate \$14,717,412, which is an increase of \$1,585,023, primarily due to new construction over the fiscal year 2021 budgeted taxes.

Regardless of the increase in revenue at this time, the County cannot assess the long-term outcome of Senate Bill 2 that restricts the County's ability to increase tax rates and, with the continuing increase in the inflation rate, along with other factors, it is unknown as to the effects these factors will have on the County's operating expenses. With the additional construction that has occurred in the County, along with aging infrastructure, increased services and maintenance will be required. Although continued growth and stability are anticipated in fiscal year 2022 and beyond, there can be no assurances that the County's economic stability will not be negatively affected by the economic factors that are in play or the continuing effects of the COVID pandemic.

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 Louis Ploth, 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, 2021

| | Primary Government | Component Unit |
|---|------------------------------------|---------------------------|
| | Governmental Activities | |
| <u>Assets</u> | | |
| Cash and cash equivalents | \$ 30,188,240 | \$ 8,697,256 |
| Receivables, net | 3,122,454 | 1,730,942 |
| Prepays | 11,018 | - |
| Total Current Assets | 33,321,712 | 10,428,198 |
| Capital assets: | | |
| Nondepreciable capital assets | 3,567,294 | 330,346 |
| Capital assets, net of accumulated depreciation | 54,463,718 | 10,398,887 |
| Total Capital Assets | 58,031,012 | 10,729,233 |
| Total Assets | 91,352,724 | 21,157,431 |
| <u>Deferred Outflows of Resources</u> | | |
| Deferred charge on refunding | 1,019,946 | - |
| Deferred outflows - pensions | 4,164,058 | - |
| Deferred outflows - OPEB | 3,327,859 | - |
| Total Deferred Outflows of Resources | 8,511,863 | - |
| <u>Liabilities</u> | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | 2,762,112 | 902,417 |
| Unearned revenue | 5,208,372 | - |
| Accrued interest payable | 93,128 | 610,205 |
| Due to other units | 39,150 | 137,271 |
| Long-term liabilities due within one year | 4,401,993 | 3,165,000 |
| Total Current Liabilities | 12,504,755 | 4,814,893 |
| Noncurrent liabilities: | | |
| Long-term liabilities due in more than one year | 31,683,362 | 10,595,000 |
| Total Noncurrent Liabilities | 31,683,362 | 10,595,000 |
| Total Liabilities | 44,188,117 | 15,409,893 |
| <u>Deferred Inflows of Resources</u> | | |
| Deferred inflows - pensions | 2,872,914 | - |
| Deferred inflows - OPEB | 2,701,765 | - |
| Total Deferred Inflows of Resources | 5,574,679 | - |
| <u>Net Position</u> | | |
| Net investment in capital assets | 42,402,129 | (3,030,767) |
| Restricted for: | | |
| Debt service | 174,728 | - |
| Endowments/trusts | 821,917 | - |
| Road and bridge | 1,733,397 | - |
| Special projects | 3,969,576 | 8,778,305 |
| Unrestricted | 1,000,044 | - |
| Total Net Position | \$ 50,101,791 | \$ 5,747,538 |

See Notes to Financial Statements.

POLK COUNTY, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

| Functions/Programs | Expenses | Program Revenues | |
|--|----------------------|-------------------------|--|
| | | Charges for Services | Operating Grants and Contributions |
| Primary Government: | | | |
| Governmental Activities: | | | |
| General government | \$ 9,099,542 | \$ 2,263,734 | \$ 1,918,448 |
| Administration of justice | 11,271,427 | 424,250 | 264,527 |
| Roads and bridges | 6,774,048 | 63,982 | 31,662 |
| Health and human services | 1,058,807 | 598,204 | 412,574 |
| Tax administration | 1,312,104 | - | - |
| Interest and fiscal agent fees on long-term debt | 435,488 | - | - |
| Total Governmental Activities | 29,951,416 | 3,350,170 | 2,627,211 |
| Total Primary Government | \$ 29,951,416 | \$ 3,350,170 | \$ 2,627,211 |
| IAH Public Facility Corporation | | | |
| Detention facility | \$ 16,005,255 | \$ 19,930,175 | \$ - |
| Interest and fiscal agent fees on long-term debt | 417,788 | - | - |
| Total Component Unit | \$ 16,423,043 | \$ 19,930,175 | \$ - |

General Revenues:

- Property taxes
- Sales taxes
- Other taxes
- Investment income
- Other revenues
- Gain on early extinguishment of debt

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> |
|------------------------------------|---------------------------|
| \$ (4,917,360) | \$ - |
| (10,582,650) | - |
| (6,678,404) | - |
| (48,029) | - |
| (1,312,104) | - |
| (435,488) | - |
| <u>(23,974,035)</u> | <u>-</u> |
| <u>(23,974,035)</u> | <u>-</u> |
| - | 3,924,920 |
| - | <u>(417,788)</u> |
| - | <u>3,507,132</u> |
| 22,212,093 | - |
| 3,173,120 | - |
| 1,427,059 | - |
| 32,870 | 821 |
| 1,949,580 | - |
| - | <u>1,399,338</u> |
| <u>28,794,722</u> | <u>1,400,159</u> |
| 4,820,687 | 4,907,291 |
| <u>45,281,104</u> | <u>\$ 840,247</u> |
| <u>\$ 50,101,791</u> | <u>\$ 5,747,538</u> |

POLK COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2021

| | General | Debt Service | Road and Bridge | American Rescue Plan Act |
|---|----------------------|---------------------|---------------------|--------------------------------|
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 16,915,305 | \$ 983,794 | \$ 2,746,401 | \$ 4,991,353 |
| Receivables, net | 2,097,927 | 375,869 | 473,617 | - |
| Prepays | 11,018 | - | - | - |
| Due from other funds | 75,860 | - | - | - |
| Total Assets | \$ 19,100,110 | \$ 1,359,663 | \$ 3,220,018 | \$ 4,991,353 |
| <u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u> | | | | |
| <u>Liabilities</u> | | | | |
| Accounts payable and accrued liabilities | \$ 1,561,725 | \$ 3,519 | \$ 973,854 | \$ - |
| Unearned revenue | - | - | - | 4,987,359 |
| Due to other units | - | - | 39,150 | - |
| Due to other funds | - | - | - | - |
| Total Liabilities | 1,561,725 | 3,519 | 1,013,004 | 4,987,359 |
| <u>Deferred Inflows of Resources</u> | | | | |
| Unavailable revenue - property taxes | 1,247,682 | 375,869 | 473,617 | - |
| Total Deferred Inflows of Resources | 1,247,682 | 375,869 | 473,617 | - |
| <u>Fund Balances</u> | | | | |
| Nonspendable: | | | | |
| Prepays | 11,018 | - | - | - |
| Restricted: | | | | |
| Debt service | - | 174,728 | - | - |
| Road and bridge | - | - | 1,733,397 | - |
| Special projects | 585,461 | - | - | 3,994 |
| Capital projects | - | - | - | - |
| Endowments/trusts | - | - | - | - |
| Assigned: | | | | |
| Post closure care costs | - | 805,547 | - | - |
| Unassigned | 15,694,224 | - | - | - |
| Total Fund Balances | 16,290,703 | 980,275 | 1,733,397 | 3,994 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 19,100,110 | \$ 1,359,663 | \$ 3,220,018 | \$ 4,991,353 |

See Notes to Financial Statements.

| <u>Nonmajor Governmental</u> | <u>Total Governmental Funds</u> |
|----------------------------------|---|
| \$ 4,551,387 | \$ 30,188,240 |
| 175,041 | 3,122,454 |
| - | 11,018 |
| - | 75,860 |
| <u>\$ 4,726,428</u> | <u>\$ 33,397,572</u> |

| | |
|----------------|------------------|
| \$ 223,014 | \$ 2,762,112 |
| 221,013 | 5,208,372 |
| - | 39,150 |
| 75,860 | 75,860 |
| <u>519,887</u> | <u>8,085,494</u> |

| | |
|---|------------------|
| - | 2,097,168 |
| - | <u>2,097,168</u> |

| | |
|------------------|-------------------|
| - | 11,018 |
| - | 174,728 |
| - | 1,733,397 |
| 3,380,121 | 3,969,576 |
| 4,503 | 4,503 |
| 821,917 | 821,917 |
| - | 805,547 |
| - | 15,694,224 |
| <u>4,206,541</u> | <u>23,214,910</u> |

| | |
|---------------------|----------------------|
| <u>\$ 4,726,428</u> | <u>\$ 33,397,572</u> |
|---------------------|----------------------|

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POLK COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
September 30, 2021

| | | |
|---|----|--------------|
| Fund balances - total governmental funds | \$ | 23,214,910 |
| 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 | | 3,567,294 |
| Depreciable capital assets, net | | 54,463,718 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds. | | |
| Deferred revenue | | 2,097,168 |
| Deferred outflows and deferred inflows related to pension activity and other postemployment benefits (OPEB) are not current financial resources and, therefore, not reported in the governmental funds. | | |
| Deferred outflows - pensions | | 4,164,058 |
| Deferred inflows - pensions | | (2,872,914) |
| Deferred outflows - OPEB | | 3,327,859 |
| Deferred inflows - OPEB | | (2,701,765) |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds. | | |
| Accrued interest payable | | (93,128) |
| Deferred charge on refunding | | 1,019,946 |
| Long-term liabilities due within one year | | (4,401,993) |
| Long-term liabilities due in more than one year | | (31,683,362) |
| Net Position of Governmental Activities | \$ | 50,101,791 |

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, 2021

| | <u>General</u> | <u>Debt Service</u> | <u>Road and Bridge</u> | <u>American Rescue Plan Act</u> |
|--|----------------------|-------------------------|----------------------------|---|
| Revenues | | | | |
| Property taxes | \$ 13,987,092 | \$ 3,453,827 | \$ 5,141,403 | \$ - |
| Sales taxes | 3,173,120 | - | - | - |
| Other taxes | 445,992 | - | 926,822 | - |
| Fines and forfeitures | 523,246 | - | 63,982 | - |
| Charges for services | 1,390,604 | - | - | - |
| Intergovernmental | 1,228,156 | - | 23,685 | - |
| Licenses and permits | 336,168 | - | - | - |
| Investment income | 25,375 | 401 | 1,111 | 3,994 |
| Other revenue | 1,482,780 | - | 152,463 | - |
| Total Revenues | <u>22,592,533</u> | <u>3,454,228</u> | <u>6,309,466</u> | <u>3,994</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 7,078,525 | - | - | - |
| Administration of justice | 11,704,173 | - | - | - |
| Roads and bridges | - | - | 6,376,197 | - |
| Health and human services | 746,199 | - | - | - |
| Tax administration | 1,374,688 | - | - | - |
| Debt service: | | | | |
| Principal | - | 2,795,000 | 1,004,173 | - |
| Interest and fiscal charges | - | 605,273 | 18,910 | - |
| Debt issuance costs | 26,750 | - | - | - |
| Capital outlay | 437,810 | - | 1,656,286 | - |
| Total Expenditures | <u>21,368,145</u> | <u>3,400,273</u> | <u>9,055,566</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,224,388 | 53,955 | (2,746,100) | 3,994 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 514,235 | - | 30,139 | - |
| Transfers (out) | (189,115) | - | (28,410) | - |
| Debt issued | 446,079 | - | 1,131,521 | - |
| Proceeds from sale of disposable assets | - | - | 960,000 | - |
| Total Other Financing Sources (Uses) | <u>771,199</u> | <u>-</u> | <u>2,093,250</u> | <u>-</u> |
| Net Change in Fund Balances | 1,995,587 | 53,955 | (652,850) | 3,994 |
| Beginning fund balances | 14,295,116 | 926,320 | 2,386,247 | - |
| Ending Fund Balances | <u>\$ 16,290,703</u> | <u>\$ 980,275</u> | <u>\$ 1,733,397</u> | <u>\$ 3,994</u> |

See Notes to Financial Statements.

| <u>Nonmajor Governmental</u> | <u>Total Governmental Funds</u> |
|----------------------------------|---|
| \$ - | \$ 22,582,322 |
| - | 3,173,120 |
| 54,245 | 1,427,059 |
| 16,250 | 603,478 |
| 1,019,920 | 2,410,524 |
| 1,375,370 | 2,627,211 |
| - | 336,168 |
| 1,989 | 32,870 |
| 314,337 | 1,949,580 |
| <u>2,782,111</u> | <u>35,142,332</u> |
| 930,087 | 8,008,612 |
| 548,221 | 12,252,394 |
| - | 6,376,197 |
| 495,708 | 1,241,907 |
| - | 1,374,688 |
| - | 3,799,173 |
| - | 624,183 |
| - | 26,750 |
| 213,226 | 2,307,322 |
| <u>2,187,242</u> | <u>36,011,226</u> |
| 594,869 | (868,894) |
| 159,378 | 703,752 |
| (486,227) | (703,752) |
| - | 1,577,600 |
| - | 960,000 |
| <u>(326,849)</u> | <u>2,537,600</u> |
| 268,020 | 1,668,706 |
| 3,938,521 | 21,546,204 |
| <u>\$ 4,206,541</u> | <u>\$ 23,214,910</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 Ended September 30, 2021

Net changes in fund balances – total governmental funds \$ 1,668,706

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 additions | 4,529,047 |
| Depreciation expense | (3,200,372) |
| Capital retirements, net | (1,502,807) |

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

| | |
|------------------|-----------|
| Deferred revenue | (370,229) |
|------------------|-----------|

Net pension and other postemployment benefits (OPEB) liability and deferred outflows and deferred inflows related to the County's pension and OPEB plans are not reported in the governmental funds.

| | |
|------------------------------|-------------|
| Net pension liability | (1,968,877) |
| Deferred outflows - pensions | 2,871,240 |
| Deferred inflows - pensions | (927,139) |
| Net OPEB liability | 156,314 |
| Deferred outflows - OPEB | 909,792 |
| Deferred inflows - OPEB | 223,609 |

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 | 3,799,173 |
| Debt issuance | (1,577,600) |
| Changes to bond premiums | 250,864 |
| Amortization of deferred charges | (173,549) |

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 on the accrual basis of accounting for these expenses.

| | |
|---|----------|
| Accrued interest payable | 138,130 |
| Compensated absences | 86,896 |
| Landfill closure and post closure costs | (92,511) |

| | |
|--|---------------------|
| Change in Net Position of Governmental Activities | \$ 4,820,687 |
|--|---------------------|

See Notes to Financial Statements.

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POLK COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2021

| | Retiree Health Benefit Trust | Custodial |
|----------------------------|---|---------------------|
| <u>Assets</u> | | |
| Cash and cash equivalents | \$ 3,159,697 | \$ 6,347,552 |
| Due from other unit | - | 85,581 |
| Total Assets | 3,159,697 | 6,433,133 |
| <u>Liabilities</u> | | |
| Accounts payable | - | 134,751 |
| Due to others | - | 1,439,496 |
| Total Liabilities | - | 1,574,247 |
| <u>Net Position</u> | | |
| Resticted for OPEB | 3,159,697 | - |
| Held in trust | - | 4,858,886 |
| Total Net Position | \$ 3,159,697 | \$ 4,858,886 |

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, 2021

| | <u>Retiree Health Benefit Trust</u> | <u>Custodial</u> |
|-------------------------------|---|---------------------|
| <u>Additions</u> | | |
| Employer contributions | \$ 400,000 | \$ - |
| Intergovernmental | - | 1,961,762 |
| Other revenue | 122,351 | 102,760,062 |
| Investment income | 7,769 | 23,517 |
| Total Additions | <u>530,120</u> | <u>104,745,341</u> |
| <u>Deductions</u> | | |
| Benefits | 239,370 | - |
| Administrative expenses | 4,002 | - |
| Trust fund recipients | - | 48,688 |
| Criminal departments | - | 1,729,288 |
| Deed recipients | - | 1,764,653 |
| Taxing entities | - | 100,741,697 |
| Total Deductions | <u>243,372</u> | <u>104,284,326</u> |
| Change in Net Position | 286,748 | 461,015 |
| Beginning net position | 2,872,949 | 4,397,871 |
| Ending Net Position | <u>\$ 3,159,697</u> | <u>\$ 4,858,886</u> |

See Notes to Financial Statements.

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POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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 and tax 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 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, 602 East Church Street, Suite 108, Livingston, Texas 77351.

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 a legally separate *component unit* for which the primary government is financially accountable.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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, sales taxes, other 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.

American Rescue Act Plan fund – This fund is used to account for revenue received by the County from the ARPA and account for any expenditures associated with these funds.

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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Permanent funds are governmental funds that 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:

Permanent school fund – This fund was established from proceeds received from the sale of lands granted by the State of Texas (the “State”) 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 type:

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 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 *custodial 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 a custodial capacity.

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 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.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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 taxes, 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

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

The County has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the County is authorized to invest in the following:

- Direct obligations of the U.S. Government or U.S. Government agencies
- Fully collateralized certificates of deposit
- Money market mutual funds that meet certain criteria
- Bankers' acceptances
- Statewide investment pools

3. Prepaid Items

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 acquisition 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 County 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 |

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. 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.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the District's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- 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.

At the fund level, the District 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 and grants. These amounts are deferred and recognized as inflows of resources in the period that the amounts become 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 deferred and amortized over the life of the bonds using the straight-line method, if material. Bonds payable are reported net of the applicable bond premium or discount.

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.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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 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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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.

In accordance with Commissioners' Court policy, 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, 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 and District Retirement System (TCDRS) and additions to/deductions from TCERS's fiduciary net position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are 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.

13. Other Postemployment Benefits

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB expense, information about the fiduciary net position of the Polk County Retiree Benefits Trust Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments, as applicable, 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.

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.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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 collector custodial 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, justice court technology, available school, district attorney collection, district clerk records preservation, forfeiture, Sheriff federal revenue sharing, waste management, jail commissary, district attorney special, justice court building security, pre-trial intervention program, child abuse prevention, fire marshall, guardianship, court reporter service, grants, CDBG buyout, and permanent school. 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. Supplemental budget appropriations were made for the year ended September 30, 2021.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2021, the County had the following investments:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Weighted Average Maturity (Years)</u> |
|-------------------------------------|----------------------|--|
| TexPool | \$ 11,296,244 | 0.10 |
| Texas CLASS | 9,376,539 | 0.07 |
| Total | \$ 20,672,783 | |
| Portfolio weighted average maturity | | 0.09 |

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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, 2021, the County's investments in investment pools were rated "AAAm" and "AAA" 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, 2021, 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 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 rates 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.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost TexPool, must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major national markets, general banking moratorium, or a national state of emergency that affects TexPool's liquidity.

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended. 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 Texas CLASS (the "Participants"), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. Texas CLASS is not SEC registered and is not subject to regulation by the State. Under the Agreement, however, Texas 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, Texas CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

management of the public funds of Texas CLASS. Separate financial statements for Texas CLASS may be obtained from Texas CLASS' website at www.texasclass.com.

B. Receivables

The following comprise receivable balances at year end:

| | <u>General</u> | <u>Debt Service</u> | <u>Road and Bridge</u> | <u>Nonmajor</u> | <u>Total</u> |
|----------------|---------------------|---------------------|----------------------------|-------------------|---------------------|
| Property taxes | \$ 1,240,914 | \$ 375,869 | \$ 473,617 | \$ - | \$ 2,090,400 |
| Other | 857,013 | - | - | 175,041 | 1,032,054 |
| | <u>\$ 2,097,927</u> | <u>\$ 375,869</u> | <u>\$ 473,617</u> | <u>\$ 175,041</u> | <u>\$ 3,122,454</u> |

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

C. Capital Assets

A summary of changes in capital assets for the year ended September 30, 2021 is as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>(Decrease)</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------|---|---------------------------|
| Governmental Activities | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,601,305 | \$ - | \$ (26,592) | \$ 1,574,713 |
| Construction in progress | 1,930,740 | 61,841 | - | 1,992,581 |
| Total capital assets not being depreciated | <u>3,532,045</u> | <u>61,841</u> | <u>(26,592)</u> | <u>3,567,294</u> |
| Other capital assets: | | | | |
| Infrastructure | 96,202,398 | 415,565 | - | 96,617,963 |
| Buildings | 45,694,979 | 207,994 | (1,330,681) | 44,572,292 |
| Improvements | 4,927,431 | 1,518,311 | (121,870) | 6,323,872 |
| Equipment | 18,167,530 | 2,325,336 | (1,918,940) | 18,573,926 |
| Total other capital assets | <u>164,992,338</u> | <u>4,467,206</u> | <u>(3,371,491)</u> | <u>166,088,053</u> |
| Less accumulated depreciation for: | | | | |
| Infrastructure | (87,673,403) | (187,243) | - | (87,860,646) |
| Buildings | (9,025,525) | (940,392) | 815,564 | (9,150,353) |
| Improvements | (1,944,953) | (1,010,491) | 108,292 | (2,847,152) |
| Equipment | (11,675,358) | (1,062,246) | 971,420 | (11,766,184) |
| Total accumulated depreciation | <u>(110,319,239)</u> | <u>(3,200,372)</u> | <u>1,895,276</u> | <u>(111,624,335)</u> |
| Other capital assets, net | <u>54,673,099</u> | <u>1,266,834</u> | <u>(1,476,215)</u> | <u>54,463,718</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 58,205,144</u> | <u>\$ 1,328,675</u> | <u>\$ (1,502,807)</u> | <u>58,031,012</u> |
| | | | Less associated debt | (16,653,332) |
| | | | Plus deferred charge on refunding | <u>1,019,946</u> |
| | | | Net Investment in Capital Assets | <u>\$ 42,402,129</u> |

Depreciation was charged to governmental functions as follows:

| | |
|---|---------------------|
| General government | \$ 1,189,374 |
| Administration of justice | 709,859 |
| Roads and bridges | 1,236,764 |
| Health and human services | 64,375 |
| Total Governmental Activities Depreciation Expense | <u>\$ 3,200,372</u> |

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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, 2021. 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 | \$ 12,570,000 | \$ - | (1,925,000) | \$ 10,645,000 | \$ 2,015,000 |
| Tax notes | 305,000 | - | (260,000) | 45,000 | 20,000 |
| Obligations under capital leases | 1,256,444 | 1,077,600 | (1,004,173) | 1,329,871 | 1,122,964 |
| Direct borrowings/placements: | | | | | |
| Tax notes | 3,475,000 | 500,000 | (610,000) | 3,365,000 | 760,000 |
| Deferred amounts: | | | | | |
| Premium | 1,519,325 | - | (250,864) | 1,268,461 | 250,864 |
| | <u>19,125,769</u> | <u>1,577,600</u> | <u>(4,050,037)</u> | <u>16,653,332</u> | <u>4,168,828</u> |
| Other: | | | | | |
| Compensated absences | 345,968 | 704,287 | (791,183) | 259,072 | 233,165 |
| Net pension liability | 3,016,265 | 1,968,877 | - | 4,985,142 | - |
| Net OPEB liability | 9,408,596 | - | (156,314) | 9,252,282 | - |
| Landfill closure and post closure care costs | 4,843,016 | 92,511 | - | 4,935,527 | - |
| | <u>17,613,845</u> | <u>2,765,675</u> | <u>(947,497)</u> | <u>19,432,023</u> | <u>233,165</u> |
| Total Governmental Activities | <u>\$ 36,739,614</u> | <u>\$ 4,343,275</u> | <u>\$ (4,997,534)</u> | <u>\$ 36,085,355</u> | <u>\$ 4,401,993</u> |
| | | | | <u>\$ 31,683,362</u> | |
| | | | | <u>\$ 16,653,332</u> | |

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 and net pension and OPEB liability 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, 2021

Long term debt as of September 30, 2021 was comprised of the following debt issues:

| | <u>Interest Rate Percentage</u> | <u>Original Amount</u> | <u>Balance</u> |
|---|-------------------------------------|----------------------------|-----------------------------|
| General Obligation | | | |
| Contractual Obligation, Series 2016 | 1.935 | \$ 2,120,000 | \$ 1,680,000 |
| Contractual Obligation, Series 2017 | 4.000-4.130 | \$ 3,900,000 | 1,650,000 |
| Contractual Obligation, Series 2020 | 4.300-4.125 | \$ 8,340,000 | 7,315,000 |
| | | | <u>10,645,000</u> |
| Tax Notes | | | |
| Series 2016 | 1.93 | \$ 145,000 | <u>45,000</u> |
| From direct borrowings/placements: | | | |
| Series 2015 | 1.93 | \$ 1,060,000 | \$ 160,000 |
| Series 2018 | 2.87 | \$ 995,000 | 640,000 |
| Series 2019 | 2.17 | \$ 1,750,000 | 1,275,000 |
| Series 2020 | 2.30 | \$ 855,000 | 790,000 |
| Series 2021 | 1.21 | \$ 500,000 | <u>500,000</u> |
| Sub total Tax Notes from Direct Borrowings/Placements | | | <u>3,365,000</u> |
| | | | <u>3,410,000</u> |
| Capital Leases | | | |
| Bankcorp South Corporation | 3.35 | \$ 1,077,600 | \$ 1,077,600 |
| First National Bank Leasing | 2.55 | \$ 296,444 | 252,271 |
| | | | <u>1,329,871</u> |
| Total | | | <u><u>\$ 15,384,871</u></u> |

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

| Fiscal Year Ending Sept. 30 | <u>Governmental Activities</u> | | | | | |
|-----------------------------------|--------------------------------|----------------------------|-------------------------|----------------------|----------------------------|-------------------------|
| | <u>General Obligation</u> | | <u>Tax Notes</u> | | <u>Capital Leases</u> | |
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2022 | \$ 2,015,000 | \$ 450,400 | \$ 20,000 | \$ 714 | \$ 1,122,964 | \$ 34,777 |
| 2023 | 2,100,000 | 361,686 | 25,000 | 255 | 206,907 | 6,931 |
| 2024 | 1,335,000 | 281,727 | - | - | - | - |
| 2025 | 1,395,000 | 219,325 | - | - | - | - |
| 2026 | 1,470,000 | 154,277 | - | - | - | - |
| 2027-2031 | 2,330,000 | 117,077 | - | - | - | - |
| Totals | <u><u>\$ 10,645,000</u></u> | <u><u>\$ 1,584,493</u></u> | <u><u>\$ 45,000</u></u> | <u><u>\$ 969</u></u> | <u><u>\$ 1,329,871</u></u> | <u><u>\$ 41,709</u></u> |

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

The annual requirements to amortize debt issues outstanding for the direct borrowings/placements at year end are as follows:

| Fiscal Year Ending Sept. 30 | Direct Borrowings Placement | |
|-----------------------------------|-----------------------------|-------------------|
| | Tax Anticipation Notes | |
| | Principal | Interest |
| 2022 | \$ 760,000 | \$ 57,125 |
| 2023 | 610,000 | 43,792 |
| 2024 | 615,000 | 31,476 |
| 2025 | 625,000 | 18,785 |
| 2026 | 605,000 | 9,096 |
| 2027-2030 | 150,000 | 1,815 |
| Totals | \$ 3,365,000 | \$ 162,088 |

Machinery and equipment net of accumulated depreciation acquired under current capital lease obligations totaled \$1,369,680.

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 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

Transfers between the governmental funds during the year were as follows:

| Transfer Out | Transfer In | Amounts |
|-----------------------------|-----------------------------|-------------------|
| Major funds: | | |
| General fund | Road and bridge fund | \$ 30,139 |
| General fund | Nonmajor governmental funds | 158,976 |
| Road and bridge fund | General fund | 28,410 |
| Nonmajor governmental funds | General fund | 485,824 |
| Nonmajor governmental funds | Nonmajor governmental funds | 403 |
| | Total | \$ 703,752 |

These transfers are for a wide variety of reasons. The transfers from the general fund to the road and bridge and nonmajor governmental funds were made to cover additional expenses. The transfers from the nonmajor governmental and road and bridge funds were made to cover budgeted transfers for the payment of expenditures and salary subsidies that were for special project purposes.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

The composition of interfund balances as of September 30, 2021 is as follows:

| <u>Due to</u> | <u>Due from</u> | <u>Amounts</u> |
|---------------|-----------------------------|------------------|
| General fund | Grant fund | \$ 29,048 |
| General fund | Nonmajor governmental funds | 46,812 |
| | Total | \$ 75,860 |

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

F. Restatement of Fund Balance/Net Position

Beginning fund balance and net position have been restated for the reclassification of the drug forfeiture, elected official fee account, and District clerk – TDCJ fund as a custodial fund. In addition, beginning governmental activities net position was restated for a change in reporting of custodial funds due to the implementation of *Governmental Accounting Standards Board* (“GASB”) Statement No. 84, *Fiduciary Activities*.

| | <u>Net Position</u> | <u>NonMajor Funds</u> | <u>Custodial Funds</u> |
|--|----------------------|---------------------------|----------------------------|
| Beginning net position - as reported in prior year | \$ 45,067,730 | \$ 3,725,147 | \$ - |
| Juvenile probation fund | - | - | (99,417) |
| Adult probation fund | - | - | (133,057) |
| County Clerk probate trust | - | - | 568,797 |
| District Clerk probate trust | - | - | 4,061,548 |
| Drug forfeiture | 166,190 | 166,190 | - |
| Elected official fee account | 45,194 | 45,194 | - |
| District Clerk - TDCJ | 1,990 | 1,990 | - |
| Beginning fund balance/net position - restated | <u>\$ 45,281,104</u> | <u>\$ 3,938,521</u> | <u>\$ 4,397,871</u> |

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 254 other entities in the Texas Association of Counties’ (TAC) Workers’ Compensation Self-Insurance Fund (the “Pool”). TAC 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 TAC’s 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.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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 payouts, and other economic and social factors. No claim liabilities are reported at year end.

The continued spread of the COVID-19 pandemic has given rise in uncertainties that may have a significant negative impact on the operating activities and results of the County. The occurrence and extent of such impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, all of which are uncertain.

C. Landfill Closure and Post Closure Care Costs

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 Agreement also provides for the Contractor to pay for a portion of the closure and post closure care costs 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 amount of the 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 waste management 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 costs of closure and post closure care for 30 years, under permits and regulations currently in effect, is \$12,283,542.

The \$4,935,527 reported as landfill closure and post closure care liability at September 30, 2021 is based on the use of 40.18 percent of the estimated capacity of the landfill. The estimated net decrease in capacity after the permit modification during the year was 0.28 percent related to new estimates of airspace capacity using digital terrain modeling techniques. The accrued liability increased by \$92,511. The County will recognize the remaining estimated cost of closure and post closure care of \$7,348,015 as the remaining estimated capacity is filled. Based on the current rate of materials deposited, the life of the landfill is 18.9 years.

The estimated costs are based on what it would cost to perform all closure and post closure care in 2021 and do not include provisions for inflation. Based on current projections, the present landfill site will be closed in the year 2051. Monitoring would begin on this date and would continue for the next 30 years.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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 care costs. The County has reserved \$805,547 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 Plan

Texas County and District Retirement System

Plan Description

TCDRS is a statewide, agent multiple-employer, public-employee retirement system. TCDRS serves over 800 participating counties and districts throughout Texas. Each employer maintains its own customized plan of benefits. Plan provisions are adopted by the governing body of each employer, within the options available in the TCDRS Act. Employers have the flexibility and local control to adjust benefits annually and pay for those benefits based on their 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 qualified under Section 401(a) of the Internal Revenue Code. All employees (except temporary staff) of a participating employer must be enrolled in TCDRS.

Benefits Provided

TCDRS provides retirement, disability, and death benefits. The benefit 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 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service, but must leave their accumulated contributions in the plan to receive any 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 TCDRS, with interest, and County-financed monetary credits. The level of these monetary credits 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.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Employees Covered by Benefit Terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|--|-------------------|
| Inactive employees or beneficiaries currently receiving benefits | 218 |
| Inactive employees entitled to, but not yet receiving, benefits | 326 |
| Active employees | 312 |
| Total | <u><u>856</u></u> |

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.
- Participating employers are required, by law, to contribute at actuarially determined rates, which are determined annually by the actuary, using the Entry Age Normal 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 14.21 percent and 14.21 percent in calendar years 2020 and 2021, respectively. The County’s contributions to TCDRS for the fiscal year ended September 30, 2021 were \$1,739,704 and were equal to the required contributions.

Net Pension Liability

The County’s Net Pension Liability (NPL) was measured as of December 31, 2020 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, 2020 were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016, except where required to be different by GASB Standard No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68).

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Key assumptions used in the December 31, 2020 actuarial valuation are as follows:

| | |
|-------------------------------|--|
| 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 |
| Amortization Method | Level of percentage of payroll, closed |
| Remaining Amortization Period | 20.0 years |
| Smoothing Period | 5 years |
| Recognition Method | Non-asymptotic |
| Corridor | None |
| Inflation | 2.50% |
| Salary Increases | Varies by age and service. 4.6% average over career, including inflation |
| Investment Rate of Return | 7.5%, net of administrative and investment expenses, including inflation |
| Cost-of-Living Adjustments | Cost-of-living adjustments for the County are not considered to be substantively automatic under GASB 68. Therefore, no 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 on 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 | Geometric Real Rate of Return (Expected minus Inflation) |
|------------------------------------|---|-------------------|--|
| US Equities | Dow Jones U.S. Total Stock Market Index | 11.50% | 4.25% |
| Global Equities | MSCI World (net) Index | 2.50% | 4.55% |
| International Equities - Developed | MSCI World Ex USA (net) Index | 5.00% | 4.25% |
| International Equities - Emerging | MSCI Emerging Markets (net) Index | 6.00% | 4.75% |
| Investment-Grade Bonds | Bloomberg Barclays U.S. Aggregate Bond Index | 3.00% | -0.85% |
| Strategic Credit | FTSE High-Yield Cash-Pay Capped Index | 9.00% | 2.11% |
| Direct Lending | S&P/LSTA Leveraged Loan Index | 16.00% | 6.70% |
| Distressed Debt | Cambridge Associates Distressed Securities Index | 4.00% | 5.70% |
| REIT Equities | 67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index | 2.00% | 3.45% |
| Master Limited Partnerships (MLPs) | Alerian MLP Index | 2.00% | 5.10% |
| Private Real Estate Partnerships | Cambridge Associates Real Estate Index | 6.00% | 4.90% |
| Private Equity | Cambridge Associates Global Private Equity & Venture Capital Index | 25.00% | 7.25% |
| Hedge Funds | Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index | 6.00% | 1.85% |
| Cash Equivalents | 90-day U.S. Treasury | 2.00% | -0.70% |

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Discount Rate

The discount rate used to measure the TPL was 7.6 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, TCDRS'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 | \$ 1,836,800 | \$ - | \$ 1,836,800 |
| Interest | 5,575,809 | - | 5,575,809 |
| Change in current period benefits | - | - | - |
| Difference between expected and actual experience | (506,618) | - | (506,618) |
| Changes in assumptions | 4,354,357 | - | 4,354,357 |
| Contributions - employer | - | 1,726,462 | (1,726,462) |
| Contributions - employee | - | 850,539 | (850,539) |
| Net investment income | - | 6,790,911 | (6,790,911) |
| Benefit payments, including refunds of employee contributions | (3,614,072) | (3,614,072) | - |
| Administrative expense | - | (52,269) | 52,269 |
| Other changes | - | (24,172) | 24,172 |
| Net changes | 7,646,276 | 5,677,399 | 1,968,877 |
| Balance at December 31, 2019 | 68,772,205 | \$ 65,755,940 | \$ 3,016,265 |
| Balance at December 31, 2020 | \$ 76,418,481 | \$ 71,433,339 | \$ 4,985,142 |

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of the County, calculated using the discount rate of 7.6 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 (6.6%) or one percentage point higher (8.6%) than the current rate:

| | 1% Decrease in Discount Rate (6.6%) | Discount Rate (7.6%) | 1% Increase in Discount Rate (8.6%) |
|--------------------------------|---|-------------------------|---|
| County's Net Pension Liability | \$ 15,046,556 | \$ 4,985,142 | \$ (3,415,299) |

Pension Plan Fiduciary Net Position

Detailed information about the TCDRS'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.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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

For the fiscal year ended September 30, 2021, the County recognized pension expense of \$1,766,967.

At September 30, 2020, 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 | \$ 1,551 | \$ 452,303 |
| Changes in actuarial assumptions | 2,902,905 | - |
| Difference between projected and actual investment earnings | - | 2,420,611 |
| Contributions subsequent to the measurement date | 1,259,602 | - |
| Total | \$ 4,164,058 | \$ 2,872,914 |

\$1,259,602 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 NPL for the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year Ended September 30: | Pension Expense |
|--|----------------------------|
| 2022 | \$ 460,231 |
| 2023 | 1,134,346 |
| 2024 | (1,261,256) |
| 2025 | (301,779) |
| Total | \$ 31,542 |

E. Other Postemployment Benefits

Healthcare Plan

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 OPEB plan, known as Polk County Retiree Benefits Trust Plan (the "Plan"). The Commissioners' Court has been appointed as the trustees for the Plan. The trustees have the power to amend or modify this Plan in order to comply with applicable legal requirements or to carry out the purposes of this Plan.

A separate financial report is not issued for the Plan. The financials are presented within the annual comprehensive financial report of Polk County, Texas.

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 TCDRS guidelines, and either (1) has total creditable service with TCDRS and continuous service as a full-time employee of the County for 20 years or more or (2) has total creditable service with 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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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. For employees and elected officials retiring on or after October 1, 2019 who are eligible for the Plan, a maximum of \$800 per month toward the premium for eligible retirees participating in the County’s group health plan (pre-65) will be paid by the County and the retiree will be responsible for any portion of the total premium amount exceeding the County’s maximum contribution.

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 Plan offered by the County. For employees and elected officials retiring on or after October 1, 2018 who are eligible for the Plan, a maximum of \$400 per month toward the premium for eligible retirees electing to participate in the Plan will be paid by the County and the retiree will be responsible for any portion of the total premium amount exceeding the County’s maximum contribution.

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 dependents shall be paid by the retiree. Coverage for spouses or dependents ceases at midnight on the last day of any month in which the premium is not received in the Treasurer’s office when due.

The following provides a summary of the number of participants in the plan as of September 30, 2021:

| | | |
|--|-----|--|
| Inactive employees or beneficiaries currently receiving benefits | 29 | |
| Inactive employees entitled to, but not yet receiving, benefits | - | |
| Active employees | 258 | |
| Total | 287 | |

Net OPEB Liability

The County’s net OPEB liability of \$9,252,282 was determined by an actuarial valuation as of December 31, 2020.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------------|--|
| Inflation | 2.50% |
| Salary increases | 0.50% to 5.00%, not including wage inflation of 3.25%. |
| Discount rate | 2.75% as of December 31, 2019 |
| Actuarial cost method | Individual entry-age normal |
| Demographic assumptions | Based on experience study covering the four-year period ending December 31, 2016 as conducted for TCDRS. For the OPEB valuation, the standard TCDRS retirement rates were adjusted to reflect the impact of the County's retiree medical plan design. |
| Mortality | For healthy retirees, the gender-distinct RP2014 Healthy Annuitant Mortality Tables are used with male rates multiplied by 130% and female rates multiplied by 110%. Those rates are projected on a fully generational basis on 110% of the ultimate rates of Scale MP-2014. |
| Healthcare costs trend rate | Pre-65: Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years; Post-65: Initial rate of 6.50% declining to an ultimate rate of 4.25% after 15 years. |
| Participation rates | 95% of retirees that are eligible for subsidized coverage; 0% of retirees that are not eligible for subsidized coverage |

Funding Policy

The County has elected to finance the Plan on a pay-as-you-go basis, paying an amount each year equal to the claims paid.

Investments

The Plan is authorized to invest in the same options available to the County as authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code. Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. No investments were held by the Plan as of its most recent fiscal year end.

Changes in the Net OPEB Liability

| | <u>Total OPEB Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Net OPEB Liability</u> |
|---|---------------------------------|--|-------------------------------|
| Changes for the year: | | | |
| Service cost | \$ 447,446 | \$ - | \$ 447,446 |
| Interest | 322,394 | - | 322,394 |
| Change in benefit terms | (594,278) | - | (594,278) |
| Difference between expected and actual experience | (238,270) | - | (238,270) |
| Changes in assumption | 1,193,271 | - | 1,193,271 |
| Employer contributions | - | 1,272,783 | (1,272,783) |
| Net investment income | - | 14,094 | (14,094) |
| Benefit payments | (325,265) | (325,265) | - |
| Administrative expense | - | - | - |
| Net Changes | <u>805,298</u> | <u>961,612</u> | <u>(156,314)</u> |
| Beginning balance | 11,662,317 | \$ 2,253,721 | \$ 9,408,596 |
| Ending Balance | <u>\$ 12,467,615</u> | <u>\$ 3,215,333</u> | <u>\$ 9,252,282</u> |

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Consistent with the requirements of GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, the employer contributions include amounts for OPEB as the benefits come due that will not be reimbursed to the employer using OPEB plan assets. The employer contributions shown above include trust contributions of \$602,448 and implicit benefit payments of \$61,251 which were paid by the County using its own assets.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

| | 1% Decrease in Discount Rate (1.75%) | Discount Rate (2.75%) | 1% Increase in Discount Rate (3.75%) |
|-----------------------------|---|----------------------------------|---|
| County's Net OPEB Liability | \$ 11,146,434 | \$ 9,252,282 | \$ 7,698,181 |

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

| | 1% Decrease | Current Healthcare Cost Trend Rate | 1% Increase |
|-----------------------------|--------------------|---|--------------------|
| County's Net OPEB Liability | \$ 8,323,281 | \$ 9,252,282 | \$ 10,379,265 |

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the County recognized OPEB expense of \$153,668. The County reported deferred outflows/inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 30,794 | \$ 2,701,765 |
| Changes in actuarial assumptions | 3,070,727 | - |
| Excess investment returns | 55,738 | - |
| Contributions subsequent to the measurement date | 170,600 | - |
| Total | \$ 3,327,859 | \$ 2,701,765 |

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Fiscal Year Ended</u> <u>September 30</u> | <u>OPEB</u> <u>Expense</u> |
|---|-------------------------------|
| 2022 | \$ (46,292) |
| 2023 | (42,736) |
| 2024 | (38,745) |
| 2025 | (38,437) |
| 2026 | (27,618) |
| Thereafter | (261,666) |
| Total | \$ (455,494) |

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 (the “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

1. Long-Term Debt

The following is a summary of changes in the Corporation’s total governmental long-term liabilities for the year ended September 30, 2021. The Corporation uses the general fund to liquidate governmental long-term liabilities.

| | <u>Beginning</u> <u>Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending</u> <u>Balance</u> | <u>Due Within</u> <u>One Year</u> |
|--------------------------------------|------------------------------------|------------------|--|---------------------------------|--------------------------------------|
| Governmental Activities: | | | | | |
| Bonds payable: | | | | | |
| 2017 Project Revenue Bonds | \$ 18,280,000 | \$ - | \$ (4,520,000) | \$ 13,760,000 | \$ 3,165,000 |
| Total Governmental Activities | <u>\$ 18,280,000</u> | <u>\$ -</u> | <u>\$ (4,520,000)</u> | <u>\$ 13,760,000</u> | <u>\$ 3,165,000</u> |
| | | | Long-term liabilities due in more than one year | <u>\$ 10,595,000</u> | |

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

In October 2020, the Trustee conducted a Reverse Dutch Auction whereas \$2,165,000 was retired for \$1,465,750, resulting in a gain of \$699,250. In April 2021, the Trustee conducted a Reverse Dutch Auction whereas \$2,355,000 was a gain of \$700,088. This totals a gain for the fiscal year of \$1,399,338.

Long-term debt obligations of the Corporation as of September 30, 2021 are as follows:

| Fiscal Year Ending Sept. 30 | Principal | Interest | Total |
|--|----------------------|---------------------|----------------------|
| 2022 | \$ 3,165,000 | \$ 335,900 | \$ 3,500,900 |
| 2023 | 3,225,000 | 271,318 | 3,496,318 |
| 2024 | 3,295,000 | 204,290 | 3,499,290 |
| 2025 | 3,355,000 | 208,010 | 3,563,010 |
| 2026 | 720,000 | 44,640 | 764,640 |
| Total | \$ 13,760,000 | \$ 1,064,158 | \$ 14,824,158 |

Long-term liabilities applicable to the Corporation’s governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental fund. Interest on long-term debt is not accrued in the governmental fund, but rather is recognized as an expenditure when due.

The debt service of the 2017 Project Revenue Bonds (the “Bonds”) is payable from project revenues as a result of the operation of the Corporation’s facility. The Bonds do not constitute an obligation, either special, general, or moral, of the County, the State, or any other political subdivision thereof.

At least 30, but not more than 60, days prior to any sinking fund payment date, each bond holder shall have right, but not the obligation, to offer its bonds for purchase by the issuer in lieu of sinking fund redemption pursuant to a Reverse Dutch Auction at a price less than the principal amount thereof from funds available therefore in the bond fund.

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.

2. Subsequent Events for Component Unit

Reverse Dutch Auction

Subsequent to year end, the Trustees initiated the November 2021 Reverse Dutch Auction in which \$1,975,000 in bonds was retired for \$1,573,397, resulting in a gain on extinguishment of debt of \$401,603. The next Reverse Dutch Auction is scheduled for April 2022, of which the results are presently unknown.

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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, 2021

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Revenues | | | | |
| Property taxes | \$ 13,504,026 | \$ 13,504,026 | \$ 13,987,092 | \$ 483,066 |
| Sales taxes | 2,400,000 | 2,400,000 | 3,173,120 | 773,120 |
| Other taxes | 368,000 | 368,000 | 445,992 | 77,992 |
| Fines and forfeitures | 585,350 | 586,850 | 523,246 | (63,604) |
| Charges for services | 1,287,400 | 1,287,400 | 1,390,604 | 103,204 |
| Intergovernmental | 1,077,847 | 1,105,663 | 1,228,156 | 122,493 |
| Licenses and permits | 185,875 | 185,875 | 336,168 | 150,293 |
| Investment income | 120,000 | 120,000 | 25,375 | (94,625) |
| Other revenue | 1,192,704 | 1,430,954 | 1,482,780 | 51,826 |
| Total Revenues | 20,721,202 | 20,988,768 | 22,592,533 | 1,603,765 |
| Expenditures | | | | |
| General Government: | | | | |
| County Judge | 259,868 | 259,893 | 237,443 | 22,450 |
| Commissioners' Court | 797,848 | 882,019 | 786,608 | 95,411 |
| County Clerk | 705,780 | 747,987 | 724,405 | 23,582 |
| County Treasurer | 185,266 | 186,391 | 174,879 | 11,512 |
| County Auditor | 342,935 | 342,935 | 308,056 | 34,879 |
| Data processing | 513,595 | 824,472 | 809,885 | 14,587 |
| Human resources | 194,123 | 194,671 | 186,886 | 7,785 |
| Fire Marshall | 99,269 | 104,487 | 99,542 | 4,945 |
| Maintenance | 911,068 | 926,008 | 860,263 | 65,745 |
| Fire department support | 199,778 | 199,778 | 198,100 | 1,678 |
| Emergency management | 278,421 | 869,385 | 857,948 | 11,437 |
| General operating | 1,381,840 | 1,424,740 | 1,411,087 | 13,653 |
| Grants and contracts | 53,303 | 54,368 | 53,322 | 1,046 |
| Other unclassified | 368,774 | 375,322 | 370,101 | 5,221 |
| | 6,291,868 | 7,392,456 | 7,078,525 | 313,931 |
| Administration of Justice: | | | | |
| Jury | 80,023 | 80,023 | 43,983 | 36,040 |
| County Court-at-law | 781,857 | 781,857 | 664,037 | 117,820 |
| District Clerk | 565,752 | 568,972 | 545,368 | 23,604 |
| District Judges | 1,202,891 | 1,150,145 | 911,787 | 238,358 |
| Pretrial services | 4,000 | 4,000 | 3,438 | 562 |
| Justice of the Peace Pct. 1 | 234,327 | 234,555 | 227,366 | 7,189 |
| Justice of the Peace Pct. 2 | 193,217 | 196,405 | 194,867 | 1,538 |
| Justice of the Peace Pct. 3 | 185,648 | 186,856 | 180,899 | 5,957 |
| Justice of the Peace Pct. 4 | 180,189 | 181,917 | 179,563 | 2,354 |
| District Attorney | 1,211,398 | 1,224,098 | 1,153,397 | 70,701 |
| Sheriff | 4,009,755 | 4,062,933 | 4,025,436 | 37,497 |
| Jail | 3,294,520 | 3,453,288 | 3,272,604 | 180,684 |
| Constables | 240,536 | 247,937 | 229,363 | 18,574 |
| Department of Public Safety | 74,415 | 74,415 | 72,065 | 2,350 |
| | 12,258,528 | 12,447,401 | 11,704,173 | 743,228 |

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, 2021

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-------------------|-----------------------|----------------------|---|
| | Original | Final | | |
| <u>Expenditures (continued)</u> | | | | |
| Health and Human Services: | | | | |
| Museum | \$ 58,695 | \$ 59,579 | \$ 55,819 | \$ 3,760 |
| Permit/inspections | 118,530 | 121,030 | 111,417 | 9,613 |
| Social services | 432,380 | 433,595 | 311,988 | 121,607 |
| Veterans services | 61,244 | 61,244 | 58,271 | 2,973 |
| County extension | 117,443 | 117,443 | 117,098 | 345 |
| Environmental services | 93,583 | 98,196 | 91,606 | 6,590 |
| | <u>881,875</u> | <u>891,087</u> | <u>746,199</u> | <u>144,888</u> |
| Tax Administration: | | | | |
| Appraisal District | 481,658 | 481,658 | 479,587 | 2,071 |
| Tax Assessor Collector | 991,872 | 994,872 | 895,101 | 99,771 |
| | <u>1,473,530</u> | <u>1,476,530</u> | <u>1,374,688</u> | <u>101,842</u> |
| Debt Service: | | | | |
| Debt issuance costs | - | 26,750 | 26,750 | - |
| Capital Outlay | | | | |
| | <u>133,000</u> | <u>597,849</u> | <u>437,810</u> | <u>160,039</u> |
| Total Expenditures | <u>21,038,801</u> | <u>22,832,073</u> | <u>21,368,145</u> | <u>1,463,928</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(317,599)</u> | <u>(1,843,305)</u> | <u>1,224,388</u> | <u>3,067,693</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers in | 513,924 | 514,235 | 514,235 | - |
| Transfers (out) | (158,976) | (189,115) | (189,115) | - |
| Debt issuance | - | 443,461 | 446,079 | 2,618 |
| Total Other Financing Sources | <u>354,948</u> | <u>768,581</u> | <u>771,199</u> | <u>2,618</u> |
| Net Change in Fund Balance | <u>\$ 37,349</u> | <u>\$ (1,074,724)</u> | 1,995,587 | <u>\$ 3,070,311</u> |
| Beginning fund balance | | | <u>14,295,116</u> | |
| Ending Fund Balance | | | <u>\$ 16,290,703</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, 2021

| | <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 | \$ 4,963,740 | \$ 4,963,740 | \$ 5,141,403 | \$ 177,663 |
| Other taxes | 985,000 | 985,000 | 926,822 | (58,178) |
| Fines and forfeitures | 72,500 | 72,500 | 63,982 | (8,518) |
| Intergovernmental | - | - | 23,685 | 23,685 |
| Investment income | 31,400 | 31,400 | 1,111 | (30,289) |
| Other revenue | 49,300 | 77,881 | 152,463 | 74,582 |
| Total Revenues | 6,101,940 | 6,130,521 | 6,309,466 | 178,945 |
| <u>Expenditures</u> | | | | |
| Roads and bridges: | | | | |
| Precinct 1 | 1,333,223 | 1,452,832 | 1,189,965 | 262,867 |
| Precinct 2 | 1,381,282 | 1,788,790 | 1,752,091 | 36,699 |
| Precinct 3 | 1,665,311 | 1,834,137 | 1,790,714 | 43,423 |
| Precinct 4 | 1,608,218 | 1,861,721 | 1,643,427 | 218,294 |
| Debt service: | | | | |
| Principal | 1,004,152 | 1,004,173 | 1,004,173 | - |
| Interest | 41,345 | 41,324 | 18,910 | 22,414 |
| Capital outlay | | | | |
| | - | 1,686,037 | 1,656,286 | 29,751 |
| Total Expenditures | 7,033,531 | 9,669,014 | 9,055,566 | 613,448 |
| (Deficiency) of Revenues | | | | |
| (Under) Expenditures | (931,591) | (3,538,493) | (2,746,100) | 792,393 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers in | 85,497 | 85,497 | 30,139 | (55,358) |
| Transfers (out) | (113,906) | (113,906) | (28,410) | 85,496 |
| Debt issuance | - | 1,131,521 | 1,131,521 | - |
| Gain on sale of capital assets | 960,000 | 960,000 | 960,000 | - |
| Total Other Financing Sources | 931,591 | 2,063,112 | 2,093,250 | 30,138 |
| Net Change in Fund Balance | \$ - | \$ (1,475,381) | (652,850) | \$ 822,531 |
| Beginning fund balance | | | 2,386,247 | |
| Ending Fund Balance | | | \$ 1,733,397 | |

Notes to Required Supplementary Information:

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

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, 2021

| | Measurement Year* | | | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2014 | 2015 | 2016 | 2017 |
| Total Pension Liability | | | | |
| Service cost | \$ 1,609,408 | \$ 1,635,340 | \$ 1,775,942 | \$ 1,800,150 |
| Interest (on the total pension liability) | 3,913,810 | 4,187,330 | 4,425,097 | 4,723,059 |
| Changes of benefit terms | - | (312,590) | - | 109,415 |
| Difference between expected and actual experience | (345,432) | (878,518) | (940,817) | (637,391) |
| Change of assumptions | - | 575,540 | - | 183,374 |
| Benefit payments, including refunds of employee contributions | (1,834,960) | (2,054,587) | (2,375,085) | (2,652,608) |
| Net Change in Total Pension Liability | <u>3,342,826</u> | <u>3,152,515</u> | <u>2,885,137</u> | <u>3,525,999</u> |
| Beginning total pension liability | <u>48,429,228</u> | <u>51,772,054</u> | <u>54,924,569</u> | <u>57,809,706</u> |
| Ending Total Pension Liability | <u><u>\$ 51,772,054</u></u> | <u><u>\$ 54,924,569</u></u> | <u><u>\$ 57,809,706</u></u> | <u><u>\$ 61,335,705</u></u> |
| Plan Fiduciary Net Position | | | | |
| Contributions - employer | \$ 1,311,060 | \$ 1,294,127 | \$ 1,300,420 | \$ 1,438,245 |
| Contributions - employee | 742,511 | 749,514 | 769,300 | 787,437 |
| Net investment income | 3,140,528 | (761,831) | 3,616,677 | 7,556,897 |
| Benefit payments, including refunds of employee contributions | (1,834,961) | (2,054,587) | (2,375,085) | (2,652,608) |
| Administrative expense | (37,125) | (35,522) | (39,392) | (39,173) |
| Other | (184,795) | 13,191 | (406,128) | (6,091) |
| Net Change in Plan Fiduciary Net Position | <u>3,137,218</u> | <u>(795,108)</u> | <u>2,865,792</u> | <u>7,084,707</u> |
| Beginning plan fiduciary net position | <u>46,611,088</u> | <u>49,748,306</u> | <u>48,953,198</u> | <u>51,818,990</u> |
| Ending Plan Fiduciary Net Position | <u><u>\$ 49,748,306</u></u> | <u><u>\$ 48,953,198</u></u> | <u><u>\$ 51,818,990</u></u> | <u><u>\$ 58,903,697</u></u> |
| Net Pension Liability | <u><u>\$ 2,023,748</u></u> | <u><u>\$ 5,971,371</u></u> | <u><u>\$ 5,990,716</u></u> | <u><u>\$ 2,432,008</u></u> |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 96.09% | 89.13% | 89.64% | 96.03% |
| Covered Payroll | \$ 10,607,304 | \$ 10,677,523 | \$ 11,032,245 | \$ 10,957,089 |
| Net Pension Liability as a Percentage of Covered Payroll | 19.08% | 55.92% | 54.30% | 22.20% |

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

Measurement Year*

| 2018 | 2019 | 2020 |
|---------------|---------------|---------------|
| \$ 1,689,624 | \$ 1,717,165 | \$ 1,836,800 |
| 4,992,429 | 5,292,389 | 5,575,809 |
| - | - | - |
| 6,205 | (229,118) | (506,618) |
| - | - | 4,354,357 |
| (2,836,014) | (3,196,180) | (3,614,072) |
| 3,852,244 | 3,584,256 | 7,646,276 |
| 61,335,705 | 65,187,949 | 68,772,205 |
| \$ 65,187,949 | \$ 68,772,205 | \$ 76,418,481 |

| | | |
|---------------|---------------|---------------|
| \$ 1,520,716 | \$ 1,571,701 | \$ 1,726,462 |
| 794,408 | 826,589 | 850,539 |
| (1,103,184) | 9,398,114 | 6,790,911 |
| (2,836,014) | (3,196,180) | (3,614,072) |
| (45,962) | (50,109) | (52,269) |
| (9,768) | (18,068) | (24,172) |
| (1,679,804) | 8,532,047 | 5,677,399 |
| 58,903,697 | 57,223,893 | 65,755,940 |
| \$ 57,223,893 | \$ 65,755,940 | \$ 71,433,339 |
| \$ 7,964,056 | \$ 3,016,265 | \$ 4,985,142 |

87.78% 95.61% 93.48%

\$ 11,348,691 \$ 11,808,411 \$ 12,150,551

70.18% 25.54% 41.03%

POLK COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Year Ended September 30, 2021

| | Fiscal Year* | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2014 | 2015 | 2016 | 2017 |
| Actuarially determined contribution | \$ 1,289,676 | \$ 1,302,182 | \$ 1,257,017 | \$ 1,375,377 |
| Contributions in relation to the actuarially determined contribution | <u>1,289,676</u> | <u>1,302,182</u> | <u>1,257,017</u> | <u>1,375,377</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 10,160,018 | \$ 10,693,266 | \$ 10,597,164 | \$ 10,860,701 |
| Contributions as a percentage of covered payroll | 12.69% | 12.18% | 11.86% | 12.66% |

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

Notes to Required Supplementary Information:

1. There were no benefit changes during the year.

Fiscal Year*

| <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|------------------|------------------|------------------|------------------|
| \$ 1,494,403 | \$ 1,520,716 | \$ 1,689,122 | \$ 1,726,462 |
| <u>1,494,403</u> | <u>1,520,716</u> | <u>1,689,122</u> | <u>1,726,462</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 11,244,476 | \$ 11,640,558 | \$ 12,098,729 | \$ 12,242,817 |
| 13.29% | 13.06% | 13.96% | 14.10% |

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POLK COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
For the Year Ended September 30, 2021

| | Measurement Year* | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2017 | 2018 | 2019 | 2020 |
| Total OPEB Liability | | | | |
| Service cost | \$ 1,056,692 | \$ 1,277,734 | \$ 386,941 | \$ 447,446 |
| Interest (on the total OPEB liability) | 658,785 | 682,731 | 373,435 | 322,394 |
| Changes of benefit terms | - | (8,228,980) | - | (594,278) |
| Difference between expected and actual experience | (2,118) | (3,792,181) | 39,938 | (238,270) |
| Changes of assumptions | 1,746,883 | 224,992 | 1,143,965 | 1,193,271 |
| Benefit payments | (219,817) | (250,958) | (308,230) | (325,265) |
| Net Change in Total OPEB Liability | 3,240,425 | (10,086,662) | 1,636,049 | 805,298 |
| Beginning total OPEB liability | 16,872,505 | 20,112,930 | 10,026,268 | 11,662,317 |
| Ending Total OPEB Liability | \$ 20,112,930 | \$ 10,026,268 | \$ 11,662,317 | \$ 12,467,615 |
| Plan Fiduciary Net Position | | | | |
| Contributions - employer | \$ 514,673 | \$ 580,708 | \$ 663,699 | \$ 1,272,783 |
| OPEB plan net investment income | 15,783 | 21,707 | 49,164 | 14,094 |
| Benefit payments | (219,817) | (250,958) | (308,230) | (325,265) |
| OPEB plan administrative expense | (6,798) | (1,800) | (3,000) | - |
| Other | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | 303,841 | 349,657 | 401,633 | 961,612 |
| Beginning plan fiduciary net position | 1,198,590 | 1,502,431 | 1,852,088 | 2,253,721 |
| Ending Plan Fiduciary Net Position | \$ 1,502,431 | \$ 1,852,088 | \$ 2,253,721 | \$ 3,215,333 |
| Net OPEB Liability | \$ 18,610,499 | \$ 8,174,180 | \$ 9,408,596 | \$ 9,252,282 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 7.47% | 18.47% | 19.32% | 25.79% |
| Covered Payroll | \$ 9,598,064 | \$ 11,348,691 | \$ 11,808,411 | \$ 10,529,006 |
| Net OPEB Liability as a Percentage of Covered Payroll | 193.90% | 72.03% | 79.68% | 87.87% |

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

Notes to Required Supplementary Information:

1. Changes in Assumptions

Changes in assumptions reflect a change in the discount rate from 3.31% as of December 31, 2018 to 3.71% as of December 31, 2019, updates to the participation assumption for future subsidized retirees, and updates to the health care trend assumption.

2. Changes in Benefits

Changes in benefit terms reflect a \$400 maximum monthly premium contribution from the County for Medicare retirees who retire after October 1, 2018 and \$800 maximum monthly premium contribution from the County for non-Medicare retirees who retire after October 1, 2019. At the same time, Changes of benefit terms reflect higher deductibles, co-pays, and other out-of-pocket costs for non-Medicare retirees.

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***COMBINING STATEMENTS
AND SCHEDULES***

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

County and District Court Technology - This fund and the associated fees 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/motel occupancy tax and expenditures for improvements that serve the purpose of attracting visitors and tourists.

Justice Court Technology Fund - This fund is used to account for fees collected by Justice Court and 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 (TDCJ) 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 Management Fund - This fund is used to account for all revenues generated from the operation of the County landfill and citizens' collection stations.

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 Fund - 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.

Child Abuse Prevention Fund - This fund is used to account for special fees collected for the purpose of child abuse prevention.

Fire Marshall - This fund is restricted for the administration and enforcement of the fire code.

Guardianship Fund - This fund is used to account for the legislated fees collected in probate cases and administered by the Commissioners' Court for guardianship programs.

Court Reporter Service Fund - This fund is used to account for the legislated fees collected as a court cost in civil cases to be used to assist in the payment of court-reporter related services.

Grant Fund - This fund is used to account for funds received from State and/or Federal Grant programs and utilized for restricted purposes, such as disaster recovery.

CDBG Buyout Fund - This fund is used to account for CDBG buyout funds received by the County.

County Speciality Court Fund - This fund is used to account for fees collected for special purposes.

Permanent Fund

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

Permanent School 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 that are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlay, 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.

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POLK COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 4)
September 30, 2021

| Special Revenue Funds | | | | |
|---|---|------------------------|------------------|-------------------|
| | County and District Court Technology | Courthouse Security | Law Library | Aging |
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 11,850 | \$ 27,763 | \$ 89,267 | \$ 126,087 |
| Receivables, net | - | - | - | 7,483 |
| Total Assets | \$ 11,850 | \$ 27,763 | \$ 89,267 | \$ 133,570 |
| <u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u> | | | | |
| <u>Liabilities:</u> | | | | |
| Accounts payable | \$ - | \$ 8,428 | \$ - | \$ 14,190 |
| Unearned revenue | - | - | - | - |
| Due to other funds | - | - | - | 46,812 |
| Total Liabilities | - | 8,428 | - | 61,002 |
| <u>Fund Balances:</u> | | | | |
| Restricted: | | | | |
| Special projects | 11,850 | 19,335 | 89,267 | 72,568 |
| Capital projects | - | - | - | - |
| Endowments/trusts | - | - | - | - |
| Total Fund Balances | 11,850 | 19,335 | 89,267 | 72,568 |
| Total Liabilities, Deferred Inflows of of Resources, and Fund Balances | \$ 11,850 | \$ 27,763 | \$ 89,267 | \$ 133,570 |

Special Revenue Funds

| County Records Mgmt. | County Clerk Records Preservation | Hotel/Motel Tax | Justice Court Technology | Historical Commission | Available School |
|-------------------------------------|--|----------------------------|---|----------------------------------|-----------------------------|
| \$ 41,065 | \$ 1,064,601 | \$ 102,384 | \$ 2,918 | \$ 314,979 | \$ 254,556 |
| - | - | 15,915 | - | - | - |
| <u>\$ 41,065</u> | <u>\$ 1,064,601</u> | <u>\$ 118,299</u> | <u>\$ 2,918</u> | <u>\$ 314,979</u> | <u>\$ 254,556</u> |
| \$ - | \$ - | \$ 23,093 | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>23,093</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 41,065 | 1,064,601 | 95,206 | 2,918 | 314,979 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | 254,556 |
| <u>41,065</u> | <u>1,064,601</u> | <u>95,206</u> | <u>2,918</u> | <u>314,979</u> | <u>254,556</u> |
| <u>\$ 41,065</u> | <u>\$ 1,064,601</u> | <u>\$ 118,299</u> | <u>\$ 2,918</u> | <u>\$ 314,979</u> | <u>\$ 254,556</u> |

POLK COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 4)
September 30, 2021

| | Special Revenue Funds | | | |
|---|---|--|-------------------|--------------------------------|
| | District Attorney Collection | District Clerk Records Preservation | Forfeiture | District Clerk TDCJ |
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 30,975 | \$ 86,930 | \$ 699,603 | \$ 7,428 |
| Receivables, net | - | - | - | - |
| Total Assets | \$ 30,975 | \$ 86,930 | \$ 699,603 | \$ 7,428 |
| <u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u> | | | | |
| <u>Liabilities:</u> | | | | |
| Accounts payable | \$ 880 | \$ - | \$ 327 | \$ - |
| Unearned revenue | - | - | - | - |
| Due to other funds | - | - | - | - |
| Total Liabilities | 880 | - | 327 | - |
| <u>Fund Balances:</u> | | | | |
| Restricted: | | | | |
| Special projects | 30,095 | 86,930 | 699,276 | 7,428 |
| Capital projects | - | - | - | - |
| Endowments/trusts | - | - | - | - |
| Total Fund Balances | 30,095 | 86,930 | 699,276 | 7,428 |
| Total Liabilities, Deferred Inflows of of Resources, and Fund Balances | \$ 30,975 | \$ 86,930 | \$ 699,603 | \$ 7,428 |

Special Revenue Funds

| Judiciary | Officials' Fee Account | Sheriff Federal Revenue Sharing | District Attorney's Check Restitution | Waste Management | Jail Commissary |
|-------------------|-------------------------------|--|--|-------------------------|------------------------|
| \$ 140,364 | \$ 34,945 | \$ 26,538 | \$ 288 | \$ 326,476 | \$ 142,631 |
| - | - | - | - | 117,959 | - |
| <u>\$ 140,364</u> | <u>\$ 34,945</u> | <u>\$ 26,538</u> | <u>\$ 288</u> | <u>\$ 444,435</u> | <u>\$ 142,631</u> |
| | | | | | |
| \$ 140,364 | \$ - | \$ - | \$ 288 | \$ - | \$ 2,718 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>140,364</u> | <u>-</u> | <u>-</u> | <u>288</u> | <u>-</u> | <u>2,718</u> |
| | | | | | |
| - | 34,945 | 26,538 | - | 444,435 | 139,913 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>-</u> | <u>34,945</u> | <u>26,538</u> | <u>-</u> | <u>444,435</u> | <u>139,913</u> |
| | | | | | |
| <u>\$ 140,364</u> | <u>\$ 34,945</u> | <u>\$ 26,538</u> | <u>\$ 288</u> | <u>\$ 444,435</u> | <u>\$ 142,631</u> |

POLK COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 4)
September 30, 2021

| | Special Revenue Funds | | | |
|---|--|--|-----------------------------------|---------------------------------------|
| | District Attorney Special | Justice Court Building Security | Pre-Trial Intervention | Child Abuse Prevention |
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 5,005 | \$ 52,014 | \$ 126,407 | \$ 2,481 |
| Receivables, net | - | - | - | - |
| Total Assets | \$ 5,005 | \$ 52,014 | \$ 126,407 | \$ 2,481 |
| <u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u> | | | | |
| <u>Liabilities:</u> | | | | |
| Accounts payable | \$ 1,952 | \$ 620 | \$ - | \$ - |
| Unearned revenue | - | - | - | - |
| Due to other funds | - | - | - | - |
| Total Liabilities | 1,952 | 620 | - | - |
| <u>Fund Balances:</u> | | | | |
| Restricted: | | | | |
| Special projects | 3,053 | 51,394 | 126,407 | 2,481 |
| Capital projects | - | - | - | - |
| Endowments/trusts | - | - | - | - |
| Total Fund Balances | 3,053 | 51,394 | 126,407 | 2,481 |
| Total Liabilities, Deferred Inflows of of Resources, and Fund Balances | \$ 5,005 | \$ 52,014 | \$ 126,407 | \$ 2,481 |

Special Revenue Funds

| Fire Marshall | Guardianship | Court Reporter Service | Grant | CDBG Buyout | County Specialty Court |
|--------------------------|---------------------|-----------------------------------|-------------------|------------------------|---------------------------------------|
| \$ 6,205 | \$ 9,261 | \$ 334 | \$ 246,168 | \$ - | \$ 4,503 |
| - | - | - | 33,684 | - | - |
| <u>\$ 6,205</u> | <u>\$ 9,261</u> | <u>\$ 334</u> | <u>\$ 279,852</u> | <u>\$ -</u> | <u>\$ 4,503</u> |
| | | | | | |
| \$ 363 | \$ - | \$ - | \$ 29,791 | \$ - | \$ - |
| - | - | - | 221,013 | - | - |
| - | - | - | 29,048 | - | - |
| <u>363</u> | <u>-</u> | <u>-</u> | <u>279,852</u> | <u>-</u> | <u>-</u> |
| | | | | | |
| 5,842 | 9,261 | 334 | - | - | - |
| - | - | - | - | - | 4,503 |
| - | - | - | - | - | - |
| <u>5,842</u> | <u>9,261</u> | <u>334</u> | <u>-</u> | <u>-</u> | <u>4,503</u> |
| | | | | | |
| <u>\$ 6,205</u> | <u>\$ 9,261</u> | <u>\$ 334</u> | <u>\$ 279,852</u> | <u>\$ -</u> | <u>\$ 4,503</u> |

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POLK COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 4 of 4)
September 30, 2021

| | <u>Permanent Fund</u> | <u>Capital Projects Fund</u> | <u>Total Nonmajor Governmental Funds</u> |
|---|-----------------------------|---|--|
| | <u>Permanent School</u> | <u>College/ Commerce Center</u> | |
| <u>Assets</u> | | | |
| Cash and cash equivalents | \$ 567,361 | \$ - | \$ 4,551,387 |
| Receivables, net | - | - | 175,041 |
| Total Assets | <u>\$ 567,361</u> | <u>\$ -</u> | <u>\$ 4,726,428</u> |
| <u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u> | | | |
| <u>Liabilities:</u> | | | |
| Accounts payable | \$ - | \$ - | \$ 223,014 |
| Unearned revenue | - | - | 221,013 |
| Due to other funds | - | - | 75,860 |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>519,887</u> |
| <u>Fund Balances:</u> | | | |
| Restricted: | | | |
| Special projects | - | - | 3,380,121 |
| Capital projects | - | - | 4,503 |
| Endowments/trusts | 567,361 | - | 821,917 |
| Total Fund Balances | <u>567,361</u> | <u>-</u> | <u>4,206,541</u> |
| Total Liabilities, Deferred Inflows of of Resources, and Fund Balances | <u>\$ 567,361</u> | <u>\$ -</u> | <u>\$ 4,726,428</u> |

POLK COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 4)
For the Year Ended September 30, 2021

| | Special Revenue Funds | | | |
|--|---|--------------------------------|------------------------|------------------|
| | County and District Court Technology | Courthouse Security | Law Library | Aging |
| Revenues | | | | |
| Other taxes | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeitures | 1,991 | 1,801 | - | - |
| Charge for services | - | 26,182 | 12,685 | - |
| Intergovernmental | - | - | - | 340,466 |
| Investment income | - | - | - | - |
| Other revenue | - | - | - | 4,119 |
| Total Revenues | <u>1,991</u> | <u>27,983</u> | <u>12,685</u> | <u>344,585</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | 8,207 | - |
| Administration of justice | - | 150,961 | - | - |
| Health and human services | - | - | - | 356,895 |
| Capital outlay | <u>-</u> | <u>38,500</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>-</u> | <u>189,461</u> | <u>8,207</u> | <u>356,895</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,991</u> | <u>(161,478)</u> | <u>4,478</u> | <u>(12,310)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | 158,975 | - | - |
| Transfers (out) | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>158,975</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | 1,991 | (2,503) | 4,478 | (12,310) |
| Beginning fund balances | <u>9,859</u> | <u>21,838</u> | <u>84,789</u> | <u>84,878</u> |
| Ending Fund Balances | <u>\$ 11,850</u> | <u>\$ 19,335</u> | <u>\$ 89,267</u> | <u>\$ 72,568</u> |

Special Revenue Funds

| County Records Mgmt. | County Clerk Records Preservation | Hotel/Motel Tax | Justice Court Technology | Historical Commission | Available School |
|-------------------------------------|--|----------------------------|---|----------------------------------|-----------------------------|
| \$ - | \$ - | \$ 54,245 | \$ - | \$ - | \$ - |
| 4,503 | - | - | 2,918 | - | - |
| 13,716 | 344,928 | - | - | - | - |
| - | - | - | - | - | - |
| - | 157 | - | - | 786 | 479 |
| - | - | - | - | 50 | 157,007 |
| <u>18,219</u> | <u>345,085</u> | <u>54,245</u> | <u>2,918</u> | <u>836</u> | <u>157,486</u> |
| - | 47,680 | 41,576 | - | - | 163,173 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>-</u> | <u>47,680</u> | <u>41,576</u> | <u>-</u> | <u>-</u> | <u>163,173</u> |
| <u>18,219</u> | <u>297,405</u> | <u>12,669</u> | <u>2,918</u> | <u>836</u> | <u>(5,687)</u> |
| - | - | - | - | - | 403 |
| - | (145,824) | - | - | - | - |
| <u>-</u> | <u>(145,824)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>403</u> |
| 18,219 | 151,581 | 12,669 | 2,918 | 836 | (5,284) |
| <u>22,846</u> | <u>913,020</u> | <u>82,537</u> | <u>-</u> | <u>314,143</u> | <u>259,840</u> |
| <u>\$ 41,065</u> | <u>\$ 1,064,601</u> | <u>\$ 95,206</u> | <u>\$ 2,918</u> | <u>\$ 314,979</u> | <u>\$ 254,556</u> |

POLK COUNTY, TEXAS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 4)
For the Year Ended September 30, 2021

| | Special Revenue Funds | | | |
|--|---|--|-------------------|--------------------------------|
| | District Attorney Collection | District Clerk Records Preservation | Forfeiture | District Clerk TDCJ |
| Revenues | | | | |
| Other taxes | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeitures | - | - | - | - |
| Charge for services | 130 | 24,075 | - | - |
| Intergovernmental | - | - | 228,763 | 5,438 |
| Investment income | - | - | 174 | - |
| Other revenue | - | - | - | - |
| Total Revenues | 130 | 24,075 | 228,937 | 5,438 |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Administration of justice | 1,688 | 450 | 310,636 | - |
| Health and human services | - | - | - | - |
| Capital outlay | - | 8,000 | - | - |
| Total Expenditures | 1,688 | 8,450 | 310,636 | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,558) | 15,625 | (81,699) | 5,438 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers (out) | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | (1,558) | 15,625 | (81,699) | 5,438 |
| Beginning fund balances | 31,653 | 71,305 | 780,975 | 1,990 |
| Ending Fund Balances | \$ 30,095 | \$ 86,930 | \$ 699,276 | \$ 7,428 |

Special Revenue Funds

| Judiciary | Officials' Fee Account | Sheriff Federal Revenue Sharing | District Attorney's Check Restitution | Waste Management | Jail Commissary |
|------------------|-------------------------------|--|--|-------------------------|------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | 598,204 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 18,374 | 72,587 |
| - | - | - | - | 616,578 | 72,587 |
| - | - | - | - | - | - |
| - | 10,249 | - | - | - | 31,553 |
| - | - | - | - | - | - |
| - | - | - | - | 166,106 | - |
| - | 10,249 | - | - | 166,106 | 31,553 |
| - | (10,249) | - | - | 450,472 | 41,034 |
| - | - | - | - | - | - |
| - | - | - | - | (340,000) | - |
| - | - | - | - | (340,000) | - |
| - | (10,249) | - | - | 110,472 | 41,034 |
| - | 45,194 | 26,538 | - | 333,963 | 98,879 |
| \$ - | \$ 34,945 | \$ 26,538 | \$ - | \$ 444,435 | \$ 139,913 |

POLK COUNTY, TEXAS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 4)
For the Year Ended September 30, 2021

| | Special Revenue Funds | | | |
|--|--|--|-----------------------------------|---------------------------------------|
| | District Attorney Special | Justice Court Building Security | Pre-Trial Intervention | Child Abuse Prevention |
| Revenues | | | | |
| Other taxes | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeitures | - | 534 | - | - |
| Charge for services | - | - | - | - |
| Intergovernmental | - | - | 11,370 | 1,127 |
| Investment income | - | - | - | - |
| Other revenue | 28,242 | - | - | - |
| Total Revenues | 28,242 | 534 | 11,370 | 1,127 |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Administration of justice | 27,621 | - | 3,000 | - |
| Health and human services | - | - | - | - |
| Capital outlay | - | 620 | - | - |
| Total Expenditures | 27,621 | 620 | 3,000 | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 621 | (86) | 8,370 | 1,127 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers (out) | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | 621 | (86) | 8,370 | 1,127 |
| Beginning fund balances | 2,432 | 51,480 | 118,037 | 1,354 |
| Ending Fund Balances | \$ 3,053 | \$ 51,394 | \$ 126,407 | \$ 2,481 |

Special Revenue Funds

| Fire Marshall | Guardianship | Court Reporter Service | Grant | CDBG Buyout | County Specialty Court |
|--------------------------|---------------------|-----------------------------------|----------------|------------------------|---------------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | 4,503 |
| - | - | - | - | - | - |
| 7,977 | 5,501 | 265 | 707,758 | 66,705 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>7,977</u> | <u>5,501</u> | <u>265</u> | <u>707,758</u> | <u>66,705</u> | <u>4,503</u> |
| 5,360 | - | - | 623,587 | - | - |
| - | - | - | 12,063 | - | - |
| - | - | - | 72,108 | 66,705 | - |
| - | - | - | - | - | - |
| <u>5,360</u> | <u>-</u> | <u>-</u> | <u>707,758</u> | <u>66,705</u> | <u>-</u> |
| 2,617 | 5,501 | 265 | - | - | 4,503 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 2,617 | 5,501 | 265 | - | - | 4,503 |
| 3,225 | 3,760 | 69 | - | - | - |
| <u>\$ 5,842</u> | <u>\$ 9,261</u> | <u>\$ 334</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,503</u> |

POLK COUNTY, TEXAS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (page 4 of 4)
For the Year Ended September 30, 2021

| | <u>Permanent Fund</u> | <u>Capital Projects Fund</u> | |
|--|-----------------------------|---|--|
| | <u>Permanent School</u> | <u>College/ Commerce Center</u> | <u>Total Nonmajor Governmental Funds</u> |
| <u>Revenues</u> | | | |
| Other taxes | \$ - | \$ - | \$ 54,245 |
| Fines and forfeitures | - | - | 16,250 |
| Charge for services | - | - | 1,019,920 |
| Intergovernmental | - | - | 1,375,370 |
| Investment income | 393 | - | 1,989 |
| Other revenue | 33,958 | - | 314,337 |
| Total Revenues | <u>34,351</u> | <u>-</u> | <u>2,782,111</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| General government | 40,359 | 145 | 930,087 |
| Administration of justice | - | - | 548,221 |
| Health and human services | - | - | 495,708 |
| Capital outlay | - | - | 213,226 |
| Total Expenditures | <u>40,359</u> | <u>145</u> | <u>2,187,242</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(6,008)</u> | <u>(145)</u> | <u>594,869</u> |
| <u>Other Financing Sources (Uses)</u> | | | |
| Transfers in | - | - | 159,378 |
| Transfers (out) | (403) | - | (486,227) |
| Total Other Financing Sources (Uses) | <u>(403)</u> | <u>-</u> | <u>(326,849)</u> |
| Net Change in Fund Balances | (6,411) | (145) | 268,020 |
| Beginning fund balances | <u>573,772</u> | <u>145</u> | <u>3,938,521</u> |
| Ending Fund Balances | <u>\$ 567,361</u> | <u>\$ -</u> | <u>\$ 4,206,541</u> |

POLK COUNTY, TEXAS
COMBINING ROAD AND BRIDGE SUB-FUNDS
SCHEDULE OF BALANCE SHEET
September 30, 2021

| | 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 | \$ - | \$ 403,774 | \$ 625,711 | \$ 976,203 |
| Receivables, net | - | 108,906 | 108,500 | 130,804 |
| Total Assets | \$ - | \$ 512,680 | \$ 734,211 | \$ 1,107,007 |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$ - | \$ 64,893 | \$ 279,629 | \$ 188,957 |
| Due to other units | - | - | - | - |
| Total Liabilities | - | 64,893 | 279,629 | 188,957 |
| <u>Deferred Inflows of Resources</u> | | | | |
| Unavailable revenue - property taxes | - | 108,906 | 108,500 | 130,804 |
| <u>Fund Balances</u> | | | | |
| Restricted | - | 338,881 | 346,082 | 787,246 |
| Total Fund Balances | - | 338,881 | 346,082 | 787,246 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ - | \$ 512,680 | \$ 734,211 | \$ 1,107,007 |

| Road and Bridge Precinct No. 4 | Interfund Activity Elimination | Total Road and Bridge Funds |
|---|---|--|
| \$ 740,713 | \$ - | \$ 2,746,401 |
| 125,407 | - | 473,617 |
| <u>\$ 866,120</u> | <u>\$ -</u> | <u>\$ 3,220,018</u> |
| | | |
| \$ 440,375 | \$ - | \$ 973,854 |
| 39,150 | - | 39,150 |
| <u>479,525</u> | <u>-</u> | <u>1,013,004</u> |
| | | |
| <u>125,407</u> | <u>-</u> | <u>473,617</u> |
| | | |
| <u>261,188</u> | <u>-</u> | <u>1,733,397</u> |
| <u>261,188</u> | <u>-</u> | <u>1,733,397</u> |
| | | |
| <u>\$ 866,120</u> | <u>\$ -</u> | <u>\$ 3,220,018</u> |

POLK COUNTY, TEXAS

COMBINING ROAD AND BRIDGE SUB-FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended September 30, 2021

| | 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 | \$ - | \$ 1,182,842 | \$ 1,178,544 | \$ 1,420,295 |
| Other taxes | - | 211,030 | 213,169 | 252,381 |
| Fines and forfeitures | - | 12,722 | 14,133 | 17,775 |
| Intergovernmental | - | 23,685 | - | - |
| Investment income | - | 196 | 119 | 419 |
| Other | - | 31,833 | 21,230 | 13,572 |
| Total Revenues | - | 1,462,308 | 1,427,195 | 1,704,442 |
| Expenditures | | | | |
| Current: | | | | |
| Roads and bridges | - | 1,189,965 | 1,752,091 | 1,790,714 |
| Debt service: | | | | |
| Principal | 1,004,173 | - | - | - |
| Interest charges | 18,910 | - | - | - |
| Capital outlay | 1,077,600 | 6,250 | 46,870 | 135,000 |
| Total Expenditures | 2,100,683 | 1,196,215 | 1,798,961 | 1,925,714 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,100,683) | 266,093 | (371,766) | (221,272) |
| Other Financing Sources (Uses) | | | | |
| Debt issued | 1,077,600 | - | 53,921 | - |
| Transfers in | 63,083 | - | 30,139 | - |
| Transfers (out) | - | (63,251) | (9,414) | (9,414) |
| Gain on sale of capital assets | 960,000 | - | - | - |
| Total Other Financing Sources (Uses) | 2,100,683 | (63,251) | 74,646 | (9,414) |
| Net Change in Fund Balances | - | 202,842 | (297,120) | (230,686) |
| Beginning fund balances | - | 136,039 | 643,202 | 1,017,932 |
| Ending Fund Balances | \$ - | \$ 338,881 | \$ 346,082 | \$ 787,246 |

| Road and Bridge Precinct No. 4 | Interfund Activity Elimination | Total Road and Bridge Funds |
|---|---|--|
| \$ 1,359,722 | \$ - | \$ 5,141,403 |
| 250,242 | - | 926,822 |
| 19,352 | - | 63,982 |
| - | - | 23,685 |
| 377 | - | 1,111 |
| 85,828 | - | 152,463 |
| <u>1,715,521</u> | <u>-</u> | <u>6,309,466</u> |
| 1,643,427 | - | 6,376,197 |
| - | - | 1,004,173 |
| - | - | 18,910 |
| 390,566 | - | 1,656,286 |
| <u>2,033,993</u> | <u>-</u> | <u>9,055,566</u> |
| <u>(318,472)</u> | <u>-</u> | <u>(2,746,100)</u> |
| - | - | 1,131,521 |
| - | (63,083) | 30,139 |
| (9,414) | 63,083 | (28,410) |
| - | - | 960,000 |
| <u>(9,414)</u> | <u>-</u> | <u>2,093,250</u> |
| (327,886) | - | (652,850) |
| 589,074 | - | 2,386,247 |
| <u>\$ 261,188</u> | <u>\$ -</u> | <u>\$ 1,733,397</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, 2021

| | <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 | \$ 3,396,099 | \$ 3,400,863 | \$ 3,453,827 | \$ 52,964 |
| Investment income | 4,000 | 4,000 | 401 | (3,599) |
| Total Revenues | <u>3,400,099</u> | <u>3,404,863</u> | <u>3,454,228</u> | <u>49,365</u> |
| <u>Expenditures</u> | | | | |
| Principal | 2,795,000 | 2,795,000 | 2,795,000 | - |
| Interest and fiscal charges | 605,076 | 609,841 | 605,273 | 4,568 |
| Total Expenditures | <u>3,400,076</u> | <u>3,404,841</u> | <u>3,400,273</u> | <u>4,568</u> |
| Net Change in Fund Balance | <u>\$ 23</u> | <u>\$ 22</u> | 53,955 | <u>\$ 53,933</u> |
| Beginning fund balance | | | <u>926,320</u> | |
| Ending Fund Balance | | | <u>\$ 980,275</u> | |

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, 2021

| | <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 | \$ 1,141,849 | \$ 1,141,849 | \$ 1,182,842 | \$ 40,993 |
| Other taxes | 226,550 | 226,550 | 211,030 | (15,520) |
| Fines and forfeitures | 16,675 | 16,675 | 12,722 | (3,953) |
| Intergovernmental | - | - | 23,685 | 23,685 |
| Investment income | 5,800 | 5,800 | 196 | (5,604) |
| Other | 11,339 | 29,948 | 31,833 | 1,885 |
| Total Revenues | <u>1,402,213</u> | <u>1,420,822</u> | <u>1,462,308</u> | <u>41,486</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Precinct 1 | 1,333,223 | 1,452,832 | 1,189,965 | 262,867 |
| Capital outlay | - | 6,250 | 6,250 | - |
| Total Expenditures | <u>1,333,223</u> | <u>1,459,082</u> | <u>1,196,215</u> | <u>262,867</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>68,990</u> | <u>(38,260)</u> | <u>266,093</u> | <u>304,353</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers (out) | (68,990) | (68,990) | (63,251) | 5,739 |
| Total Other Financing (Uses) | <u>(68,990)</u> | <u>(68,990)</u> | <u>(63,251)</u> | <u>5,739</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ (107,250)</u> | 202,842 | <u>\$ 310,092</u> |
| Beginning fund balance | | | <u>136,039</u> | |
| Ending Fund Balance | | | <u>\$ 338,881</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, 2021

| | <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 | \$ 1,137,590 | \$ 1,137,590 | \$ 1,178,544 | \$ 40,954 |
| Other taxes | 226,550 | 226,550 | 213,169 | (13,381) |
| Fines and forfeitures | 16,675 | 16,675 | 14,133 | (2,542) |
| Investment income | 4,100 | 4,100 | 119 | (3,981) |
| Other | 11,339 | 21,311 | 21,230 | (81) |
| Total Revenues | <u>1,396,254</u> | <u>1,406,226</u> | <u>1,427,195</u> | <u>20,969</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Precinct 2 | 1,381,282 | 1,788,790 | 1,752,091 | 36,699 |
| Capital outlay | - | 76,621 | 46,870 | 29,751 |
| Total Expenditures | <u>1,381,282</u> | <u>1,865,411</u> | <u>1,798,961</u> | <u>66,450</u> |
| Excess (Deficiency) of | | | | |
| Revenues Over (Under) Expenditures | <u>14,972</u> | <u>(459,185)</u> | <u>(371,766)</u> | <u>87,419</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers in | - | - | 30,139 | 30,139 |
| Transfers (out) | (14,972) | (14,972) | (9,414) | 5,558 |
| Debt issuance | - | 53,921 | 53,921 | - |
| Total Other Financing Sources (Uses) | <u>(14,972)</u> | <u>38,949</u> | <u>74,646</u> | <u>35,697</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ (420,236)</u> | <u>(297,120)</u> | <u>\$ 123,116</u> |
| Beginning fund balance | | | <u>643,202</u> | |
| Ending Fund Balance | | | <u>\$ 346,082</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, 2021

| | <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 | \$ 1,371,447 | \$ 1,371,447 | \$ 1,420,295 | \$ 48,848 |
| Other taxes | 265,950 | 265,950 | 252,381 | (13,569) |
| Fines and forfeitures | 19,575 | 19,575 | 17,775 | (1,800) |
| Investment income | 10,000 | 10,000 | 419 | (9,581) |
| Other | 13,311 | 13,311 | 13,572 | 261 |
| Total Revenues | <u>1,680,283</u> | <u>1,680,283</u> | <u>1,704,442</u> | <u>24,159</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Precinct 3 | 1,665,311 | 1,834,137 | 1,790,714 | 43,423 |
| Capital outlay | - | 135,000 | 135,000 | - |
| Total Expenditures | <u>1,665,311</u> | <u>1,969,137</u> | <u>1,925,714</u> | <u>43,423</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>14,972</u> | <u>(288,854)</u> | <u>(221,272)</u> | <u>67,582</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers (out) | (14,972) | (14,972) | (9,414) | 5,558 |
| Total Other Financing (Uses) | <u>(14,972)</u> | <u>(14,972)</u> | <u>(9,414)</u> | <u>5,558</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ (303,826)</u> | <u>(230,686)</u> | <u>\$ 73,140</u> |
| Beginning fund balance | | | <u>1,017,932</u> | |
| Ending Fund Balance | | | <u>\$ 787,246</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, 2021

| | <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 | \$ 1,312,854 | \$ 1,312,854 | \$ 1,359,722 | \$ 46,868 |
| Other taxes | 265,950 | 265,950 | 250,242 | (15,708) |
| Fines and forfeitures | 19,575 | 19,575 | 19,352 | (223) |
| Investment income | 11,500 | 11,500 | 377 | (11,123) |
| Other | 13,311 | 13,311 | 85,828 | 72,517 |
| Total Revenues | <u>1,623,190</u> | <u>1,623,190</u> | <u>1,715,521</u> | <u>92,331</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Precinct 4 | 1,608,218 | 1,861,721 | 1,643,427 | 218,294 |
| Capital outlay | - | 390,566 | 390,566 | - |
| Total Expenditures | <u>1,608,218</u> | <u>2,252,287</u> | <u>2,033,993</u> | <u>218,294</u> |
| Excess (Deficiency) of Revenues | | | | |
| Over (Under) Expenditures | <u>14,972</u> | <u>(629,097)</u> | <u>(318,472)</u> | <u>310,625</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers (out) | (14,972) | (14,972) | (9,414) | 5,558 |
| Total Other Financing (Uses) | <u>(14,972)</u> | <u>(14,972)</u> | <u>(9,414)</u> | <u>5,558</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ (644,069)</u> | <u>(327,886)</u> | <u>\$ 316,183</u> |
| Beginning fund balance | | | <u>589,074</u> | |
| Ending Fund Balance | | | <u>\$ 261,188</u> | |

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, 2021

| | <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>Expenditures</u> | | | | |
| Debt service: | | | | |
| Principal | \$ 1,004,152 | \$ 1,004,173 | \$ 1,004,173 | \$ - |
| Interest | 41,345 | 41,324 | 18,910 | 22,414 |
| Capital outlay | - | 1,077,600 | 1,077,600 | - |
| Total Expenditures | <u>1,045,497</u> | <u>2,123,097</u> | <u>2,100,683</u> | <u>22,414</u> |
| (Deficiency) of Revenues | | | | |
| (Under) Expenditures | <u>(1,045,497)</u> | <u>(2,123,097)</u> | <u>(2,100,683)</u> | <u>22,414</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers in | 85,497 | 85,497 | 63,083 | (22,414) |
| Debt issued | - | 1,077,600 | 1,077,600 | - |
| Gain on sale of capital assets | 960,000 | 960,000 | 960,000 | - |
| Total Other Financing Sources | <u>1,045,497</u> | <u>2,123,097</u> | <u>2,100,683</u> | <u>(22,414)</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| Beginning fund balance | | | <u>-</u> | |
| Ending Fund Balance | | | <u>\$ -</u> | |

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, 2021

| | <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> | | |
| Revenues | | | | |
| Fines and forfeitures | \$ 1,600 | \$ 1,600 | \$ 1,991 | \$ 391 |
| Total Revenues | <u>1,600</u> | <u>1,600</u> | <u>1,991</u> | <u>391</u> |
| Net Change in Fund Balance | <u>\$ 1,600</u> | <u>\$ 1,600</u> | 1,991 | <u>\$ 391</u> |
| Beginning fund balance | | | <u>9,859</u> | |
| Ending Fund Balance | | | <u>\$ 11,850</u> | |

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURTHOUSE SECURITY
For the Year Ended September 30, 2021

| | <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> | | |
| Revenues | | | | |
| Charges for services | \$ 30,130 | \$ 30,130 | \$ 26,182 | \$ (3,948) |
| Total Revenues | <u>30,130</u> | <u>30,130</u> | <u>27,983</u> | <u>(2,147)</u> |
| Expenditures | | | | |
| Administration of justice | 189,087 | 187,714 | 150,961 | 36,753 |
| Total Expenditures | <u>189,087</u> | <u>226,214</u> | <u>189,461</u> | <u>36,753</u> |
| (Deficiency) of Revenues (Under) Expenditures | <u>(158,957)</u> | <u>(196,084)</u> | <u>(161,478)</u> | <u>34,606</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 158,976 | 158,976 | 158,975 | (1) |
| Total Other Financing Sources | <u>158,976</u> | <u>158,976</u> | <u>158,975</u> | <u>(1)</u> |
| Net Change in Fund Balance | <u>\$ 19</u> | <u>\$ (37,108)</u> | (2,503) | <u>\$ 34,605</u> |
| Beginning fund balance | | | <u>21,838</u> | |
| Ending Fund Balance | | | <u>\$ 19,335</u> | |

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LAW LIBRARY
For the Year Ended September 30, 2021

| | <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> | | | | |
| Charges for services | \$ 12,000 | \$ 12,000 | \$ 12,685 | \$ 685 |
| Total Revenues | <u>12,000</u> | <u>12,000</u> | <u>12,685</u> | <u>685</u> |
| <u>Expenditures</u> | | | | |
| General government | 13,500 | 13,500 | 8,207 | 5,293 |
| Total Expenditures | <u>13,500</u> | <u>13,500</u> | <u>8,207</u> | <u>5,293</u> |
| Net Change in Fund Balance | <u>\$ (1,500)</u> | <u>\$ (1,500)</u> | 4,478 | <u>\$ 5,978</u> |
| Beginning fund balance | | | <u>84,789</u> | |
| Ending Fund Balance | | | <u>\$ 89,267</u> | |

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AGING
For the Year Ended September 30, 2021

| | <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> | | | | |
| Intergovernmental | \$ 333,794 | \$ 358,794 | \$ 340,466 | \$ (18,328) |
| Other | - | - | 4,119 | 4,119 |
| Total Revenues | <u>333,794</u> | <u>358,794</u> | <u>344,585</u> | <u>(14,209)</u> |
| <u>Expenditures</u> | | | | |
| Health and human services | 340,589 | 367,749 | 356,895 | 10,854 |
| Total Expenditures | <u>340,589</u> | <u>367,749</u> | <u>356,895</u> | <u>10,854</u> |
| Net Change in Fund Balance | <u>\$ (6,795)</u> | <u>\$ (8,955)</u> | (12,310) | <u>\$ (3,355)</u> |
| Beginning fund balance | | | <u>84,878</u> | |
| Ending Fund Balance | | | <u>\$ 72,568</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, 2021

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-----------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Fines and forfeitures | \$ - | \$ - | \$ 4,503 | \$ 4,503 |
| Charges for services | 18,000 | 18,000 | 13,716 | (4,284) |
| Total Revenues | 18,000 | 18,000 | 18,219 | 219 |
| Expenditures | | | | |
| General government | 16,000 | 16,000 | - | 16,000 |
| Total Expenditures | 16,000 | 16,000 | - | 16,000 |
| Net Change in Fund Balance | \$ 2,000 | \$ 2,000 | 18,219 | \$ 16,219 |
| Beginning fund balance | | | 22,846 | |
| Ending Fund Balance | | | \$ 41,065 | |

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK RECORDS PRESERVATION
For the Year Ended September 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charges for services | \$ 285,600 | \$ 285,600 | \$ 344,928 | \$ 59,328 |
| Investment income | - | - | 157 | 157 |
| Total Revenues | 285,600 | 285,600 | 345,085 | 59,485 |
| Expenditures | | | | |
| General government | 130,358 | 130,358 | 47,680 | 82,678 |
| Total Expenditures | 130,358 | 130,358 | 47,680 | 82,678 |
| Excess of Revenues Over | | | | |
| Expenditures | 155,242 | 155,242 | 297,405 | 142,163 |
| Other Financing Sources (Uses) | | | | |
| Transfers (out) | (145,824) | (145,824) | (145,824) | - |
| Total Other Financing (Uses) | (145,824) | (145,824) | (145,824) | - |
| Net Change in Fund Balance | \$ 9,418 | \$ 9,418 | 151,581 | \$ 142,163 |
| Beginning fund balance | | | 913,020 | |
| Ending Fund Balance | | | \$ 1,064,601 | |

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL TAX
For the Year Ended September 30, 2021

| | <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> | | | | |
| Other taxes | \$ 25,000 | \$ 41,576 | \$ 54,245 | \$ 12,669 |
| Total Revenues | <u>25,000</u> | <u>41,576</u> | <u>54,245</u> | <u>12,669</u> |
| <u>Expenditures</u> | | | | |
| General government | 25,000 | 41,576 | 41,576 | - |
| Total Expenditures | <u>25,000</u> | <u>41,576</u> | <u>41,576</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | 12,669 | <u>\$ 12,669</u> |
| Beginning fund balance | | | <u>82,537</u> | |
| Ending Fund Balance | | | <u>\$ 95,206</u> | |

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUSTICE COURT TECHNOLOGY
For the Year Ended September 30, 2021

| | <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> | | | | |
| Fines and forfeitures | \$ 14,070 | \$ 14,070 | \$ 2,918 | \$ (11,152) |
| Total Revenues | <u>14,070</u> | <u>14,070</u> | <u>2,918</u> | <u>(11,152)</u> |
| <u>Expenditures</u> | | | | |
| Administration of justice | 7,200 | 7,200 | - | 7,200 |
| Total Expenditures | <u>7,200</u> | <u>7,200</u> | <u>-</u> | <u>7,200</u> |
| Net Change in Fund Balance | <u>\$ 6,870</u> | <u>\$ 6,870</u> | 2,918 | <u>\$ (3,952)</u> |
| Beginning fund balance | | | <u>-</u> | |
| Ending Fund Balance | | | <u>\$ 2,918</u> | |

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AVAILABLE SCHOOL
For the Year Ended September 30, 2021

| | <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> | | | | |
| Investment income | \$ 5,500 | \$ 5,500 | \$ 479 | \$ (5,021) |
| Other | 156,614 | 156,614 | 157,007 | 393 |
| Total Revenues | 162,114 | 162,114 | 157,486 | (4,628) |
| <u>Expenditures</u> | | | | |
| General government | 162,114 | 164,222 | 163,173 | 1,049 |
| Total Expenditures | 162,114 | 164,222 | 163,173 | 1,049 |
| (Deficiency) of Revenues (Under) | | | | |
| Expenditures | - | (2,108) | (5,687) | (3,579) |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers in | - | - | 403 | 403 |
| Total Other Financing Sources | - | - | 403 | 403 |
| Net Change in Fund Balance | \$ - | \$ (2,108) | (5,284) | \$ (3,176) |
| Beginning fund balance | | | 259,840 | |
| Ending Fund Balance | | | \$ 254,556 | |

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT ATTORNEY COLLECTION
For the Year Ended September 30, 2021

| | <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> | | | | |
| Charges for services | \$ - | \$ 130 | \$ 130 | \$ - |
| Total Revenues | - | 130 | 130 | - |
| <u>Expenditures</u> | | | | |
| Administration of justice | - | 1,688 | 1,688 | - |
| Total Expenditures | - | 1,688 | 1,688 | - |
| Net Change in Fund Balance | \$ - | \$ (1,558) | (1,558) | \$ - |
| Beginning fund balance | | | 31,653 | |
| Ending Fund Balance | | | \$ 30,095 | |

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, 2021

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charges for services | \$ 16,000 | \$ 24,000 | \$ 24,075 | \$ 75 |
| Total Revenues | <u>16,000</u> | <u>24,000</u> | <u>24,075</u> | <u>75</u> |
| Expenditures | | | | |
| Administration of justice | 2,626 | 3,626 | 450 | 3,176 |
| Capital outlay | - | 8,000 | 8,000 | - |
| Total Expenditures | <u>2,626</u> | <u>11,626</u> | <u>8,450</u> | <u>3,176</u> |
| Net Change in Fund Balance | <u>\$ 13,374</u> | <u>\$ 12,374</u> | 15,625 | <u>\$ 3,251</u> |
| Beginning fund balance | | | <u>71,305</u> | |
| Ending Fund Balance | | | <u>\$ 86,930</u> | |

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FORFEITURE
For the Year Ended September 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|---------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 766 | \$ 12,533 | \$ 228,763 | \$ 216,230 |
| Investment income | - | - | 174 | 174 |
| Total Revenues | <u>766</u> | <u>12,533</u> | <u>228,937</u> | <u>216,404</u> |
| Expenditures | | | | |
| Administration of justice | 766 | 318,651 | 310,636 | 8,015 |
| Total Expenditures | <u>766</u> | <u>318,651</u> | <u>310,636</u> | <u>8,015</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ (306,118)</u> | (81,699) | <u>\$ 224,419</u> |
| Beginning fund balance | | | <u>780,975</u> | |
| Ending Fund Balance | | | <u>\$ 699,276</u> | |

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SHERIFF FEDERAL REVENUE SHARING
For the Year Ended September 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|---------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 20,000 | \$ 20,000 | \$ - | \$ (20,000) |
| Total Revenues | <u>20,000</u> | <u>20,000</u> | <u>-</u> | <u>(20,000)</u> |
| Expenditures | | | | |
| Administration of justice | 20,000 | 20,000 | - | 20,000 |
| Total Expenditures | <u>20,000</u> | <u>20,000</u> | <u>-</u> | <u>20,000</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| Beginning fund balance | | | <u>26,538</u> | |
| Ending Fund Balance | | | <u>\$ 26,538</u> | |

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WASTE MANAGEMENT
For the Year Ended September 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|---------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charges for services | \$ 340,000 | \$ 378,269 | \$ 598,204 | \$ 219,935 |
| Other revenue | - | 14,138 | 18,374 | 4,236 |
| Total Revenues | <u>340,000</u> | <u>392,407</u> | <u>616,578</u> | <u>224,171</u> |
| Expenditures | | | | |
| Capital outlay | - | 166,106 | 166,106 | - |
| Total Expenditures | <u>-</u> | <u>166,106</u> | <u>166,106</u> | <u>-</u> |
| Excess of Revenues Over Expenditures | <u>340,000</u> | <u>226,301</u> | <u>450,472</u> | <u>224,171</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers (out) | (340,000) | (340,000) | (340,000) | - |
| Total Other Financing (Uses) | <u>(340,000)</u> | <u>(340,000)</u> | <u>(340,000)</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ (113,699)</u> | <u>110,472</u> | <u>\$ 224,171</u> |
| Beginning fund balance | | | <u>333,963</u> | |
| Ending Fund Balance | | | <u>\$ 444,435</u> | |

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JAIL COMMISSARY
For the Year Ended September 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|--------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Other | \$ 26,500 | \$ 26,500 | \$ 72,587 | \$ 46,087 |
| Total Revenues | <u>26,500</u> | <u>26,500</u> | <u>72,587</u> | <u>46,087</u> |
| Expenditures | | | | |
| Administration of justice | 26,500 | 36,500 | 31,553 | 4,947 |
| Total Expenditures | <u>26,500</u> | <u>36,500</u> | <u>31,553</u> | <u>4,947</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ (10,000)</u> | 41,034 | <u>\$ 51,034</u> |
| Beginning fund balance | | | <u>98,879</u> | |
| Ending Fund Balance | | | <u>\$ 139,913</u> | |

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT ATTORNEY SPECIAL
For the Year Ended September 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-----------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Other | \$ 28,200 | \$ 28,200 | \$ 28,242 | \$ 42 |
| Total Revenues | <u>28,200</u> | <u>28,200</u> | <u>28,242</u> | <u>42</u> |
| Expenditures | | | | |
| Administration of justice | 28,200 | 29,081 | 27,621 | 1,460 |
| Total Expenditures | <u>28,200</u> | <u>29,081</u> | <u>27,621</u> | <u>1,460</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ (881)</u> | 621 | <u>\$ 1,502</u> |
| Beginning fund balance | | | <u>2,432</u> | |
| Ending Fund Balance | | | <u>\$ 3,053</u> | |

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, 2021

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|--------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Fines and forfeitures | \$ 3,980 | \$ 3,980 | \$ 534 | \$ (3,446) |
| Total Revenues | <u>3,980</u> | <u>3,980</u> | <u>534</u> | <u>(3,446)</u> |
| Expenditures | | | | |
| Capital outlay | 3,980 | 3,980 | 620 | 3,360 |
| Total Expenditures | <u>3,980</u> | <u>3,980</u> | <u>620</u> | <u>3,360</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | (86) | <u>\$ (86)</u> |
| Beginning fund balance | | | <u>51,480</u> | |
| Ending Fund Balance | | | <u>\$ 51,394</u> | |

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PRE-TRIAL INTERVENTION PROGRAM
For the Year Ended September 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|---------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 14,000 | \$ 14,000 | \$ 11,370 | \$ (2,630) |
| Total Revenues | <u>14,000</u> | <u>14,000</u> | <u>11,370</u> | <u>(2,630)</u> |
| Expenditures | | | | |
| Administration of justice | 14,000 | 14,000 | 3,000 | 11,000 |
| Total Expenditures | <u>14,000</u> | <u>14,000</u> | <u>3,000</u> | <u>11,000</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | 8,370 | <u>\$ 8,370</u> |
| Beginning fund balance | | | <u>118,037</u> | |
| Ending Fund Balance | | | <u>\$ 126,407</u> | |

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CHILD ABUSE PREVENTION
For the Year Ended September 30, 2021

| | <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> | | | | |
| Intergovernmental | \$ 400 | \$ 400 | \$ 1,127 | \$ 727 |
| Total Revenues | <u>400</u> | <u>400</u> | <u>1,127</u> | <u>727</u> |
| Net Change in Fund Balance | <u>\$ 400</u> | <u>\$ 400</u> | 1,127 | <u>\$ 727</u> |
| Beginning fund balance | | | <u>1,354</u> | |
| Ending Fund Balance | | | <u>\$ 2,481</u> | |

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE MARSHALL
For the Year Ended September 30, 2021

| | <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> | | | | |
| Intergovernmental | \$ 1,500 | \$ 1,500 | \$ 7,977 | \$ 6,477 |
| Total Revenues | <u>1,500</u> | <u>1,500</u> | <u>7,977</u> | <u>6,477</u> |
| <u>Expenditures</u> | | | | |
| General government | 1,500 | 6,498 | 5,360 | 1,138 |
| Total Expenditures | <u>1,500</u> | <u>6,498</u> | <u>5,360</u> | <u>1,138</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ (4,998)</u> | 2,617 | <u>\$ 7,615</u> |
| Beginning fund balance | | | <u>3,225</u> | |
| Ending Fund Balance | | | <u>\$ 5,842</u> | |

POLK COUNTY, TEXAS
*SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GUARDIANSHIP*
 For the Year Ended September 30, 2021

| | <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> | | | | |
| Intergovernmental | \$ 2,500 | \$ 2,500 | \$ 5,501 | \$ 3,001 |
| Total Revenues | <u>2,500</u> | <u>2,500</u> | <u>5,501</u> | <u>3,001</u> |
| Net Change in Fund Balance | <u>\$ 2,500</u> | <u>\$ 2,500</u> | 5,501 | <u>\$ 3,001</u> |
| Beginning fund balance | | | <u>3,760</u> | |
| Ending Fund Balance | | | <u>\$ 9,261</u> | |

*SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 COURT REPORTER SERVICE*
 For the Year Ended September 30, 2021

| | <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> | | | | |
| Intergovernmental | \$ 100 | \$ 100 | \$ 265 | \$ 165 |
| Total Revenues | <u>100</u> | <u>100</u> | <u>265</u> | <u>165</u> |
| Net Change in Fund Balance | <u>\$ 100</u> | <u>\$ 100</u> | 265 | <u>\$ 165</u> |
| Beginning fund balance | | | <u>69</u> | |
| Ending Fund Balance | | | <u>\$ 334</u> | |

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

For the Year Ended September 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ - | \$ 819,054 | \$ 707,758 | \$ (111,296) |
| Total Revenues | - | 819,054 | 707,758 | (111,296) |
| Expenditures | | | | |
| General government | - | 743,587 | 623,587 | 120,000 |
| Administration of justice | - | 12,063 | 12,063 | - |
| Health and human services | - | 65,903 | 72,108 | (6,205) |
| Total Expenditures | - | 821,553 | 707,758 | 113,795 |
| Net Change in Fund Balance | \$ - | \$ (2,499) | - | \$ 2,499 |
| Beginning fund balance | | | - | |
| Ending Fund Balance | | | \$ - | |

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

For the Year Ended September 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|---------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ - | \$ 66,705 | \$ 66,705 | \$ - |
| Total Revenues | - | 66,705 | 66,705 | - |
| Expenditures | | | | |
| Health and human services | - | 66,705 | 66,705 | - |
| Total Expenditures | - | 66,705 | 66,705 | - |
| Net Change in Fund Balance | \$ - | \$ - | - | \$ - |
| Beginning fund balance | | | - | |
| Ending Fund Balance | | | \$ - | |

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PERMANENT SCHOOL
For the Year Ended September 30, 2021

| | <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> | | | | |
| Investment income | \$ - | \$ 335 | \$ 393 | \$ 58 |
| Other | 55,000 | 55,000 | 33,958 | (21,042) |
| Total Revenues | <u>55,000</u> | <u>55,335</u> | <u>34,351</u> | <u>(20,984)</u> |
| <u>Expenditures</u> | | | | |
| General government | 55,000 | 55,000 | 40,359 | 14,641 |
| Total Expenditures | <u>55,000</u> | <u>55,000</u> | <u>40,359</u> | <u>14,641</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>335</u> | <u>(6,008)</u> | <u>(6,343)</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers (out) | - | (403) | (403) | - |
| Total Other Financing (Uses) | <u>-</u> | <u>(403)</u> | <u>(403)</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ (68)</u> | <u>(6,411)</u> | <u>\$ (6,343)</u> |
| Beginning fund balance | | | <u>573,772</u> | |
| Ending Fund Balance | | | <u>\$ 567,361</u> | |

POLK COUNTY, TEXAS
COMBINING STATEMENT OF NET POSITION
CUSTODIAL FUNDS
September 30, 2021

| | County Clerk's Probate Trust | District Clerk's Trust | Tax Assessor Collector | Adult Probation |
|---|---|-----------------------------------|-----------------------------------|------------------------|
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 651,300 | \$ 4,207,586 | \$ 1,439,496 | \$ 41,884 |
| Due from other units | - | - | - | 45,240 |
| Total Assets | 651,300 | 4,207,586 | 1,439,496 | 87,124 |
| <u>Liabilities</u> | | | | |
| Accounts payable | - | - | - | 87,124 |
| Due to others | - | - | 1,439,496 | - |
| Total Liabilities | - | - | 1,439,496 | 87,124 |
| <u>Net Position</u> | | | | |
| Restricted for: | | | | |
| Individuals, organizations, or other governments | 651,300 | 4,207,586 | - | - |
| Total Net Position | \$ 651,300 | \$ 4,207,586 | \$ - | \$ - |

| <u>Juvenile Probation</u> | <u>Total Agency Funds</u> |
|-------------------------------|-------------------------------|
| \$ 7,286 | \$ 6,347,552 |
| 40,341 | 85,581 |
| <u>47,627</u> | <u>6,433,133</u> |
| 47,627 | 134,751 |
| - | 1,439,496 |
| <u>47,627</u> | <u>1,574,247</u> |
| - | 4,858,886 |
| <u>\$ -</u> | <u>\$ 4,858,886</u> |

POLK COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS (page 1 of 2)
For the Year Ended September 30, 2021

| | <u>County Clerk's Probate Trust</u> | <u>District Clerk's Trust</u> | <u>Tax Assessor Collector</u> | <u>Adult Probation</u> |
|-------------------------------|---|-----------------------------------|-----------------------------------|----------------------------|
| <u>Additions</u> | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ 1,199,656 |
| Other revenue | 129,270 | 1,892,571 | 100,738,221 | - |
| Investment income | 1,921 | 18,120 | 3,476 | - |
| Total Additions | <u>131,191</u> | <u>1,910,691</u> | <u>100,741,697</u> | <u>1,199,656</u> |
| <u>Deductions</u> | | | | |
| Trust fund recipients | 48,688 | - | - | - |
| Criminal departments | - | - | - | 1,066,599 |
| Deed recipients | - | 1,764,653 | - | - |
| Taxing entities | - | - | 100,741,697 | - |
| Total Deductions | <u>48,688</u> | <u>1,764,653</u> | <u>100,741,697</u> | <u>1,066,599</u> |
| Change in Net Position | <u>82,503</u> | <u>146,038</u> | <u>-</u> | <u>133,057</u> |
| Beginning net position | 568,797 | 4,061,548 | - | (133,057) |
| Ending Net Position | <u>\$ 651,300</u> | <u>\$ 4,207,586</u> | <u>\$ -</u> | <u>\$ -</u> |

See Notes to Financial Statements.

| <u>Juvenile Probation</u> | <u>Total Custodial Funds</u> |
|-------------------------------|----------------------------------|
| \$ 762,106 | \$ 1,961,762 |
| - | 102,760,062 |
| - | 23,517 |
| <u>762,106</u> | <u>104,745,341</u> |
| - | 48,688 |
| 662,689 | 1,729,288 |
| - | 1,764,653 |
| - | 100,741,697 |
| <u>662,689</u> | <u>104,284,326</u> |
| <u>99,417</u> | <u>461,015</u> |
| <u>(99,417)</u> | <u>4,397,871</u> |
| <u>\$ -</u> | <u>\$ 4,858,886</u> |

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STATISTICAL SECTION

This part of the County's Annual Comprehensive 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 140)

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 148)

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

Debt Capacity (Page 158)

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 166)

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 171)

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 | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Governmental activities | | | | |
| Net investment in capital assets | \$ 19,677,873 | \$ 27,247,770 | \$ 29,864,824 | \$ 31,763,084 |
| Restricted | 5,086,759 | 4,430,353 | 5,567,823 | 5,576,469 |
| Unrestricted | 6,321,114 | 4,014,357 | 3,799,287 | 2,503,356 |
| Total Governmental Activities Net Position | <u>\$ 31,085,746</u> | <u>\$ 35,692,480</u> | <u>\$ 39,231,934</u> | <u>\$ 39,842,909</u> |

| Fiscal Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| \$ 34,652,210 | \$ 36,559,546 | \$ 37,695,725 | \$ 38,630,639 | \$ 40,272,870 | \$ 42,402,129 |
| 5,766,620 | 4,627,091 | 4,415,662 | 5,501,000 | 6,817,883 | 6,699,618 |
| 1,879,843 | 2,032 | (9,836,200) | (1,994,172) | (2,023,023) | 1,000,044 |
| <u>\$ 42,298,673</u> | <u>\$ 41,188,669</u> | <u>\$ 32,275,187</u> | <u>\$ 42,137,467</u> | <u>\$ 45,067,730</u> | <u>\$ 50,101,791</u> |

POLK COUNTY, TEXAS

CHANGES IN NET POSITION

Last Ten Years

(Accrual basis of accounting)

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Expenses | | | | |
| Governmental activities | | | | |
| General government | \$ 7,113,066 | \$ 10,804,098 | \$ 7,453,356 | \$ 7,183,313 |
| Administration of justice | 10,501,266 | 10,179,505 | 10,840,429 | 10,950,781 |
| Roads and bridges | 4,646,530 | 4,732,628 | 5,182,543 | 7,124,431 |
| Health and human services | 1,055,093 | 1,068,339 | 1,121,303 | 1,044,763 |
| Tax administration | 1,042,583 | 1,174,054 | 1,247,269 | 1,235,406 |
| Interest and fiscal agent fees | 1,527,916 | 925,609 | 937,773 | 878,067 |
| Total Governmental Activities Expenses | \$ 25,886,454 | \$ 28,884,233 | \$ 26,782,673 | \$ 28,416,761 |
| Program Revenues | | | | |
| Governmental activities | | | | |
| Charges for services | | | | |
| General government | \$ 2,227,281 | \$ 2,044,160 | \$ 2,048,349 | \$ 2,204,713 |
| Administration of justice | 39,145 | 221,211 | 291,860 | 337,454 |
| Roads and bridges | 99,227 | 82,282 | 67,811 | 105,240 |
| Health and human services | 132,073 | 139,624 | 129,909 | 143,881 |
| Operating grants and contributions | 8,748,161 | 9,137,367 | 4,118,523 | 2,688,631 |
| Total Governmental Activities Program Revenues | 11,245,887 | 11,624,644 | 6,656,452 | 5,479,919 |
| Net (Expense) | | | | |
| Governmental activities | \$ (14,640,567) | \$ (17,259,589) | \$ (20,126,221) | \$ (22,936,842) |
| General Revenues and Other Changes in Net Position | | | | |
| Governmental activities | | | | |
| Taxes | \$ 19,047,013 | \$ 20,113,427 | \$ 21,645,908 | \$ 22,354,430 |
| Investment earnings | 58,869 | 20,216 | 10,250 | 30,436 |
| Gain on sale of capital assets | - | - | - | - |
| Other revenues | 4,081,736 | 1,834,354 | 2,009,517 | 1,988,796 |
| Total Governmental Activities | 23,187,618 | 21,967,997 | 23,665,675 | 24,373,662 |
| Change in Net Position | | | | |
| Governmental activities | \$ 8,547,051 | \$ 4,708,408 | \$ 3,539,454 | \$ 1,436,820 |

Fiscal Year

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$ 8,247,032 | \$ 8,052,484 | \$ 7,277,465 | \$ 5,907,007 | \$ 12,183,608 | \$ 9,099,542 |
| 11,216,535 | 12,429,450 | 13,024,986 | 8,089,203 | 12,540,565 | 11,271,427 |
| 5,864,408 | 9,257,802 | 7,388,389 | 6,774,803 | 7,017,278 | 6,774,048 |
| 1,192,366 | 1,192,373 | 1,292,738 | 1,284,264 | 1,368,351 | 1,058,807 |
| 1,240,282 | 1,303,518 | 1,374,349 | 996,187 | 1,393,851 | 1,312,104 |
| 877,747 | 784,356 | 624,347 | 580,035 | 851,342 | 435,488 |
| <u>\$ 28,638,369</u> | <u>\$ 33,019,983</u> | <u>\$ 30,982,274</u> | <u>\$ 23,631,499</u> | <u>\$ 35,354,995</u> | <u>\$ 29,951,416</u> |
| | | | | | |
| \$ 1,976,516 | \$ 2,101,994 | \$ 2,143,912 | \$ 2,023,645 | \$ 2,007,715 | \$ 2,263,734 |
| 336,248 | 354,383 | 356,482 | 346,923 | 351,256 | 424,250 |
| 108,232 | 125,057 | 92,555 | 74,950 | 85,823 | 63,982 |
| 145,676 | 183,360 | 238,896 | 228,364 | 421,770 | 598,204 |
| 3,181,552 | 3,627,839 | 2,650,189 | 3,263,193 | 6,020,646 | 2,627,211 |
| <u>5,748,224</u> | <u>6,392,633</u> | <u>5,482,034</u> | <u>5,937,075</u> | <u>8,887,210</u> | <u>5,977,381</u> |
| | | | | | |
| <u>\$ (22,890,145)</u> | <u>\$ (26,627,350)</u> | <u>\$ (25,500,240)</u> | <u>\$ (17,694,424)</u> | <u>\$ (26,467,785)</u> | <u>\$ (23,974,035)</u> |
| | | | | | |
| \$ 22,981,912 | \$ 23,064,315 | \$ 24,338,387 | \$ 25,002,843 | \$ 26,632,818 | \$ 26,812,272 |
| 59,910 | 140,485 | 310,990 | 499,843 | 213,083 | 32,870 |
| - | - | 126,759 | 111,559 | 183,000 | - |
| 2,304,087 | 2,087,173 | 1,584,686 | 1,942,459 | 2,369,147 | 1,949,580 |
| <u>25,345,909</u> | <u>25,291,973</u> | <u>26,360,822</u> | <u>27,556,704</u> | <u>29,398,048</u> | <u>28,794,722</u> |
| | | | | | |
| <u>\$ 2,455,764</u> | <u>\$ (1,335,377)</u> | <u>\$ 860,582</u> | <u>\$ 9,862,280</u> | <u>\$ 2,930,263</u> | <u>\$ 4,820,687</u> |

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

| | Fiscal Year | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 2012 | 2013 | 2014 | 2015 |
| General Fund | | | | |
| Nonspendable | \$ 15,547 | \$ 13,763 | \$ 15,548 | \$ - |
| Special projects | - | - | - | - |
| Unassigned | 6,840,851 | 6,605,018 | 7,105,228 | 7,440,074 |
| Total General Fund | \$ 6,856,398 | \$ 6,618,781 | \$ 7,120,776 | \$ 7,440,074 |
| All Other Governmental Funds | | | | |
| Restricted | \$ 6,471,158 | \$ 4,430,313 | \$ 5,567,823 | \$ 5,576,469 |
| Assigned | 758,908 | 759,628 | 759,884 | 760,277 |
| Unassigned | - | - | - | - |
| Total All Other Governmental Funds | \$ 6,027,307 | \$ 5,189,941 | \$ 6,327,707 | \$ 6,336,746 |

| Fiscal Year | | | | | |
|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| \$ - | \$ - | \$ - | \$ 12,468 | \$ 33,874 | \$ 11,018 |
| - | - | - | 585,461 | 585,461 | 585,461 |
| 8,365,306 | 9,083,198 | 10,475,683 | 12,414,533 | 13,675,781 | 15,694,224 |
| <u>\$ 8,365,306</u> | <u>\$ 9,083,198</u> | <u>\$ 10,475,683</u> | <u>\$ 13,012,462</u> | <u>\$ 14,295,116</u> | <u>\$ 16,290,703</u> |
| | | | | | |
| \$ 7,323,132 | \$ 4,787,736 | \$ 4,524,661 | \$ 4,915,684 | \$ 6,232,567 | \$ 6,118,660 |
| 762,472 | 767,770 | 779,642 | 797,876 | 805,147 | 805,547 |
| - | (51,791) | - | - | - | - |
| <u>\$ 8,085,604</u> | <u>\$ 5,503,715</u> | <u>\$ 5,304,303</u> | <u>\$ 5,713,560</u> | <u>\$ 7,037,714</u> | <u>\$ 6,924,207</u> |

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

| | Fiscal Year | | | |
|--|---------------------|-----------------------|---------------------|-------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Revenues | | | | |
| Taxes | \$ 19,189,170 | \$ 20,213,918 | \$ 21,466,960 | \$ 22,182,899 |
| Licenses and permits | 164,353 | 175,398 | 178,133 | 160,261 |
| Fines and forfeitures | 866,696 | 718,960 | 652,276 | 721,504 |
| Charges for services | 1,466,677 | 1,592,959 | 1,707,520 | 1,909,523 |
| Intergovernmental | 8,748,161 | 9,137,367 | 4,118,523 | 2,688,631 |
| Investment earnings | 58,869 | 20,216 | 10,250 | 30,436 |
| Other revenue | 4,081,736 | 1,834,354 | 2,009,517 | 1,988,796 |
| Total Revenues | 34,575,662 | 33,693,172 | 30,143,179 | 29,682,050 |
| Expenditures | | | | |
| General government | 12,269,676 | 15,307,259 | 8,711,024 | 7,020,291 |
| Administration of justice | 9,992,612 | 9,886,816 | 10,726,732 | 10,456,874 |
| Roads and bridges | 4,613,980 | 4,819,560 | 4,664,171 | 5,954,742 |
| Health and human services | 972,777 | 971,190 | 1,016,281 | 941,598 |
| Tax administration | 1,041,590 | 1,174,054 | 1,247,269 | 1,238,932 |
| Capital outlay | 2,280,999 | 93,215 | 1,078,353 | 2,050,961 |
| Debt service | | | | |
| Principal | 3,137,930 | 3,258,789 | 3,267,645 | 3,509,860 |
| Debt issuance costs | 600,040 | 28,213 | 52,847 | 31,226 |
| Interest and paying agent | 1,013,583 | 956,778 | 869,231 | 827,127 |
| Payment to refunding bond escrow agent | 17,834,875 | - | - | - |
| Advance refunding escrow | 386,221 | - | - | - |
| Total Expenditures | 54,144,283 | 36,495,874 | 31,633,553 | 32,031,611 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (19,568,621) | (2,802,702) | (1,490,374) | (2,349,561) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 612,412 | 2,826,354 | 1,029,953 | 407,626 |
| Transfers out | (612,412) | (2,826,354) | (1,029,953) | (407,626) |
| Issuance of debt | 19,566,434 | 525,000 | 2,395,865 | 1,921,898 |
| Payment to refunding bond escrow agent | - | - | - | - |
| Premium on bonds issued | 658,576 | - | 26,552 | - |
| Sale of capital assets | 640,205 | - | 707,678 | 756,000 |
| Total Other Financing Sources | 20,865,215 | 525,000 | 3,130,095 | 2,677,898 |
| Net change in fund balances | \$ 1,296,594 | \$ (2,277,702) | \$ 1,639,721 | \$ 328,337 |
| Debt service as a percentage of noncapital expenditures | 43.64% | 11.59% | 13.56% | 14.90% |

Fiscal Year

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|----|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ | 23,022,338 | \$ 22,907,667 | \$ 24,353,603 | \$ 25,138,592 | \$ 26,422,461 | \$ 27,182,501 |
| | 174,746 | 171,385 | 173,822 | 190,967 | 285,618 | 336,168 |
| | 657,667 | 799,538 | 778,876 | 666,431 | 547,642 | 603,478 |
| | 1,734,259 | 1,793,871 | 1,879,147 | 1,816,484 | 2,033,304 | 2,410,524 |
| | 3,181,552 | 3,627,839 | 2,650,189 | 3,263,193 | 6,020,646 | 2,627,211 |
| | 59,910 | 140,485 | 310,990 | 499,843 | 213,083 | 32,870 |
| | 2,304,087 | 2,087,173 | 1,584,686 | 1,942,459 | 2,369,147 | 1,949,580 |
| | <u>31,134,559</u> | <u>31,527,958</u> | <u>31,731,313</u> | <u>33,517,969</u> | <u>37,891,901</u> | <u>35,142,332</u> |
| | 7,268,461 | 7,002,234 | 6,235,358 | 6,757,948 | 10,422,050 | 8,008,612 |
| | 10,675,120 | 11,046,954 | 11,617,784 | 11,946,817 | 11,928,619 | 12,252,394 |
| | 5,667,284 | 7,324,181 | 5,975,553 | 5,655,314 | 6,127,668 | 6,376,197 |
| | 1,073,199 | 1,051,857 | 1,153,656 | 1,383,842 | 1,234,599 | 1,241,907 |
| | 1,221,446 | 1,234,171 | 1,302,814 | 1,310,620 | 1,356,334 | 1,374,688 |
| | 2,320,390 | 3,337,273 | 2,624,567 | 2,876,391 | 1,921,609 | 2,307,322 |
| | 3,762,198 | 3,653,094 | 3,686,949 | 3,719,030 | 3,227,028 | 3,799,173 |
| | 58,033 | 98,014 | 32,953 | 35,825 | 29,030 | 26,750 |
| | 777,664 | 771,061 | 671,453 | 631,766 | 550,178 | 624,183 |
| | - | 4,119,069 | - | - | - | - |
| | - | - | - | - | - | - |
| | <u>32,823,795</u> | <u>39,637,908</u> | <u>33,301,087</u> | <u>34,317,553</u> | <u>36,797,115</u> | <u>36,011,226</u> |
| | (1,689,236) | (6,679,230) | (784,785) | (799,584) | 1,094,786 | (868,894) |
| | 370,335 | 734,434 | 584,863 | 638,364 | 936,112 | 703,752 |
| | (370,335) | (734,434) | (584,863) | (638,364) | (936,112) | (703,752) |
| | 3,572,326 | 4,941,160 | 2,025,795 | 2,812,820 | 9,491,445 | 1,577,600 |
| | - | - | - | - | (9,517,488) | - |
| | - | 320,953 | - | - | 1,355,065 | - |
| | 791,000 | 983,840 | 948,000 | 932,800 | 183,000 | 960,000 |
| | <u>4,363,326</u> | <u>6,245,953</u> | <u>2,973,795</u> | <u>3,745,620</u> | <u>1,512,022</u> | <u>2,537,600</u> |
| \$ | <u>2,674,090</u> | <u>(433,277)</u> | <u>2,189,010</u> | <u>2,946,036</u> | <u>2,606,808</u> | <u>1,668,706</u> |
| | 15.74% | 12.41% | 14.04% | 14.04% | 10.49% | 14.05% |

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

| Function | Fiscal Year | | | |
|--------------------|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Property taxes | \$ 16,000,772 | \$ 16,548,137 | \$ 18,212,134 | \$ 18,586,644 |
| Sales taxes | 1,824,271 | 2,354,141 | 2,063,194 | 2,210,700 |
| Other taxes | 1,221,970 | 1,211,149 | 1,370,580 | 1,385,555 |
| Total Taxes | \$ 19,047,013 | \$ 20,113,427 | \$ 21,645,908 | \$ 22,182,899 |

| Fiscal Year | | | | | | Change |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2020-2021 |
| \$ 19,168,536 | \$ 19,052,802 | \$ 20,458,921 | \$ 21,081,991 | \$ 22,227,706 | \$ 22,582,322 | 1.6% |
| 2,470,991 | 2,437,411 | 2,502,791 | 2,502,854 | 2,795,362 | 3,173,120 | 13.5% |
| 1,342,385 | 1,417,454 | 1,376,675 | 1,417,998 | 1,399,393 | 1,427,059 | 2.0% |
| <u>\$ 22,981,912</u> | <u>\$ 22,907,667</u> | <u>\$ 24,338,387</u> | <u>\$ 25,002,843</u> | <u>\$ 26,422,461</u> | <u>\$ 27,182,501</u> | 2.9% |

POLK COUNTY, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Years

| | Fiscal Year | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Real property | \$ 1,888,429,689 | \$ 1,886,501,642 | \$ 2,038,542,297 | \$ 2,584,070,818 |
| Personal property | 443,841,435 | 470,556,096 | 512,183,088 | 535,973,582 |
| Mineral | 287,995,665 | 349,102,310 | 352,464,821 | 336,421,796 |
| Total assessed value (1) | <u>2,620,266,789</u> | <u>2,706,160,048</u> | <u>2,903,190,206</u> | <u>3,456,466,196</u> |
| Less: real property exemptions | <u>(415,465,243)</u> | <u>(429,347,409)</u> | <u>(442,563,250)</u> | <u>(456,123,623)</u> |
| Total Taxable Assessed Value (Net)(1) | <u>2,204,801,546</u> | <u>2,276,812,639</u> | <u>2,460,626,956</u> | <u>3,000,342,573</u> |
| Less: freeze taxable exemptions | <u>(278,671,325)</u> | <u>(310,369,756)</u> | <u>(352,192,056)</u> | <u>(393,901,443)</u> |
| Total Freeze Adjusted Taxable(1) | <u>\$ 1,926,130,221</u> | <u>\$ 1,966,442,883</u> | <u>\$ 2,108,434,900</u> | <u>\$ 2,606,441,130</u> |
| Total Direct Tax Rate | \$ 0.6277 | \$ 0.6277 | \$ 0.6277 | \$ 0.6461 |

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value.
Source: Polk Central Appraisal District

Fiscal Year

| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| \$ 2,743,880,166 | \$ 2,873,191,987 | \$ 3,047,723,414 | \$ 3,154,514,774 | \$ 3,380,313,153 | \$ 3,470,980,729 |
| 575,589,894 | 604,117,476 | 690,425,326 | 835,555,725 | 858,270,565 | 904,827,820 |
| 232,753,563 | 109,579,830 | 198,273,059 | 196,736,488 | 179,051,026 | 91,385,889 |
| <u>3,552,223,623</u> | <u>3,586,889,293</u> | <u>3,936,421,799</u> | <u>4,186,806,987</u> | <u>4,417,634,744</u> | <u>4,467,194,438</u> |
| <u>(475,602,352)</u> | <u>(463,299,119)</u> | <u>(598,407,562)</u> | <u>(771,896,150)</u> | <u>(815,715,833)</u> | <u>(863,904,678)</u> |
| <u>3,076,621,271</u> | <u>3,123,590,174</u> | <u>3,338,014,237</u> | <u>3,414,910,837</u> | <u>3,601,918,911</u> | <u>3,603,289,760</u> |
| <u>(421,853,708)</u> | <u>(454,131,686)</u> | <u>(516,439,579)</u> | <u>(538,128,396)</u> | <u>(577,952,726)</u> | <u>(611,807,374)</u> |
| <u>\$ 2,654,767,563</u> | <u>\$ 2,669,458,488</u> | <u>\$ 2,821,574,658</u> | <u>\$ 2,876,782,441</u> | <u>\$ 3,023,966,185</u> | <u>\$ 2,991,482,386</u> |
| \$ 0.6461 | \$ 0.6461 | \$ 0.6461 | \$ 0.6461 | \$ 0.6461 | \$ 0.6376 |

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

| | Fiscal Year | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2012 | 2013 | 2014 | 2015 |
| <u>Polk County by fund:</u> | | | | |
| General | \$ 0.33310 | \$ 0.33350 | \$ 0.36390 | \$ 0.37570 |
| Road and bridge | 0.15430 | 0.15050 | 0.14880 | 0.14880 |
| Debt service | 0.14030 | 0.14370 | 0.13340 | 0.12160 |
| | <u>0.62770</u> | <u>0.62770</u> | <u>0.64610</u> | <u>0.64610</u> |
| <u>Cities:</u> | | | | |
| City of Corrigan | 0.48610 | 0.48150 | 0.48150 | 0.44310 |
| City of Goodrich | 0.50000 | 0.55150 | 0.50840 | 0.49320 |
| <u>School Districts:</u> | | | | |
| Big Sandy ISD | 1.21610 | 1.19480 | 1.18210 | 1.17540 |
| Corrigan-Camden ISD | 1.20750 | 1.19290 | 1.20000 | 1.18000 |
| Goodrich ISD | 1.04000 | 1.04000 | 1.17000 | 1.17000 |
| Leggett ISD | 1.13150 | 1.14500 | 1.14190 | 1.14000 |
| Livingston ISD | 1.39500 | 1.39500 | 1.39500 | 1.39500 |
| Onalaska ISD | 1.16800 | 1.16500 | 1.15600 | 1.29880 |
| <u>Utility Districts:</u> | | | | |
| Memorial Point Utility District | 0.89000 | 0.89000 | 0.89000 | 0.89000 |
| Polk County FWSD | 0.37300 | 0.37300 | 0.35800 | 0.35800 |
| Total Direct and Overlapping Rates | <u>\$ 10.03490</u> | <u>\$ 10.05640</u> | <u>\$ 10.12900</u> | <u>\$ 10.18960</u> |

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

| Fiscal Year | | | | | | |
|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|--|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| \$ 0.37980 | \$ 0.38680 | \$ 0.39840 | \$ 0.39744 | \$ 0.39744 | \$ 0.40019 | |
| 0.14290 | 0.14710 | 0.14710 | 0.14710 | 0.14710 | 0.14710 | |
| 0.12340 | 0.11220 | 0.10060 | 0.10156 | 0.10156 | 0.09881 | |
| <u>0.64610</u> | <u>0.64610</u> | <u>0.64610</u> | <u>0.64610</u> | <u>0.64610</u> | <u>0.64610</u> | |
| 0.43540 | 0.35180 | 0.43600 | 0.42770 | 0.42000 | 0.47640 | |
| 0.45730 | 0.40840 | 0.42600 | 0.43290 | 0.42810 | 0.41820 | |
| 1.21650 | 1.26940 | 1.26900 | 1.20450 | 1.20830 | 1.21530 | |
| 1.18000 | 1.18000 | 1.18000 | 1.11000 | 1.10000 | 1.07680 | |
| 1.17000 | 1.33000 | 1.33100 | 1.20530 | 1.15750 | 1.06560 | |
| 1.15290 | 1.20000 | 1.18200 | 1.17740 | 1.26337 | 1.23770 | |
| 1.39000 | 1.39000 | 1.39000 | 1.32330 | 1.30970 | 1.23690 | |
| 1.27980 | 1.23500 | 1.24900 | 1.17890 | 1.16530 | 1.08390 | |
| 0.89000 | 0.89000 | 0.90000 | 0.90000 | 0.90000 | 0.90000 | |
| 0.33500 | 0.33500 | 0.33500 | 0.33500 | 0.33500 | 0.33250 | |
| <u>\$ 10.15300</u> | <u>\$ 10.23570</u> | <u>\$ 10.34410</u> | <u>\$ 9.94110</u> | <u>\$ 9.93337</u> | <u>\$ 9.68940</u> | |

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POLK COUNTY, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

| Property Taxpayer | 2021 | | | 2012 | | |
|----------------------------------|--------------------------------------|------|--------------------------------------|--------------------------------------|------|--------------------------------------|
| | 2020 Taxable Assessed Value | Rank | % of Taxable Assessed Value | 2011 Taxable Assessed Value | Rank | % of Taxable Assessed Value |
| Georgia Pacific LLC* | \$ 120,174,790 | 1 | 3.34% | \$ 63,150,450 | 2 | 2.86% |
| Transcanada Keystone Pipeline LP | 92,339,284 | 2 | 2.56% | - | - | 0.00% |
| Gulf South Pipeline Co LP | 49,125,600 | 3 | 1.36% | - | - | 0.00% |
| Union Pacific Railroad Co. | 33,517,390 | 4 | 0.93% | 17,118,290 | 10 | 0.78% |
| RMS Texas Timberlands I LP | 28,998,997 | 5 | 11.08% | 22,489,556 | 8 | 1.02% |
| Unit Petroleum Company | 21,329,761 | 6 | 0.59% | - | - | 0.00% |
| Kinder Morgan Tejas Pipeline LP | 19,140,420 | 7 | 0.53% | - | - | 0.00% |
| Sam Houston Electric Coop Inc | 14,751,165 | 8 | 0.41% | - | - | 0.00% |
| East Texas Electric Coop Inc | 13,630,000 | 9 | 1.83% | - | - | 0.00% |
| Eastex Telephone | 13,339,500 | 10 | 0.37% | 19,751,280 | 9 | 0.90% |
| Black Stone Minerals | - | - | 0.00% | 24,204,357 | 7 | 1.10% |
| Comstock Oil and Gas | - | - | 0.00% | 66,255,055 | 1 | 3.01% |
| ETC Katy Pipeline Limited | - | - | 0.00% | 45,041,870 | 4 | 2.04% |
| Enbridge Pipelines | - | - | 0.00% | 35,868,460 | 6 | 1.63% |
| BBX Operating LLC | - | - | 0.00% | 37,753,411 | 5 | 1.71% |
| Wapiti Operating LLC | - | - | 0.00% | 47,838,698 | 3 | 2.17% |
| Subtotal | <u>406,346,907</u> | | <u>23.01%</u> | <u>379,471,427</u> | | <u>17.21%</u> |
| Other taxpayers | <u>3,196,942,853</u> | | <u>88.72%</u> | <u>1,825,330,119</u> | | <u>82.79%</u> |
| Total | <u><u>\$ 3,603,289,760</u></u> | | <u><u>111.73%</u></u> | <u><u>\$ 2,204,801,546</u></u> | | <u><u>100.00%</u></u> |

Source: Polk Central Appraisal District

*Previously named International Paper Company

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

| | Fiscal Year | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Adjusted tax levy | \$ 15,837,389 | \$ 16,354,546 | \$ 17,876,863 | \$ 18,472,325 |
| Current tax collected | \$ 15,230,709 | \$ 15,776,269 | \$ 17,270,190 | \$ 17,690,427 |
| Percentage of current tax collections | 96.17% | 96.46% | 96.61% | 95.77% |
| Delinquent tax collections | 535,727 | 491,829 | 517,099 | 679,786 |
| Total Tax Collections | \$ 15,741,927 | \$ 16,253,949 | \$ 17,760,258 | \$ 18,370,213 |
| Total collections as a percentage of current levy | 99.35% | 99.32% | 99.27% | 99.12% |
| Outstanding Delinquent Taxes | \$ 70,953 | \$ 86,447 | \$ 89,574 | \$ 102,112 |
| Outstanding delinquent taxes as percentage of current levy | 0.65% | 0.68% | 0.73% | 0.88% |

Source: Polk County Tax Assessor/Collector

| Fiscal Year | | | | | |
|--------------------|---------------|---------------|---------------|---------------|---------------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| \$ 18,827,503 | \$ 18,891,307 | \$ 20,298,419 | \$ 20,793,624 | \$ 21,980,245 | \$ 21,879,475 |
| \$ 18,220,530 | \$ 18,238,267 | \$ 19,600,034 | \$ 20,197,962 | \$ 21,256,031 | \$ 21,353,183 |
| 96.78% | 96.54% | 96.56% | 97.14% | 96.71% | 97.59% |
| 481,038 | 536,173 | 536,789 | 414,567 | 469,258 | - |
| \$ 18,701,568 | \$ 18,774,440 | \$ 20,136,823 | \$ 20,612,529 | \$ 21,725,289 | \$ 21,353,183 |
| 99.05% | 98.89% | 98.43% | 97.14% | 98.84% | 97.59% |
| \$ 125,935 | \$ 116,867 | \$ 161,596 | \$ 181,095 | \$ 254,956 | \$ 526,292 |
| 0.95% | 1.11% | 1.57% | 2.86% | 1.16% | 2.41% |

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

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Net Taxable Assessed Value | | | | |
| All property | \$ 2,204,801,546 | \$ 2,276,812,639 | \$ 2,460,626,956 | \$ 3,000,342,573 |
| Net Bonded Debt | | | | |
| Gross bonded debt | \$ 30,663,243 | \$ 28,319,066 | \$ 27,045,440 | \$ 26,083,036 |
| Less debt service funds | 30,092 | 33,694 | 39,975 | 48,183 |
| Total Net Bonded Debt | \$ 30,633,151 | \$ 28,285,372 | \$ 27,005,465 | \$ 26,034,853 |
| Ratio of Net Bonded Debt To Assessed Value | 1.3894% | 1.2423% | 1.0975% | 0.8677% |
| Population (1,2,3) | 45,725 | 45,790 | 46,079 | 46,079 |
| Net Bonded Debt per Capita | \$ 670 | \$ 618 | \$ 586 | \$ 565 |

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

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|----|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | <u>\$ 3,076,621,271</u> | <u>\$ 3,123,590,174</u> | <u>\$ 3,338,014,237</u> | <u>\$ 3,414,910,837</u> | <u>\$ 3,601,918,911</u> | <u>\$ 3,603,289,760</u> |
| | \$ 25,351,776 | \$ 22,777,368 | \$ 21,042,017 | \$ 20,019,665 | \$ 17,869,325 | \$ 15,323,461 |
| | 63,588 | 51,766 | - | 44,083 | 121,173 | 174,728 |
| | <u>\$ 25,288,188</u> | <u>\$ 22,725,602</u> | <u>\$ 21,042,017</u> | <u>\$ 19,975,582</u> | <u>\$ 20,019,665</u> | <u>\$ 15,148,733</u> |
| | 0.8219% | 0.7275% | 0.6304% | 0.5850% | 0.5979% | 0.4204% |
| # | 46,972 | 46,972 | 49,162 | 50,031 | 51,353 | 50,123 |
| \$ | 538 | 484 | 428 | 459 | 400 | 302 |

POLK COUNTY, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
 Last Ten Years

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Governmental activities: | | | | |
| General obligation | \$ 25,735,000 | \$ 24,455,000 | \$ 22,810,000 | \$ 21,762,567 |
| Tax notes | 4,928,243 | 3,864,066 | 4,235,440 | 4,290,469 |
| Obligations under capital leases | 791,434 | 399,645 | 825,865 | 862,198 |
| Direct borrowings/placement | - | - | - | - |
| Premium | 790,825 | 731,143 | 698,013 | 637,567 |
| Net Governmental Activities Debt | \$ 32,245,502 | \$ 29,449,854 | \$ 28,569,318 | \$ 27,552,801 |
| | | | | |
| Percentage of personal income | 1.72% | 1.54% | 1.50% | 1.44% |
| | | | | |
| Net Bonded Debt per Capita | \$ 705 | \$ 643 | \$ 620 | \$ 598 |

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

| Fiscal Year | | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| \$ 22,092,278 | \$ 20,329,842 | \$ 18,293,460 | \$ 15,665,000 | \$ 12,570,000 | \$ 10,645,000 | |
| 3,259,498 | 2,447,527 | 2,748,557 | 3,790,000 | 305,000 | 45,000 | |
| 1,307,326 | 1,281,393 | 1,253,238 | 1,267,033 | 1,256,444 | 1,329,871 | |
| - | - | - | 3,235,000 | 3,475,000 | 3,365,000 | |
| 577,278 | 769,368 | 667,017 | 564,665 | 1,519,325 | 1,268,461 | |
| <u>\$ 27,236,380</u> | <u>\$ 24,828,130</u> | <u>\$ 22,962,272</u> | <u>\$ 24,521,698</u> | <u>\$ 19,125,769</u> | <u>\$ 16,653,332</u> | |
| 1.60% | 1.43% | 1.22% | 1.24% | 0.94% | 0.73% | |
| \$ 580 | \$ 518 | \$ 467 | \$ 490 | \$ 372 | \$ 332 | |

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POLK COUNTY, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2021

| <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 | \$ 460,000 | 100.00% | \$ 460,000 |
| Goodrich | \$ 116,000 | 100.00% | \$ 116,000 |
| Livingston | \$ - | 100.00% | \$ - |
| Onalaska | \$ - | 100.00% | \$ - |
| School Districts: | | | |
| Big Sandy ISD | \$ 1,110,000 | 100.00% | \$ 1,110,000 |
| Chester ISD | \$ - | 39.60% | \$ - |
| Corrigan-Camden ISD | \$ 1,655,000 | 100.00% | \$ 1,655,000 |
| Goodrich ISD | \$ 2,585,000 | 100.00% | \$ 2,585,000 |
| Leggett ISD | \$ 2,745,000 | 100.00% | \$ 2,745,000 |
| Livingston ISD | \$ 53,820,000 | 100.00% | \$ 53,820,000 |
| Onalaska ISD | \$ 10,159,406 | 100.00% | \$ 10,159,406 |
| Woodville ISD | \$ 2,973,000 | 0.82% | \$ 24,379 |
| Subtotal, overlapping debt | 75,623,406 | | 72,674,785 |
| Polk County direct debt | \$ 16,653,332 | 100.00% | 16,653,332 |
| Total Direct and Overlapping debt | <u>\$ 92,276,738</u> | | <u>\$ 89,328,117</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 | | | |
|---|-----------------------|----------------------|-----------------------|-----------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Debt limit | \$ 551,200,387 | \$ 571,008,137 | \$ 615,244,268 | \$ 750,085,643 |
| Total net debt applicable to limit | 25,704,908 | 28,272,306 | 26,968,025 | 25,335,817 |
| Legal Debt Margin | \$ 525,495,479 | # 542,735,831 | \$ 588,276,243 | \$ 724,749,826 |
| Total net debt applicable to the limit as a percentage of debt limit | 4.66% | 4.95% | 4.38% | 3.38% |

Legal Debt Margin Calculation for 2021

| | |
|---|-----------------------|
| Assessed value | \$ 3,603,289,760 |
| Debt limit (25% of assessed value) | 900,822,440 |
| Debt applicable to limit: | |
| General obligation bonds | 10,645,000 |
| Tax notes | 45,000 |
| Less: amount set aside for direct borrowings/placement | 3,365,000 |
| Total net debt applicable to limit | 14,055,000 |
| Legal Debt Margin | \$ 886,767,440 |

Fiscal Year

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 769,155,318 | \$ 780,897,544 | \$ 834,503,559 | \$ 853,727,709 | \$ 900,467,228 | \$ 900,822,440 |
| 24,685,412 | 22,059,766 | 20,375,000 | 19,455,000 | 16,350,000 | 14,055,000 |
| <u>\$ 744,469,906</u> | <u>\$ 758,837,778</u> | <u>\$ 814,128,559</u> | <u>\$ 834,272,709</u> | <u>\$ 834,272,709</u> | <u>\$ 886,767,440</u> |
| 3.21% | 2.82% | 2.44% | 2.28% | 2.28% | 1.56% |

POLK COUNTY, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Years

| | Fiscal Year | | | |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2012 | 2013 | 2014 | 2015 |
| Population (1,2,4)** | 45,725 | 45,790 | 46,079 | 46,079 |
| Personal income (4)** | \$1,875,855,000 | \$1,907,585,000 | \$1,907,585,000 | \$1,663,552,000 |
| Per capita personal income (4)** | \$ 41,014 | \$ 41,659 | \$ 37,194 | \$ 36,102 |
| Median age (1,4,5)** | 43.2 | 42.9 | 42.9 | 43.6 |
| School enrollment (2) | | | | |
| Big Sandy ISD | 470 | 494 | 464 | 464 |
| Chester ISD | 166 | 181 | 155 | 155 |
| Corrigan-Camden ISD | 930 | 1,018 | 945 | 945 |
| Goodrich ISD | 220 | 235 | 207 | 207 |
| Leggett ISD | 174 | 187 | 159 | 159 |
| Livingston ISD | 3,862 | 4,098 | 3,788 | 3,788 |
| Onalaska ISD | 881 | 942 | 846 | 846 |
| Total | <u>6,701</u> | <u>7,155</u> | <u>6,564</u> | <u>6,564</u> |
| Unemployment rate (3) | 7.70% | 8.00% | 7.70% | 6.40% |

Data sources:

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

**Most current information available from these data sources.

| Fiscal Year | | | | | |
|--------------------|-----------------|-----------------|-----------------|-----------------|------------------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| 46,972 | 47,916 | 49,162 | 50,031 | 51,353 | 50,123 |
| \$ 1,706,994,000 | \$1,736,049,000 | \$1,878,484,000 | \$1,973,118,000 | \$2,044,752,000 | \$ 2,269,799,000 |
| \$ 39,662 | \$ 36,231 | \$ 38,210 | \$ 24,686 | \$ 39,818 | \$ 42,830 |
| 43.5 | 43.7 | 43.4 | 43.7 | 43.6 | 44.1 |
| 498 | 528 | 528 | 507 | 503 | 532 |
| 175 | 194 | 194 | 206 | 203 | 213 |
| 988 | 917 | 917 | 890 | 820 | 819 |
| 239 | 227 | 227 | 241 | 259 | 244 |
| 168 | 163 | 163 | 179 | 195 | 219 |
| 4,049 | 4,063 | 4,063 | 4,056 | 3,970 | 4,023 |
| 893 | 1,026 | 1,026 | 1,110 | 1,143 | 1,215 |
| <u>7,010</u> | <u>7,118</u> | <u>7,118</u> | <u>7,189</u> | <u>7,093</u> | <u>7,265</u> |
| 6.50% | 6.30% | 4.60% | 5.00% | 8.30% | 6.90% |

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POLK COUNTY, TEXAS

PRINCIPAL EMPLOYERS

Last Ten Years

| Employer | 2021 | | | 2012 | | |
|---|--------------|------|---|--------------|------|---|
| | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Georgia Pacific* | 1,000 | 1 | 2.00% | 1,000 | 1 | 2.19% |
| Texas Dept of Criminal Justice, Polunsky Unit | 691 | 2 | 1.38% | 767 | 2 | 1.68% |
| Alabama-Coushatta Tribe of Texas** | 684 | 3 | 1.36% | 250 | 7 | 0.55% |
| Livingston ISD | 600 | 4 | 1.20% | 630 | 3 | 1.38% |
| Wal-Mart | 367 | 5 | 0.73% | 400 | 4 | 0.87% |
| CHI St. Lukes's Health Memorial Livingston | 332 | 6 | 0.66% | 388 | 5 | 0.85% |
| Polk County | 318 | 7 | 0.63% | 300 | 6 | 0.66% |
| Brookshire Brothers (Corrigan, Livingston, Onalaska) | 209 | 8 | 0.42% | 206 | 9 | 0.45% |
| Onalaska ISD | 197 | 9 | 0.39% | - | - | - |
| Corrigan OSB | 178 | 10 | 0.36% | - | - | - |
| Corrian/Camden ISD | 173 | - | 0.35% | 185 | 10 | 0.40% |
| Sam Houston Electric Cooperative | 159 | - | 0.32% | - | - | - |
| Lowe's | 144 | - | 0.29% | - | - | - |
| MTC (IAH Detention Facility) | 166 | - | 0.33% | 245 | 8 | 0.54% |
| Total | 5,218 | | 10.41% | 4,371 | | 9.56% |

Sources:

Polk County Economic & Industrial Development Corporation
Texas Workforce

*Previously named International Paper Company

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POLK COUNTY, TEXAS

COUNTY EMPLOYEES

Last Ten Years

| Function/Program | Fiscal Year | | | | | | | | | |
|-----------------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| General Government: | | | | | | | | | | |
| County Judge | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 3 | 3 | 3 |
| Commissioners' Court | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| County Clerk | 10 | 10 | 10 | 10 | 10 | 11 | 11 | 11 | 12 | 11 |
| County Auditor | 5 | 5 | 5 | 4 | 5 | 4 | 5 | 5 | 5 | 5 |
| County Treasurer | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Information Technology* | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| Maintenance/Custodial | 4 | - | - | - | - | - | - | - | - | - |
| Maintenance/Engineering | 7 | 11 | 11 | 11 | 12 | 12 | 10 | 11 | 12 | 11 |
| Emergency Management | 5 | 5 | 5 | 5 | 3 | 3 | 4 | 4 | 4 | 4 |
| Personnel/Human Resources | 3 | 3 | 3 | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| Grants and Contracts*** | - | - | - | - | - | - | - | 1 | 1 | 1 |
| Road and Bridges: | | | | | | | | | | |
| Commissioners | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Road and Bridge Workers | 45 | 47 | 37 | 36 | 35 | 34 | 43 | 34 | 33 | 36 |
| Administration of Justice: | | | | | | | | | | |
| County Court-at-Law | 4 | 4 | 3 | 4 | 4 | 3 | 4 | 5 | 5 | 5 |
| District Clerk | 10 | 10 | 9 | 10 | 9 | 10 | 10 | 12 | 12 | 10 |
| District Judges | 7 | 8 | 9 | 9 | 11 | 8 | 10 | 10 | 8 | 7 |
| JP Precinct 1 | 4 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 |
| JP Precinct 2 | 4 | 3 | 3 | 3 | 3 | 3 | 2 | 4 | 4 | 4 |
| JP Precinct 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| JP Precinct 4 | 3 | 3 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| District Attorney | 17 | 16 | 16 | 18 | 18 | 17 | 18 | 18 | 17 | 16 |
| Sheriff's Dept | 52 | 54 | 50 | 53 | 51 | 54 | 51 | 53 | 59 | 56 |
| Jail | 37 | 41 | 39 | 41 | 46 | 49 | 45 | 48 | 46 | 46 |
| Constables | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 4 | 4 |
| Department of Public Safety | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Courthouse Security | 2 | 2 | 2 | 2 | 3 | 3 | 2 | 4 | 4 | 2 |
| Fire Marshall | - | - | - | - | - | - | - | 1 | 1 | 1 |
| Health and Human Services: | | | | | | | | | | |
| Library and Museum | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Social Services | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 2 | 2 | 2 |
| Veterans Service | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| County Extension | 4 | 4 | 4 | 4 | 4 | 3 | 3 | 3 | 3 | 3 |
| Permits/Inspections** | - | - | - | - | 2 | 2 | 2 | 2 | 2 | 2 |
| Environmental Enforcement | 1 | - | - | - | 1 | 1 | 1 | 2 | 2 | 2 |
| Aging Services | 4 | 1 | 1 | 1 | 4 | 4 | 4 | 7 | 7 | 7 |
| Tax Administration: | | | | | | | | | | |
| Tax Assessor/Collector | 14 | 17 | 12 | 14 | 14 | 14 | 14 | 14 | 15 | 14 |
| Total: | <u>268</u> | <u>273</u> | <u>250</u> | <u>258</u> | <u>270</u> | <u>270</u> | <u>273</u> | <u>284</u> | <u>288</u> | <u>279</u> |

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

*Previously named Data Processing

**FY2016 separated these functions from Emergency Management.

***FY2019 Newly created departments

POLK COUNTY, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Years

| | Fiscal Year | | | |
|---|-------------|-------|---------|-------|
| | 2012 | 2013 | 2014 | 2015 |
| <u>County Court</u> | | | | |
| Civil Cases | | | | |
| Pending Beginning of Year | 1,305 | 1,472 | 1,678 | 1,734 |
| Docket Adjust | (16) | (31) | 46 | - |
| Added | 723 | 813 | 789 | 707 |
| Disposed | (540) | (576) | (779) | (673) |
| Pending End of Year | 1,472 | 1,678 | 1,734 | 1,724 |
| Criminal Cases | | | | |
| Pending Beginning of Year | 2,856 | 3,120 | 3,142 | 3,180 |
| Docket Adjust | (8) | (15) | (6) | - |
| Added | 1,243 | 874 | 1,145 | 994 |
| Disposed | (971) | (837) | (1,101) | (957) |
| Pending End of Year | 3,120 | 3,142 | 3,180 | 2,294 |
| <u>District Court</u> | | | | |
| Civil Cases | | | | |
| Pending Beginning of Year | 862 | 860 | 889 | 956 |
| Docket Adjust | (50) | (35) | - | - |
| Added | 1,021 | 304 | 334 | 272 |
| Disposed | (973) | (240) | (267) | (227) |
| Pending End of Year | 860 | 889 | 956 | 707 |
| Criminal Cases | | | | |
| Pending Beginning of Year | 1,198 | 1,639 | 1,561 | 1,687 |
| Docket Adjust | (14) | (48) | - | - |
| Added | 1,256 | 967 | 919 | 704 |
| Disposed | (801) | (997) | (793) | (513) |
| Pending End of Year | 1,639 | 1,561 | 1,687 | 918 |
| <u>Justice of the Peace Courts</u> | | | | |
| Cases Filed | | | | |
| Traffic | 5,833 | 4,290 | 4,162 | 4,837 |
| Nontraffic | 2,962 | 2,913 | 2,507 | 2,100 |
| Small Claims Suits | 38 | 44 | 168 | 155 |
| Forcible Entry and Detainer | 128 | 106 | 165 | 179 |
| Other Civil Suits | 292 | 238 | 195 | 281 |
| Cases Disposed | | | | |
| Traffic | 4,798 | 3,780 | 3,658 | 2,922 |
| Nontraffic | 2,382 | 2,373 | 2,007 | 1,545 |
| Small Claims Suits | 42 | 33 | 170 | 182 |
| Forcible Entry and Detainer | 113 | 95 | 147 | 188 |
| Other Civil Suits | 233 | 200 | 101 | 208 |
| Cases Appealed | | | | |
| Traffic | 16 | 12 | 10 | 10 |
| Nontraffic | 26 | 2 | 5 | - |
| Small Claims Suits | 2 | - | - | - |
| Forcible Entry and Detainer | 5 | - | 1 | 2 |
| Other Civil Suits | - | - | - | - |
| Miscellaneous | | | | |
| Examining Trials | - | - | 1 | - |
| Inquests | 209 | 215 | 243 | 312 |

Source: Texas Courts Online (Office of Court Administration)

*FY11 had reporting changes

| Fiscal Year | | | | | |
|-------------|---------|-------|-------|-------|--------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| 1,724 | 2,504 | 2,461 | 2414 | 2338 | 2152 |
| - | (18) | (67) | (37) | (60) | (65) |
| 988 | 860 | 855 | 864 | 757 | 811 |
| (875) | (871) | (835) | (903) | (883) | (769) |
| 2,504 | 2,461 | 2,414 | 2338 | 2152 | 2129 |
| 2,294 | 2,555 | 1,873 | 1692 | 3088 | 3770 |
| - | 1 | (41) | 994 | 11 | (1705) |
| 984 | 1,078 | 734 | 606 | 922 | 548 |
| (501) | (446) | (874) | (204) | (251) | (529) |
| 2,555 | 1,873 | 1,692 | 3088 | 3770 | 2084 |
| 707 | 679 | 776 | 761 | 749 | 760 |
| - | (7) | - | (53) | - | (66) |
| 357 | 428 | 327 | 390 | 345 | 402 |
| (383) | (321) | (342) | (349) | (334) | (283) |
| 679 | 776 | 761 | 749 | 760 | 813 |
| 918 | 639 | 832 | 637 | 554 | 1258 |
| - | (9) | (338) | (21) | 283 | 130 |
| 871 | 688 | 998 | 830 | 1019 | 1025 |
| (941) | (1,032) | (855) | (892) | (598) | (609) |
| 639 | 832 | 637 | 554 | 1258 | 1804 |
| 3,172 | 4,447 | 6,101 | 5541 | 3528 | 3149 |
| 1,892 | 1,217 | 1,724 | 2053 | 1480 | 1499 |
| 277 | 130 | 131 | 179 | 155 | 105 |
| 72 | 207 | 179 | 204 | 63 | 161 |
| 120 | 387 | 487 | 533 | 343 | 665 |
| 2,682 | 2,837 | 4,246 | 3565 | 2019 | 2086 |
| 1,257 | 984 | 1,264 | 1241 | 903 | 1109 |
| 173 | 122 | 97 | 175 | 70 | 103 |
| 210 | 178 | 173 | 199 | 164 | 151 |
| 272 | 266 | 395 | 508 | 471 | 597 |
| 4 | 5 | 5 | 17 | 22 | 34 |
| 3 | - | 1 | 1 | 2 | 1 |
| 3 | - | 1 | 4 | 2 | 2 |
| 80 | 5 | 5 | - | 2 | 5 |
| - | - | - | - | - | - |
| - | - | - | 8 | 1 | - |
| 299 | 307 | 334 | 347 | 417 | 487 |

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

| Function/Program | Fiscal Year | | | |
|-------------------------------------|-------------|------|------|------|
| | 2012 | 2013 | 2014 | 2015 |
| <u>General Government</u> | | | | |
| Commissioners' Court | 1 | 2 | 2 | 2 |
| County Clerk | 4 | 6 | 6 | 7 |
| General Operations | 54 | 69 | 46 | 44 |
| District Clerk | 1 | 2 | 2 | 2 |
| JP Precinct 1 | - | - | - | - |
| JP Precinct 2 | 1 | 1 | 1 | 1 |
| JP Precinct 4 | - | - | - | - |
| Judicial | 5 | 5 | 5 | 5 |
| District Attorney | 7 | 6 | 6 | 6 |
| County Auditor | 2 | 2 | 2 | 2 |
| County Treasurer | 2 | 2 | 2 | 2 |
| Tax Assessor/Collector | 4 | 3 | 3 | 4 |
| Information Technology | 13 | 14 | 14 | 13 |
| Maintenance/Engineering | 34 | 30 | 33 | 32 |
| Jail | 8 | 13 | 14 | 14 |
| Constable Precinct 1 | 1 | 1 | 1 | 2 |
| Constable Precinct 2 | 1 | 2 | 2 | 3 |
| Constable Precinct 3 | 1 | 1 | 2 | 2 |
| Constable Precinct 4 | 1 | 1 | 1 | 1 |
| Sheriff's Department | 80 | 88 | 96 | 93 |
| Social Services | 3 | 2 | 3 | 3 |
| Extension | 1 | 1 | 1 | 1 |
| Emergency Management | 11 | 12 | 13 | 14 |
| Environmental Enforcement | 2 | 3 | - | 3 |
| <u>Road and Bridge</u> | | | | |
| Road and Bridge Precinct 1 | 46 | 40 | 40 | 41 |
| Road and Bridge Precinct 2 | 38 | 39 | 41 | 41 |
| Road and Bridge Precinct 3 | 78 | 83 | 83 | 82 |
| Road and Bridge Precinct 4 | 66 | 66 | 67 | 68 |
| <u>Security</u> | | | | |
| Security Department | 1 | 1 | 1 | 1 |
| <u>Historical Commission</u> | | | | |
| Historical | 2 | 2 | 2 | 2 |
| <u>Waste Management</u> | | | | |
| Waste Management | 35 | 34 | 35 | 35 |
| <u>Aging</u> | | | | |
| Aging Services | 9 | 11 | 10 | 10 |

Source: County Inventory Reports

Fiscal Year

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 2 | 2 | 2 | 2 | 2 | 2 |
| 7 | 7 | 7 | 7 | 37 | 37 |
| 48 | 51 | 48 | 50 | 51 | 51 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| - | - | - | - | - | - |
| 5 | - | 5 | 5 | 1 | 1 |
| 6 | 5 | 6 | 6 | 1 | 1 |
| 2 | 6 | 2 | 2 | 6 | 6 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 3 | 2 | 3 | 3 | 2 | 2 |
| 1 | 3 | 1 | 1 | 1 | 1 |
| 13 | 16 | 13 | 14 | 16 | 15 |
| 32 | 33 | 32 | 33 | 35 | 37 |
| 13 | 14 | 13 | 13 | 17 | 18 |
| 2 | 2 | 2 | 2 | 4 | 6 |
| 3 | 4 | 3 | 3 | 5 | 5 |
| 2 | 2 | 2 | 2 | 3 | 3 |
| 1 | 1 | 1 | 1 | 2 | 2 |
| 91 | 92 | 91 | 93 | 99 | 101 |
| 3 | 3 | 3 | 3 | 2 | 4 |
| 21 | 1 | 21 | 22 | 1 | 1 |
| 14 | 14 | 14 | 14 | 14 | 15 |
| 3 | 3 | 3 | 3 | 3 | 3 |
| 42 | 44 | 42 | 43 | 40 | 42 |
| 42 | 42 | 42 | 41 | 44 | 43 |
| 83 | 83 | 83 | 84 | 87 | 88 |
| 68 | 69 | 68 | 70 | 74 | 75 |
| 1 | 1 | 1 | 1 | - | - |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 35 | 34 | 35 | 35 | 35 | 35 |
| 10 | 11 | 10 | 10 | 9 | 9 |

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