

*COMPREHENSIVE  
ANNUAL FINANCIAL REPORT*

of

**POLK COUNTY, TEXAS**

For the Year Ended  
September 30, 2009

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# **POLK COUNTY, TEXAS**

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September 30, 2009

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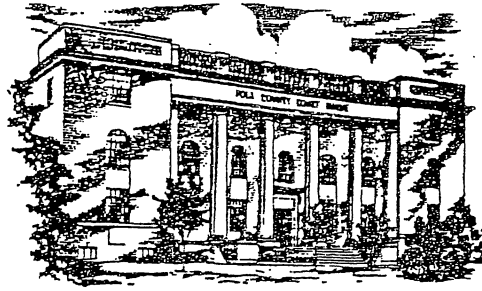
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***INTRODUCTORY SECTION***

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Ray Stelly, CPA  
Polk County Auditor

**POLK COUNTY**  
LIVINGSTON, TEXAS

(936) 327-6811  
Fax: (936) 327-6898

December 31, 2009

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

The Comprehensive Annual Financial Report (CAFR) of Polk County, Texas (the "County"), for the fiscal year ended September 30, 2009, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

In 1999, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This statement established new requirements for the annual financial reports of state and local governments. It was developed to provide additional information about the fiscal health of the government and to make the annual reports more comprehensive and easier to understand and use. GASB Statement No. 34 mandated that governments comparable to the County implement the new reporting model by fiscal year 2003.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

The CAFR is presented in three sections: *Introductory, Financial, and Statistical*. The introductory section includes this transmittal letter, the County's organizational chart, and a list of principal officials. The financial section includes the Management's Discussion and Analysis (MD&A), the basic financial statements including the notes, required supplementary information other than MD&A, combining and individual fund statements and schedules as well as the independent auditors' report on these financial statements and schedules. The statistical section, which is unaudited but reviewed by the independent auditors, includes selected financial and demographic information, generally presented on a multi-year basis.

Polk County, Texas  
Letter of Transmittal  
September 30, 2009

The financial reporting entity (the County) includes all the funds of the primary government (i.e., Polk County as legally defined), as well as any component units. Component units are legally separate entities for which the primary government is financially accountable. Currently, the County has one component unit, IAH Public Facility Corporation.

The County provides a full range of services complemented by statute or charter. This includes police protection, legal and judicial services, construction and maintenance of roads and bridges, and waste management facilities.

## **POLK COUNTY HISTORY**

Polk County was formed in 1846 as a political subdivision of the Republic of Texas. The County was named in honor of James K. Polk, then President of the United States. The City of Livingston is the county seat and the largest city in Polk County.

The 1,095 square miles of Polk County is located in the tall pine forests of deep east Texas, about 70 miles north of Houston. It is bounded by the Trinity River on the southwest and the Neches River on the northwest. To the north and east lie more than 100 miles of scenic roads, four Texas Woodland Trails, and the State's largest Indian Reservation, home of the Alabama-Coushatta Tribe of Texas. In the late 1700's, the Alabama-Coushatta Indians established camps on the Trinity and Neches Rivers. Through the interest and concern of Sam Houston, General of the Republic of Texas, the Alabama Coushatta Indians were given a permanent home in the eastern portion of the County and, until 1971, this was the only Indian reservation in Texas.

The County boasts one of the most varied and enjoyed environments in the state. Pleasant springs and falls, long warm summers, and mild winters entice vacationers year round and encourage retirement to the area. The average rainfall of 48 inches provides abundant forest vegetation and feeds major rivers in the area, making conditions favorable for principal activities such as agriculture, forestry, and ranching. A favorite recreation area is Lake Livingston, a man-made lake surrounded by some 500 miles of shoreline filled with vacation and primary homes, golf courses, marinas, campgrounds, boat launches, and fishing piers. Public access to the lake is provided by the 700-acre Lake Livingston State Park that is open year round, as well as a number of smaller parks. The 93,000-acre lake is located in the west and southwest portion of the County.

## **MAJOR INITIATIVES**

### **For the Year**

On February 1, 2008, Polk County issued \$10,120,000 in certificates of obligation to finance construction of a judicial center. This judicial center, to be constructed in the block directly to the south of the county courthouse, will address space and security concerns associated with the courtrooms currently being used in the county courthouse.

This judicial center will include courtrooms for district court, county court, and justice of the peace court as well as office space for the district judges, district attorney's staff, and office space for the district clerk, county clerk, and justice of the peace. It will also include a sally port at the rear of the building so that prisoners can be loaded and unloaded in a secure environment. It will also include the means to transport prisoners to and from courtrooms securely.

Polk County, Texas  
Letter of Transmittal  
September 30, 2009

A guaranteed maximum price for this facility has been approved by the Polk County Commissioners' Court and construction should begin shortly after the beginning of January 2010.

The site preparation of a new law enforcement facility, including a 240-bed expansion to the county detention facility, approved in March 2007 with the issuance of \$19,000,000 in certificates of obligation, began in August 2009. A guaranteed maximum price for this facility has been approved by the Polk County Commissioners' Court.

On September 13, 2008, Hurricane Ike struck the Texas coast and eventually moved through Polk County bringing near-hurricane force winds and significant amounts of rain. While damage to Polk County structures and equipment was minimal, damage in the county at large rose as high as \$5,000,000. Removal of storm debris by the County was ongoing at year end. As of December 14, 2009, a total of \$7,532,851 has been expended by Polk County for debris removal, other Hurricane Ike-related repairs and the cost of overtime logged by county employees who worked in response to the emergency. A total of \$6,290,518 has been reimbursed by the Federal Emergency Management Administration (FEMA). Polk County expects an additional amount of \$1,227,920 to be reimbursed shortly.

### **For the Future**

On July 9, 2009, Polk County received a financial assistance award from the U.S. Department of Commerce of \$4,000,000 for the construction of a building to house a community college and conference center. The proposed educational facility will be leased to Angelina College of Lufkin, Texas, which will be responsible for the curriculum, operation, and maintenance of the facility. The land on which this facility will be built has been purchased with funds donated by interested citizens and the county is working with an architect to develop preliminary building plans.

## **FINANCIAL INFORMATION**

### **General Government Functions**

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

### **The Budget Process**

The County judge serves as the budget officer and, along with the County auditor, prepares an annual budget for presentation and approval by the Commissioners' Court. Departments submit budget requests for budget revisions and amendments to the County Auditor, who shall review for conformity to statutes, appropriateness within the scope of budget objectives, making recommendations to the Commissioners' Court, as required. The Commissioners' Court maintains sole authority for revising or amending the budget.

Polk County, Texas  
Letter of Transmittal  
September 30, 2009

Notices, budget request forms, and a proposed budget planning calendar are distributed to elected officials and department heads, who are responsible for preparing a departmental budget request and submitting the same to the County judge, along with supporting documentation.

The County auditor estimates historical revenues and beginning balances in conjunction with information obtained from various county offices. The County judge compiles and analyzes budget requests and estimated revenues, conducting budget review meetings with departments and the County auditor.

A preliminary budget is submitted to Commissioners Court' and budget workshops are held with individual departments, if requested. A proposed budget is filed with the County Clerk for public inspection and a tax rate is proposed to support that budget, based upon the Tax assessor/collector's publication of the "effective tax rate."

Notices of the proposed tax rate are published in the local newspaper and public hearings are held to receive comments on the proposed budget and on the proposed tax rate. Changes warranted by law and required in the interest of the taxpayer are made, the budget is adopted, and a tax rate is set. The approved budget is filed with the County clerk and the County auditor.

The County auditor monitors expenditures of the various departments to prevent expenditures from exceeding budget appropriations and sends a monthly financial report to Commissioners' Court and the District judges. The County auditor provides a budget to actual expenditures report to each department on a monthly basis.

Departments may receive added incentives for efforts in cost effective measures during the budget year. Certain budget balances are carried forward (through the budget process) to allow and encourage departments to save toward larger expenditures. Road and bridge departments are probably the most affected by the budget carry-forward issue, as larger balances may occur.

### **Internal Control Structure**

The County's accounting records for general government operations are maintained and the financial statements presented on a modified accrual basis. The financial operating controls are shared by the Commissioners' Court, which is the governing body, and the County auditor, who is appointed by the District judges.

The County auditor has the basic responsibility for maintaining the records of all financial transactions of the County and examining, auditing, and approving all disbursements from county funds prior to submission to Commissioners' Court for payment.

The Commissioners' Court sets the tax rate, establishes policies for county operations, approves contracts for the County and develops and adopts the county budget within the resources as estimated by the County auditor.

In developing the County's accounting systems, consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of the financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived there from, and the evaluation of costs and benefits requires estimates and judgments by management.

Polk County, Texas  
Letter of Transmittal  
September 30, 2009

All internal control evaluations occur within the above framework. The County's internal accounting controls are believed to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **Cash Management**

The County treasurer, by statute, serves as the custodian of county funds and is responsible for the receipt and disbursement of all monies owed to or by the County. The County treasurer is required to maintain accurate records of all transactions of his/her office and to regularly report to the Commissioners' Court.

The Commissioners' Court selected qualified banks to serve as the county depositories, in which the County treasurer deposits all monies received. Monies that are temporarily idle during the year are deposited in TexPool and other approved investments. The County's investment policy was revised to meet the changes in the Public Funds Investment Act. Investment strategies were identified for each group of funds.

### **Risk Management**

The County participates in the Texas Association of Counties Worker's Compensation Pool to cover job related risk. The development of a limited risk management program has resulted in significant savings in Worker's Compensation insurance premiums. These savings are passed on to all county employees in the form of cost of living and merit salary increases. Additionally, the County annually reviews, with its carrier, all liability coverage making necessary amendments and/or adjustments to policy deductibles and limits.

## **OTHER INFORMATION**

### **Independent Audit**

The County requires an annual audit of the books of accounts, financial records, and transactions of all departments of the County by an independent certified public accountant. The accounting firm of Belt Harris & Associates, LLLP, was selected by Commissioners' Court as the County's auditors, and their opinion letter on the financial statements is included in the financial section of this report.

### **Acknowledgements**

The preparation of this report was accomplished with the efficient and dedicated services of the entire staff of the County auditor's office. We would like to express our appreciation to all members of the departments who assisted and contributed to its preparation. We would also like to thank the County judge, members of the Commissioners' Court, and the department heads for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

  
Ray Stelly, County Auditor

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**POLK COUNTY, TEXAS**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
September 30, 2009

**COMMISSIONERS COURT:**

John P. Thompson	County Judge
Robert E. Willis	Commissioner, Precinct #1
Ronnie L. Vincent	Commissioner, Precinct #2
Milton B. Purvis	Commissioner, Precinct #3
Charles T. Overstreet	Commissioner, Precinct #4

**JUDICIAL:**

Lee Hon	District Attorney
Kathy Clifton	District Clerk

**COUNTY COURT AT LAW:**

Stephen Phillips	Judge, County Court at Law
Schelana Walker	County Clerk

**JUSTICE COURTS:**

Darrell Longino	Justice of Peace, Precinct #1
David Johnson	Justice of Peace, Precinct #2
Larry Whitworth	Justice of Peace, Precinct #3
Steven B. McEntyre	Justice of Peace, Precinct #4

**LAW ENFORCEMENT:**

Kenneth Hammack	County Sheriff
Charles Clack	Constable, Precinct #1
William Cunningham	Constable, Precinct #2
Ray Meyers	Constable, Precinct #3
Dana G. "Bubba" Piper	Constable, Precinct #4

**FINANCIAL ADMINISTRATION:**

Marion A. "Bid" Smith	Tax Assessor/Collector
Nola Reneau	County Treasurer
Ray Stelly	County Auditor*

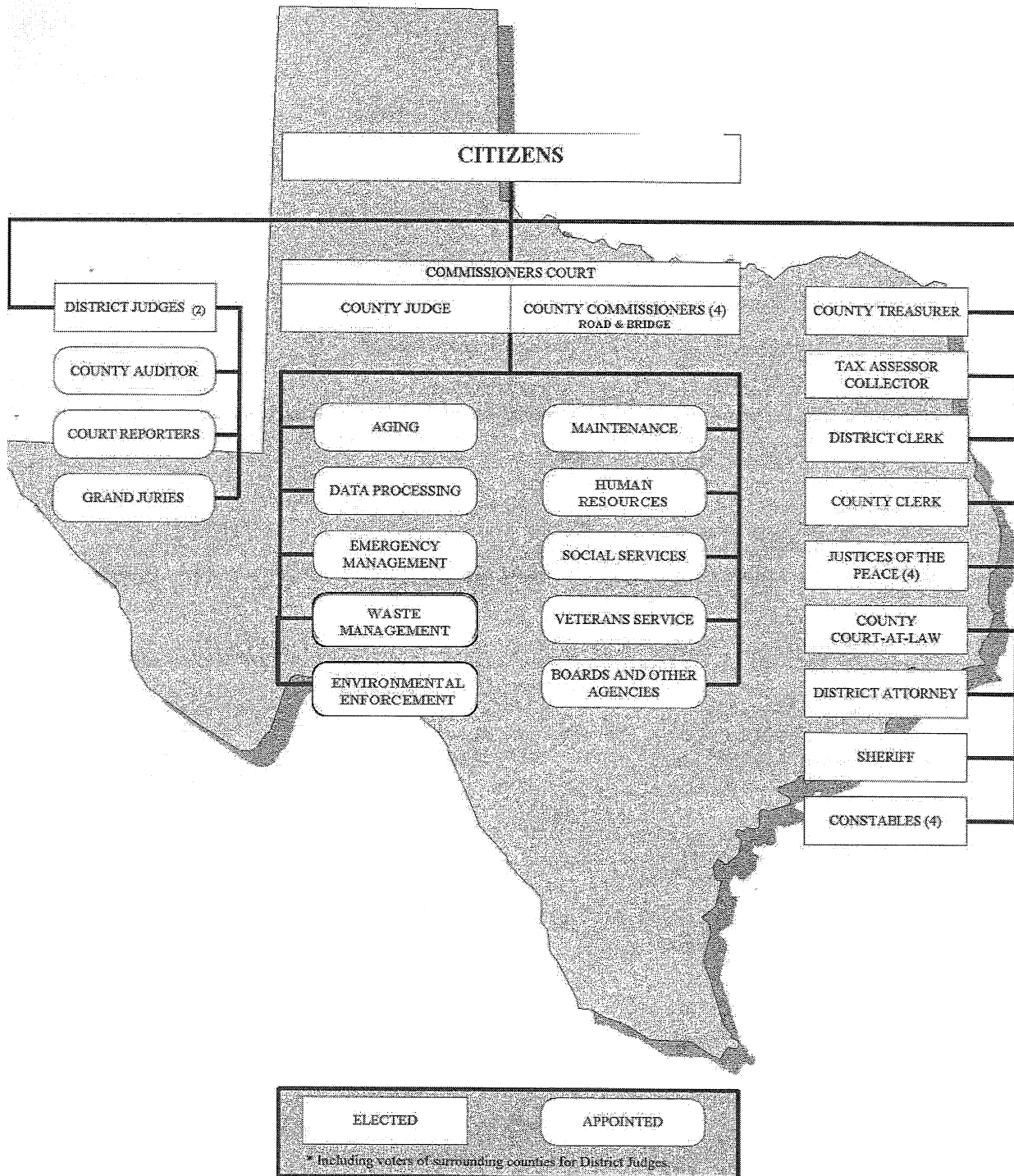
\*Designated appointed official. All others are elected.

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# POLK COUNTY, TEXAS

## ORGANIZATIONAL CHART

September 30, 2009



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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:

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, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2009, and the respective changes in financial position thereof for the year ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2009 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in assessing the results of our audit.

The management's discussion and analysis, budgetary comparison information, and pension information, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Belt Harris & Associates, LLLP*

Belt Harris & Associates, LLLP  
*Certified Public Accountants*  
Houston, Texas  
December 31, 2009



***MANAGEMENT'S DISCUSSION AND ANALYSIS***

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**POLK COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended September 30, 2009

The following management's discussion and analysis ("MD&A") of Polk County's financial performance provides an overview of the County's financial activities for the year ended September 30, 2009. This overview is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the County's financial activity, (c) identify changes in the County's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Please consider the information presented here in conjunction with the transmittal letter on pages 7–11 and the County's financial statements, which follow this section.

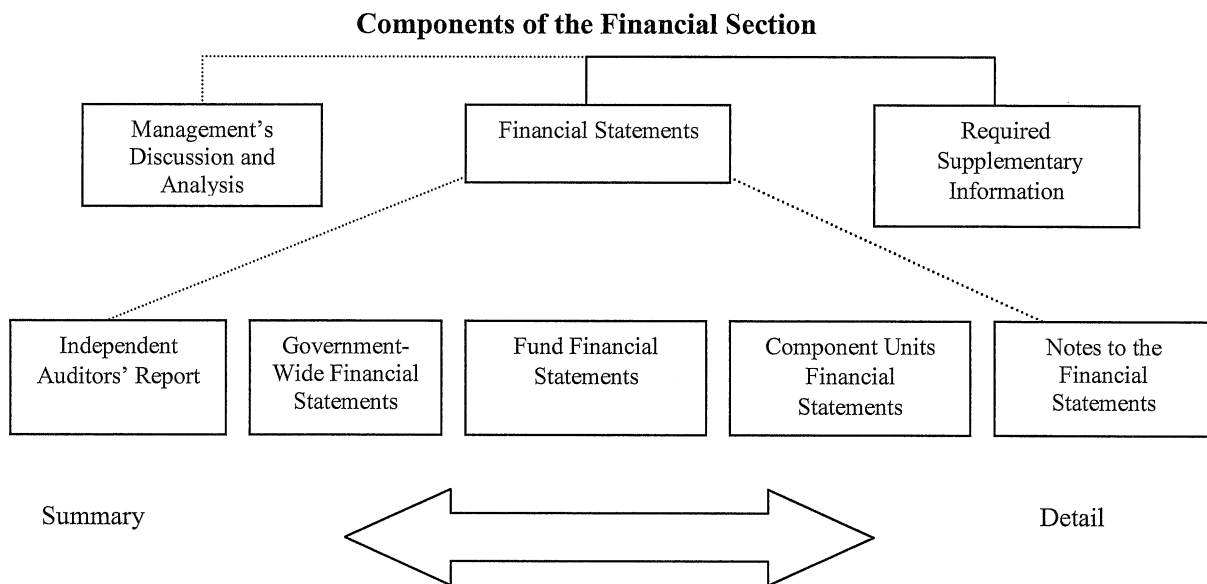
**FINANCIAL HIGHLIGHTS**

The general fund, on a current financial resource basis (fund level), reported revenues over expenditures and other financing sources and uses of \$689,978, as compared to a planned increase of \$452,119, which results in a positive variance of \$237,859.

On a government-wide basis for governmental activities, the County had expenses net of program revenue of \$18,705,018. General revenues of \$19,627,711 were \$922,693 greater than expenses net of program revenue.

The County's total net assets, on the government-wide basis, totaled \$25,952,957 at September 30, 2009.

**THE STRUCTURE OF OUR ANNUAL REPORT**



The Comprehensive Annual Financial Report is presented as compliant with the financial reporting model in effect pursuant to GASB Statement No. 34. The financial reporting model requires governments to present certain basic financial statements as well as a management's discussion and analysis (MD&A) and certain other required supplementary information (RSI). The basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements.

**POLK COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued***  
**For the Year Ended September 30, 2009**

**GOVERNMENT-WIDE STATEMENTS**

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. One of the most important questions asked about the County's finances is, "Is the County as a whole better or worse off as a result of this year's activity?" The Statement of Net Assets and the Statement of Activities, which are the government-wide statements, report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities on the accrual basis of accounting, which is similar to the basis of accounting used by most private sector entities. All current year revenues and expenses are taken into account regardless of when the cash is received or paid.

The Statement of Net Assets presents information on all the County's assets and liabilities, with the difference between the two reported as net assets. Over time, the increase or decrease in net assets provides one indicator as to whether the County's financial health is improving or deteriorating. Other non-financial factors, such as the County's property tax base and the condition of the County's infrastructure, need to be considered to assess the overall health of the County.

The Statement of Activities presents information showing how the County's net assets changed during the most recent year. All changes in net assets 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 Assets and the Statement of Activities, the County has only one type of activity:

**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.

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

**FUND FINANCIAL STATEMENTS**

Traditional users of government financial statements will find the fund financial statement presentation more familiar. The focus is on the County's most significant funds. The fund financial statements provide more information about the County's most significant funds – not the County as a whole.

The County has two types of funds:

**Governmental Funds** – Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's major programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds balance sheet that explains the relationship or differences between them.

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

**POLK COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
For the Year Ended September 30, 2009

**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 that GASB Statement No. 34 requires includes budgetary comparison schedules for the general fund and road and bridge fund as well as a schedule of funding progress for the Texas County and District Retirement System (TCDRS). RSI can be found after the basic financial statements.

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

In accordance with GASB Statement No. 34, the County is providing comparative information. A comparative analysis of government-wide information is presented below.

**Statement of Net Assets**

The following table reflects the condensed Statement of Net Assets:

	<b>Governmental Activities</b>	
	<b>2009</b>	<b>2008</b>
Current and other assets	\$ 41,289,974	\$ 41,670,372
Capital assets, net	24,814,020	23,246,533
<b>Total Assets</b>	<b>66,103,994</b>	<b>64,916,905</b>
Long-term liabilities	38,178,677	37,986,998
Other liabilities	1,972,360	1,899,643
<b>Total Liabilities</b>	<b>40,151,037</b>	<b>39,886,641</b>
Net assets:		
Invested in capital assets, net of related debt	14,526,990	16,127,180
Restricted	1,003,827	988,219
Unrestricted	10,422,140	7,914,865
<b>Total Net Assets</b>	<b>\$ 25,952,957</b>	<b>\$ 25,030,264</b>

The County's net assets increased to \$25,952,957 from \$25,030,264. The County's unrestricted net assets were \$10,422,140. Long-term debt increased due to the issuance of \$2,525,000 in tax notes and \$518,385 in capital leases in fiscal year 2009.

**POLK COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
For the Year Ended September 30, 2009

**Statement of Activities**

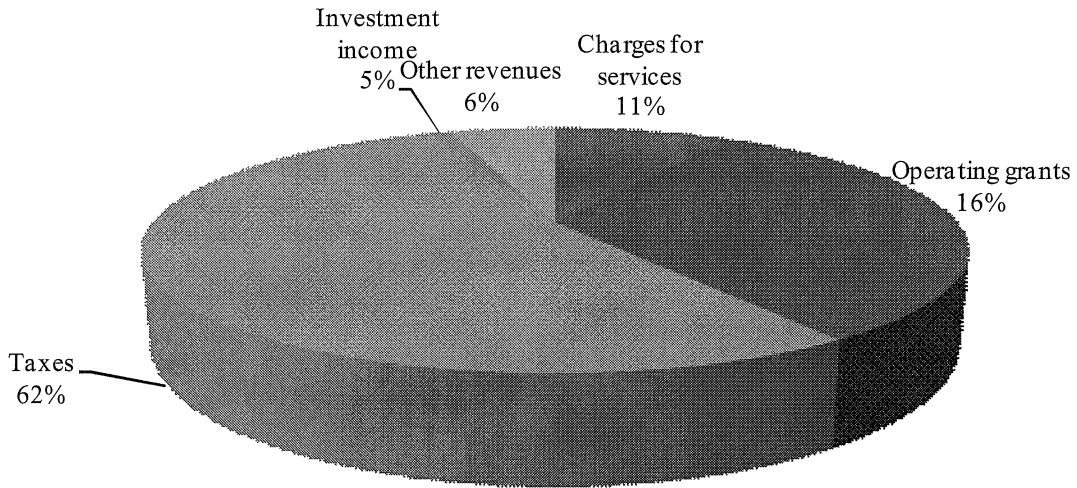
The following table provides a summary of the County's changes in net assets:

	<b>Governmental Activities</b>	
	<b>2009</b>	<b>2008</b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 2,857,384	\$ 2,880,998
Operating grants	10,420,519	4,144,123
General revenues:		
Taxes	17,595,693	16,198,654
Investment income	338,323	1,350,300
Other revenues	1,693,695	1,456,263
<b>Total Revenues</b>	<b>32,905,614</b>	<b>26,030,338</b>
<b>Expenses</b>		
General government	13,153,683	5,086,750
Administration of justice	8,933,374	8,777,239
Roads and bridges	6,126,250	6,737,830
Health and human services	1,164,876	1,029,386
Tax administration	1,001,973	903,615
Interest and fiscal agent fees on long-term debt	1,602,765	1,353,728
<b>Total Expenses</b>	<b>31,982,921</b>	<b>23,888,548</b>
<b>Change in Net Assets</b>	<b>922,693</b>	<b>2,141,790</b>
Beginning net assets:	25,030,264	22,888,474
<b>Ending Net Assets</b>	<b>\$ 25,952,957</b>	<b>\$ 25,030,264</b>

**POLK COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For the Year Ended September 30, 2009**

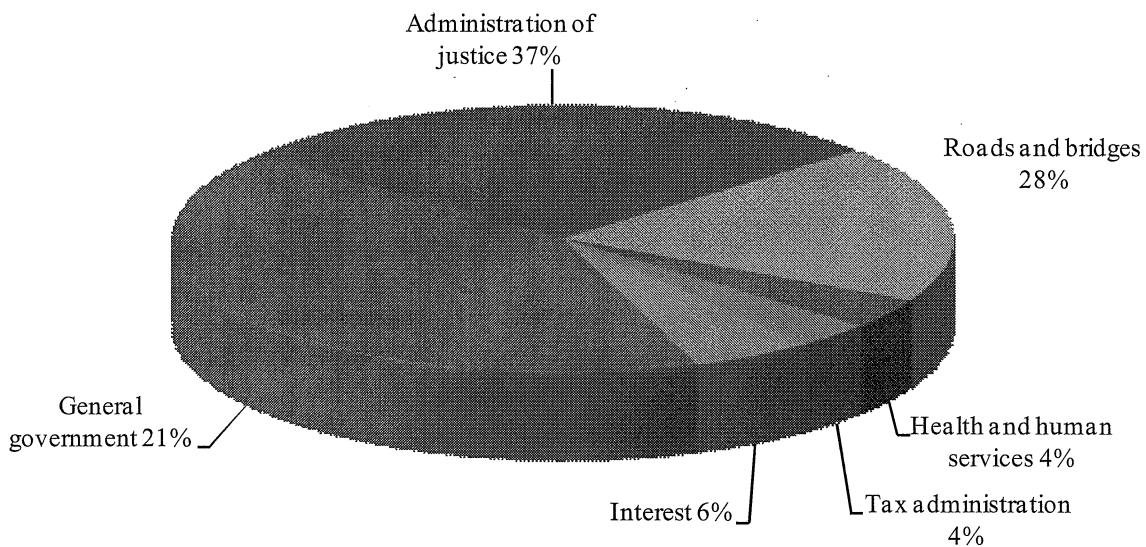
Graphic presentations of selected data from the summary tables follow to assist in the analysis of the County's activities.

**Governmental Revenues**



Total governmental revenues increased by \$6,875,276 over the prior year. This increase is primarily the result of increased intergovernmental revenue related to reimbursements from FEMA for Hurricane Ike related expenses.

**Governmental Expenses**



Governmental expenses have increased by \$8,094,373 over the prior year due primarily to Hurricane Ike related cleanup and recovery expenses.

**POLK COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued***  
**For the Year Ended September 30, 2009**

**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 expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved 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 \$37,207,462. Of this, \$36,127,878 is unreserved and available for day-to-day operations of the County, \$666,793 is reserved for debt service, and \$412,791 is reserved for endowments/trusts.

There was a decrease in the combined fund balance of \$190,249 from the prior year. The largest is the decrease in the jail expansion fund balance of \$1,463,367, leaving an ending fund balance of \$16,791,119. This decrease was partially offset by increases of \$573,659 in the road and bridge fund and \$689,978 in the general fund. The County's fund balance policy for the general fund is a three month reserve. With the previously noted increase, the general fund balance of \$6,082,958 is in compliance with the policy.

There was also an decrease of \$161,974 in the debt service fund balance ending at \$666,793 for the year. Debt service payments totaled \$3,635,552 for the year. The judicial center has an ending fund balance of \$9,567,021. There was a large increase in grant revenues and expenditures when compared to the prior year due to Hurricane Ike. The end result was a modest fund balance increase of \$97,082 in the grants fund.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

General fund expenditures were under the final budget by \$756,973. This is due to positive expenditure variances in all departments.

During the 2009 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, 2009, but not paid by that date;
- To appropriate monies from other governmental units received in year 2009;
- To re-appropriate monies within or between departments;
- To reflect department year end projections.

**CAPITAL ASSETS**

At the end of the year, the County's governmental activities funds had invested \$24,814,020 in a variety of capital assets and infrastructure, net of depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34.



**POLK COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued***  
**For the Year Ended September 30, 2009**

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

- Allie Bean Building and land for \$287,421
- Nine 2009 Mack trucks for \$928,170
- New asphalt zipper for \$101,434

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

**LONG-TERM DEBT**

At the end of the year, the County reported total bonds, certificates of obligation, notes, time warrants, and capital leases of \$36,323,771. The County issued \$2,525,000 in tax notes and \$518,386 in capital leases in fiscal year 2009.

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

All of the County's bond issues have been successful in qualifying for bond insurance resulting in ratings of "BAA" and "AAA" by Moody's and Standard & Poors, respectively.

**ECONOMIC FACTORS**

The County continues to grow as seen in the increase in assessed property valuations for both residential and commercial entities. The County has continued the permanent road program to solidify the infrastructure of the County.

**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 Ray Stelly, CPA, 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 ASSETS

September 30, 2009

	Primary Governmental Activities	Component Unit
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 19,695,466	\$ -
Investments	16,762,020	8,773,595
Receivables, net	3,900,434	3,373,918
Due from component unit	128,832	-
Deferred charges	803,222	2,908,860
<b>Total Current Assets</b>	<b>41,289,974</b>	<b>15,056,373</b>
Capital assets:		
Nondepreciable capital assets	4,021,704	330,346
Capital assets, net of accumulated depreciation	20,792,316	29,103,683
	24,814,020	29,434,029
<b>Total Assets</b>	<b>66,103,994</b>	<b>44,490,402</b>
<b><u>Liabilities</u></b>		
Current liabilities		
Accounts payable and accrued liabilities	1,438,445	2,425,540
Due to primary government	-	128,832
Accrued interest payable	266,393	1,319,844
Net OPEB obligation	223,956	-
Due to other units	43,566	-
<b>Total Current Liabilities</b>	<b>1,972,360</b>	<b>3,874,216</b>
Noncurrent liabilities:		
Long-term liabilities due within one year	3,409,830	1,420,000
Long-term liabilities due in more than one year	34,768,847	44,390,566
	38,178,677	45,810,566
<b>Total Liabilities</b>	<b>40,151,037</b>	<b>49,684,782</b>
<b><u>Net Assets</u></b>		
Invested in capital assets, net of related debt	14,526,990	-
Restricted for:		
Debt service	591,036	-
Endowments/trusts	412,791	-
Unrestricted	10,422,140	(5,194,380)
<b>Total Net Assets</b>	<b>\$ 25,952,957</b>	<b>\$ (5,194,380)</b>

See Notes to Financial Statements.

# POLK COUNTY, TEXAS

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2009

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary Government:</b>			
<b>Governmental Activities:</b>			
General government	\$ 13,153,683	\$ 2,473,938	\$ 10,073,412
Administration of justice	8,933,374	97,530	39,781
Roads and bridges	6,126,250	137,495	-
Health and human services	1,164,876	148,421	307,326
Tax administration	1,001,973	-	-
Interest and fiscal agent fees on long-term debt	1,602,765	-	-
<b>Total Governmental Activities</b>	31,982,921	2,857,384	10,420,519
<b>Total Primary Government</b>	\$ 31,982,921	\$ 2,857,384	\$ 10,420,519
 <b>IAH Public Facility Corporation</b>			
Detention facility	\$ 16,355,220	\$ 19,410,838	\$ -
Interest and fiscal agent fees on long-term debt	3,438,000	-	-
<b>Total Component Unit</b>	\$ 19,793,220	\$ 19,410,838	\$ -

**General Revenues:**

Property taxes  
Sales taxes  
Other taxes  
Investment income  
Other revenues

**Total General Revenues**

**Change in Net Assets**

Beginning Net Assets

**Ending Net Assets**

See Notes to Financial Statements.

<b>Net (Expense) Revenue and Changes in Net Assets</b>	
<u>Governmental Activities</u>	<u>Component Unit</u>
\$ (606,333)	\$ -
(8,796,063)	-
(5,988,755)	-
(709,129)	-
(1,001,973)	-
(1,602,765)	-
<u>(18,705,018)</u>	<u>-</u>
<u>(18,705,018)</u>	<u>-</u>
-	3,055,618
-	<u>(3,438,000)</u>
-	<u>(382,382)</u>
14,495,487	-
1,941,259	-
1,158,947	-
338,323	48,483
<u>1,693,695</u>	<u>-</u>
<u>19,627,711</u>	<u>48,483</u>
922,693	(333,899)
<u>25,030,264</u>	<u>(4,860,481)</u>
<u>\$ 25,952,957</u>	<u>\$ (5,194,380)</u>

# POLK COUNTY, TEXAS

## BALANCE SHEET

### GOVERNMENTAL FUNDS

September 30, 2009

	General	Debt Service	Road and Bridge	Jail Expansion
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 5,268,942	\$ 658,671	\$ 1,720,311	\$ 47,019
Investments	-	-	-	16,762,020
Receivables, net	1,600,841	405,629	423,242	-
Due from other funds	754,824	-	648,642	-
Due from other units	128,832	-	-	-
<b>Total Assets</b>	<b>\$ 7,753,439</b>	<b>\$ 1,064,300</b>	<b>\$ 2,792,195</b>	<b>\$ 16,809,039</b>
<b><u>Liabilities and Fund Balances</u></b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 708,799	\$ 19,294	\$ 395,554	\$ 17,920
Due to other funds	-	-	-	-
Due to other units	-	-	16,656	-
Deferred revenue	961,682	378,213	366,473	-
<b>Total Liabilities</b>	<b>1,670,481</b>	<b>397,507</b>	<b>778,683</b>	<b>17,920</b>
<b>Fund Balances:</b>				
Reserved for:				
Debt service	-	666,793	-	-
Endowments/trusts	-	-	-	-
Unreserved, undesignated reported in:				
General fund	6,082,958	-	-	-
Road and bridge fund	-	-	2,013,512	-
Construction	-	-	-	16,791,119
Special revenue funds	-	-	-	-
<b>Total Fund Balances</b>	<b>6,082,958</b>	<b>666,793</b>	<b>2,013,512</b>	<b>16,791,119</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,753,439</b>	<b>\$ 1,064,300</b>	<b>\$ 2,792,195</b>	<b>\$ 16,809,039</b>

#### Adjustments for the Statement of Net Assets:

Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.

Nondepreciable capital assets

Depreciable capital assets

Accumulated depreciation

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.

Deferred revenue

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued interest payable

Net OPEB obligation

Bonds, notes, warrants payable, and capital leases

Issuance discounts

Premium

Bond issue expense

Compensated absences

Landfill closure

See Notes to Financial Statements.



<u>Judicial Center</u>	<u>Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 9,567,021	\$ 208,956	\$ 2,224,546	\$ 19,695,466
-	-	-	16,762,020
-	1,407,834	62,888	3,900,434
-	-	-	1,403,466
-	-	-	128,832
<u>\$ 9,567,021</u>	<u>\$ 1,616,790</u>	<u>\$ 2,287,434</u>	<u>\$ 41,890,218</u>
\$ -	\$ 32,033	\$ 264,845	\$ 1,438,445
-	1,366,331	37,135	1,403,466
-	-	26,910	43,566
-	-	90,911	1,797,279
<u>-</u>	<u>1,398,364</u>	<u>419,801</u>	<u>4,682,756</u>
-	-	-	666,793
-	-	412,791	412,791
-	-	-	6,082,958
-	-	-	2,013,512
9,567,021	-	-	26,358,140
-	218,426	1,454,842	1,673,268
<u>9,567,021</u>	<u>218,426</u>	<u>1,867,633</u>	<u>37,207,462</u>
<u>\$ 9,567,021</u>	<u>\$ 1,616,790</u>	<u>\$ 2,287,434</u>	
			4,021,704
			111,739,576
			(90,947,260)
			1,797,279
			(266,393)
			(223,956)
			(36,323,771)
			212,837
			(176,096)
			803,222
			(248,460)
			(1,643,187)
<b>Net Assets of Governmental Activities</b>			<u>\$ 25,952,957</u>

# POLK COUNTY, TEXAS

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended September 30, 2009

	General	Debt Service	Road and Bridge	Jail Expansion
<b>Revenues</b>				
Property taxes	\$ 7,462,031	\$ 3,460,319	\$ 3,567,818	\$ -
Sales taxes	1,941,259	-	-	-
Other taxes	41,513	-	1,084,921	-
Fines and forfeitures	890,498	-	137,495	-
Charges for services	1,243,378	-	-	-
Intergovernmental revenue	1,977,293	-	-	-
Licenses and permits	159,036	-	-	-
Investment income	49,723	13,259	13,684	174,006
Other revenue	1,255,884	-	195,960	-
<b>Total Revenues</b>	15,020,615	3,473,578	4,999,878	174,006
<b>Expenditures</b>				
<b>Current:</b>				
General government	4,761,509	-	-	-
Administration of justice	9,006,066	-	-	-
Roads and bridges	-	-	5,289,566	-
Health and human services	685,138	-	-	-
Tax administration	994,935	-	-	-
<b>Debt Service:</b>				
Principal	-	2,210,686	795,609	-
Interest and fiscal charges	-	1,424,866	46,884	-
Debt issuance costs	64,626	-	-	-
<b>Capital Outlay</b>	-	-	1,001,271	1,637,373
<b>Total Expenditures</b>	15,512,274	3,635,552	7,133,330	1,637,373
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(491,659)	(161,974)	(2,133,452)	(1,463,367)
<b>Other Financing Sources (Uses)</b>				
Transfers in	215,410	-	-	-
Transfers (out)	(110,406)	-	-	-
Debt issuance	1,075,687	-	1,967,699	-
Premium on bonds issued	946	-	-	-
Sale of capital assets	-	-	739,412	-
<b>Total Other Financing Sources (Uses)</b>	1,181,637	-	2,707,111	-
<b>Net Change in Fund Balances</b>	689,978	(161,974)	573,659	(1,463,367)
Beginning Fund Balances	5,392,980	828,767	1,439,853	18,254,486
<b>Ending Fund Balances</b>	\$ 6,082,958	\$ 666,793	\$ 2,013,512	\$ 16,791,119

See Notes to Financial Statements.

<u>Judicial Center</u>	<u>Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 14,490,168
-	-	-	1,941,259
-	-	32,513	1,158,947
-	-	6,944	1,034,937
-	-	374,633	1,618,011
-	8,067,779	420,847	10,465,919
-	-	-	159,036
78,897	-	8,754	338,323
-	-	241,851	1,693,695
<u>78,897</u>	<u>8,067,779</u>	<u>1,085,542</u>	<u>32,900,295</u>
-	7,970,697	248,666	12,980,872
-	-	236,130	9,242,196
-	-	-	5,289,566
-	-	333,311	1,018,449
-	-	-	994,935
-	-	-	3,006,295
-	-	-	1,471,750
-	-	-	64,626
166,955	-	-	2,805,599
<u>166,955</u>	<u>7,970,697</u>	<u>818,107</u>	<u>36,874,288</u>
(88,058)	97,082	267,435	(3,973,993)
-	-	113,427	328,837
-	-	(218,431)	(328,837)
-	-	-	3,043,386
-	-	-	946
-	-	-	739,412
-	-	<u>(105,004)</u>	<u>3,783,744</u>
(88,058)	97,082	162,431	(190,249)
<u>9,655,079</u>	<u>121,344</u>	<u>1,705,202</u>	<u>37,397,711</u>
<u>\$ 9,567,021</u>	<u>\$ 218,426</u>	<u>\$ 1,867,633</u>	<u>\$ 37,207,462</u>

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**POLK COUNTY, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ending September 30, 2009**

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

Net changes in fund balances – total government funds	\$ (190,249)
---	--------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	4,153,817
Depreciation expense	(1,643,081)
Capital retirements, net	(943,249)

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

Deferred revenue	5,319
------------------	-------

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

Principal payment	3,006,295
Debt issuance	(3,043,386)
Changes to bond premiums, issuance costs, and deferred charges	(11,353)
Landfill closure and post increase	(114,233)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This adjustment reflects the net change in interest payable on the accrual basis of accounting and the net change in compensated absences.

Accrued interest payable	(43,462)
Net OPEB obligation	(223,956)
Compensated absences	(29,769)

<b>Change in Net Assets of Governmental Activities</b>	<b>\$ <u>922,693</u></b>
--	--------------------------

See Notes to Financial Statements.

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**POLK COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**AGENCY FUNDS**  
September 30, 2009

	<u>Total Agency Funds</u>
<b><u>Assets</u></b>	
Cash and cash equivalents	\$ 4,455,810
<b>Total Assets</b>	<u>\$ 4,455,810</u>
<b><u>Liabilities</u></b>	
Due to other units	\$ 4,455,810
<b>Total Liabilities</b>	<u>\$ 4,455,810</u>

See Notes to Financial Statements.

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**POLK COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2009

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

**Discretely Presented Component Unit**

**IAH Public Facility Corporation**

IAH Public Facility Corporation (the "Corporation") has been included in the reporting entity as a discretely presented component unit. The Corporation was created under the Public Facility Corporation Act Chapter 303 (the "Act") of the Texas Local Government Code by the County in 2004 for the purpose of promoting, assisting, and enhancing economic and development activities on behalf of 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. The operations of the Corporation are presented as a governmental fund type. Separate financial statements of the Corporation may be obtained from the County auditor's office. Additional information regarding this component unit is presented in footnote V.I.

**B. Financial Statement Presentation**

These financial statements include implementation of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the statement include the following:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the County's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the County's activities.

**POLK COUNTY, TEXAS**  
*NOTES TO FINANCIAL STATEMENTS, Continued*  
For the Year Ended September 30, 2009

- A change in the fund financial statements to focus on the major funds.

Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which includes a Statement of Net Assets and a Statement of Activities. It requires the classification of net assets be divided into three components: invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- **Invested in capital assets, net of related debt** – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted** – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

**C. Government-Wide and Fund Accounting**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information about the County as a whole, excluding fiduciary activities. These statements include all activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which the County has none.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs and grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, such as taxes and investment earnings, are presented as general revenues.

Separate financial statements are provided for governmental and agency funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

In the fund financial statements, the accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Following is a description of the various funds:

**POLK COUNTY, TEXAS**  
*NOTES TO FINANCIAL STATEMENTS, Continued*  
For the Year Ended September 30, 2009

**1. Governmental Funds**

Governmental funds are those funds through which most governmental functions are typically financed.

**General Fund**

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, administration of justice, health and human services, and tax administration.

**Special Revenue Funds**

The special revenue funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes (not including permanent funds or major 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 for the road and bridge fund. 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.

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

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

**Debt Service Fund**

The debt service fund is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the County. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

**Capital Projects Funds**

The capital projects funds are used to account for the expenditures of resources accumulated from certificates of obligation and related interest earnings for capital improvement projects. The jail expansion fund and the judicial center fund are considered major funds for reporting purposes.

**Permanent Funds**

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.

**POLK COUNTY, TEXAS**  
*NOTES TO FINANCIAL STATEMENTS, Continued*  
For the Year Ended September 30, 2009

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

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

**2. Fiduciary Funds**

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

**Agency Funds**

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

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

*District Clerk Trust Fund* – Registry funds, that are the custodies of the District Clerk until a court order determines the disposition of such funds, are accounted for in this fund.

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

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

The government-wide Statements of Net Assets and Statements of Activities are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these activities are either included on the balance sheet or on the statement of fiduciary net assets.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing resources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The County utilizes the modified accrual basis of accounting in the governmental fund types. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of transaction can be determined and available means collectible within the current period or soon enough

**POLK COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS, *Continued***  
**For the Year Ended September 30, 2009**

thereafter to pay liabilities of the current period. For this purpose, the County considers revenues available if they are collected within 60 days of the end of the current period. Revenues susceptible to accrual include charges for services and interest on temporary investments.

Property taxes and interest associated with the current period are all susceptible to accrual and so have been recognized as revenues of the current period. Other receipts and other taxes become measurable and available when cash is received by the County and are recognized as revenue at that time. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Under modified accrual accounting, expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for interest on general long-term debt, which is recognized when due.

The Statements of Net Assets and Statements of Activities are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized in the accounting period in which they are earned, and expenses in the accounting period in which they are incurred.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements.

Agency funds are unlike other types of funds, reporting only assets and liabilities. Agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

**E. Assets, Liabilities, and Net Assets or Fund Equity**

**1. Deposits and Investments**

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.

The County's investments are accounted for in accordance with GASB Statement No. 31, which establishes accounting and reporting standards for all of the County's investments. In accordance with Statement No. 31, the County reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The Local Government Code of Texas authorizes the County to invest in:

- (1) obligations of the United States or its agencies and instrumentalities;
- (2) direct obligations of the State of Texas or its agencies and instrumentalities;
- (3) collateral mortgage obligations, although significantly limited;

**POLK COUNTY, TEXAS**  
*NOTES TO FINANCIAL STATEMENTS, Continued*  
For the Year Ended September 30, 2009

- (4) other obligations, the principal and interest on which are unconditionally guaranteed or insured or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities;
- (5) obligations of state agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm of not less than A or its equivalent;
- (6) certificates of deposit issued by state and national banks or savings and loans domiciled in Texas which are:
  - (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or
  - (b) secured by obligations of paragraphs (1) to (5) above and that have a market value of not less than the principal amount of the certificates but excluding certain mortgage-backed securities;
  - (c) fully collateralized repurchase agreements, bankers' acceptances, commercial paper, mutual funds, guaranteed investment contracts, and investment pools all of which are required to meet certain restrictive criteria.

**2. Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles.

**Property Taxes**

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

The property tax calendar dates are:

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

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

**POLK COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended September 30, 2009**

The appraisal of property within the County is the responsibility of the countywide 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.

**3. Inventories and Prepaid Items**

The costs of governmental fund-type inventories are recorded as expenditures when the related liability is incurred, i.e., the purchase method. In addition, certain payments to vendors reflect costs applicable to future accounting periods and are also recorded as expenditures 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 government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

Asset Description	Estimated Useful Life
Infrastructure	20 to 50 years
Buildings	10 to 50
Improvements other than buildings	5 to 30
Equipment	3 to 30

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

**5. Compensated Employee Absences**

It is the County's policy to permit employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits. Additionally, sheriff's department employees are allowed to accumulate holidays. No liability is reported for unpaid accumulated sick leave since it does not vest. 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. Amounts of vested or accumulated vacation leave and compensatory time that are not expected to be

**POLK COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended September 30, 2009**

liquidated with expendable available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

**6. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Assets. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payment of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments and compensated absences paid from governmental funds are reported as liabilities in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Assets acquired under the terms of capital leases 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 general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment, with an appropriate reduction of principal recorded in the government-wide financial statements.

**7. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**8. Estimates**

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

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Assets.**

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net assets-governmental activities* as reported in the government-wide Statement of Net Assets. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.



**POLK COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
For the Year Ended September 30, 2009

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide Statement of Activities.**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities states that “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.”

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

The original budget is adopted by the Commissioners’ Court prior to the beginning of the year. The legal level of control is the department level in the general fund and road and bridge fund and fund level for all other funds. Management may not amend the budget without the approval of Commissioners’ Court.

Appropriations lapse at the end of the year except in the road and bridge special revenue fund. Budgets are adopted for all funds except the grant and historical special revenue funds, and all fiduciary funds. Budgets are adopted on a GAAP basis for all budget funds except for the capital projects fund, which adopts a project length budget. Several supplemental budget appropriations were made for the year ended September 30, 2009.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

As of September 30, 2009, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
State Pools (TexPool)	\$ 17,508,396	0.00
State Pools (Texas Class)	9,290,525	0.00
U.S. Treasuries	7,471,495	0.17
	<u>\$ 34,270,416</u>	
Portfolio weighted average maturity		0.17

*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 limits 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, 2009, the County’s investments in TexPool and Texas Class were rated AAAM by Standard & Poor’s. The County’s investment in U.S. Treasuries was rated AAA by Standard and Poor’s and AAA by Moody’s Investor Service.

**POLK COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended September 30, 2009**

*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, 2009, bank balances did not exceeded the market values of pledged securities and FDIC insurance.

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

The Cooperative Liquid Assets Securities System – Texas (“CLASS”) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended (the “Act”). CLASS is created under an Amended and Restated Trust Agreement, dated as of May 1, 2001 (the “Agreement”), among certain Texas governmental entities investing in the pool (the “Participants”), MBIA Municipal Investors Service Corporation (“MBIA-MISC”), as Program Administrator, and Wells Fargo, as Custodian. CLASS is not SEC registered and is not subject to regulation by the State of Texas. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the “Board”), whose members are investment officers of the participants, elected by the participants for overlapping two-year terms. In the agreement and by resolution of the Board, CLASS has contracted with MBIA-MISC to provide for the investment and management of the public funds of CLASS. Separate financial statements for Texas CLASS may be obtained by contacting MBIA Asset Management at 815-A Brazos Street, Suite 345, Austin, Texas 78701-9996, 800-707-6242.

**B. Receivables**

The following comprise receivable balances at year end:

	<u>General</u>	<u>Debt Service</u>	<u>Road and Bridge</u>	<u>Grants</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Property taxes	\$ 961,682	\$ 378,213	\$ 366,473	\$ -	\$ -	\$ 1,706,368
Other taxes	260,571	-	-	-	-	260,571
Other	378,588	27,416	56,769	1,407,834	62,888	1,933,495
	<u>\$ 1,600,841</u>	<u>\$ 405,629</u>	<u>\$ 423,242</u>	<u>\$ 1,407,834</u>	<u>\$ 62,888</u>	<u>\$ 3,900,434</u>

**POLK COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
For the Year Ended September 30, 2009

**C. Capital Assets**

A summary of changes in capital assets for the year ended September 30, 2009, follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>(Decreases)</b>	<b>Ending Balance</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 1,338,251	\$ 133,090	\$ -	\$ 1,471,341
Construction in progress	861,796	1,688,567	-	2,550,363
Total capital assets not being depreciated	2,200,047	1,821,657	-	4,021,704
Other capital assets:				
Infrastructure	91,027,261	47,859	(143,250)	90,931,870
Buildings	5,458,876	269,912	-	5,728,788
Improvements	1,924,358	-	-	1,924,358
Equipment	12,220,974	2,014,389	(1,080,803)	13,154,560
Total other capital assets	110,631,469	2,332,160	(1,224,053)	111,739,576
Less accumulated depreciation for:				
Infrastructure	(80,966,812)	(240,709)	-	(81,207,521)
Buildings	(1,384,425)	(129,318)	-	(1,513,743)
Improvements	(839,785)	(88,118)	-	(927,903)
Equipment	(6,393,961)	(1,184,936)	280,804	(7,298,093)
Total accumulated depreciation	(89,584,983)	(1,643,081)	280,804	(90,947,260)
Other capital assets, net	21,046,486	689,079	(943,249)	20,792,316
<b>Totals</b>	<b>\$ 23,246,533</b>	<b>\$ 2,510,736</b>	<b>\$ (943,249)</b>	<b>24,814,020</b>
				Less associated debt
				<b>(10,287,030)</b>
<b>Invested in Capital Assets, Net of Related Debt</b>				<b>\$ 14,526,990</b>

Depreciation was charged to governmental functions as follows:

General government	\$ (287,645)
Administration of justice	(365,287)
Roads and bridges	(836,684)
Health and human services	(146,427)
Tax administration	(7,038)
<b>Total Governmental Activities Depreciation Expense</b>	<b>\$ (1,643,081)</b>

**POLK COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
For the Year Ended September 30, 2009

**D. Long-Term Debt**

The following is a summary of changes in the County's total governmental long-term liabilities for the year ended September 30, 2009. In general, the County uses the general 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>
<b>Governmental Activities:</b>					
Bonds, notes payable, and capital leases:					
Certificates of obligation	\$ 29,315,000	\$ -	\$ (900,000)	\$ 28,415,000	\$ 502,000
Tax notes	5,700,000	2,525,000	(1,305,000)	6,920,000	1,733,000
Obligations under capital leases	1,265,994	518,386	(795,609)	988,771	951,216
Time warrants	5,686	-	(5,686)	-	-
Less deferred amounts:					
For issuance discounts	(225,357)	-	12,520	(212,837)	-
On refunding	(20,000)	-	20,000	-	-
Premium	198,030	946	(22,880)	176,096	-
	<u>36,239,353</u>	<u>3,044,332</u>	<u>(2,996,655)</u>	<u>36,287,030</u>	<u>* 3,186,216</u>
Other:					
Compensated absences	218,691	29,769	-	248,460	223,614
Landfill closure and post closure care costs	1,528,954	-	114,233	1,643,187	-
<b>Total Governmental Activities</b>	<u>\$ 37,986,998</u>	<u>\$ 3,074,101</u>	<u>\$ (2,882,422)</u>	<u>\$ 38,178,677</u>	<u>\$ 3,409,830</u>

Long-term liabilities due in greater than one year \$ 34,768,847

\* Debt associated with capital assets \$ 36,287,030

Less COB series 2007 (16,500,000)

Less COB series 2008 (9,500,000)

**Total debt associated with governmental activity capital assets** \$ 10,287,030

See footnote V. 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. 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, 2009

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

	<u>Percentage</u> <u>Interest Rate</u>	<u>Original</u> <u>Amount</u>	<u>Balance</u>
<b>CAPITAL LEASES</b>			
Bankcorp South Corporation	4.15-4.59	\$ 1,193,225	\$ 934,195
Government Capital Corporation	6.11	91,450	54,576
			<u>988,771</u>
<b>TAX NOTES</b>			
Series 2005	N/A	1,255,000	175,000
Series 2006A	3.75	560,000	155,000
Series 2006B	3.75	560,000	155,000
Series 2007	4.00-6.00	2,530,000	2,110,000
Series 2008	3.65	2,210,000	1,800,000
Series 2009	2.63	2,525,000	2,525,000
			<u>6,920,000</u>
<b>CERTIFICATES OF OBLIGATION</b>			
Series 2007	3.62-4.40	19,000,000	18,800,000
Series 2008	2.9-4.2	10,120,000	9,615,000
			<u>28,415,000</u>
		<b>TOTAL</b>	<u>\$ 36,323,771</u>

**POLK COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
For the Year Ended September 30, 2009

Long-term debt obligations of the County as of September 30, 2009, are as follows:

Year Ending Sept. 30	Governmental Activities					
	Certificates of Obligation		Tax Anticipation Notes		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 775,000	\$ 1,165,885	\$ 1,460,000	\$ 225,180	\$ 951,148	\$ 15,473
2011	845,000	1,134,885	1,330,000	176,905	19,328	2,655
2012	970,000	1,101,085	1,225,000	132,743	18,295	1,370
2013	1,190,000	1,062,285	1,275,000	90,743	-	-
2014	1,565,000	1,016,935	835,000	45,955	-	-
2015	1,615,000	957,185	390,000	17,415	-	-
2016	1,680,000	895,023	405,000	6,075	-	-
2017	1,745,000	829,853	-	-	-	-
2018	1,815,000	761,635	-	-	-	-
2019	1,885,000	689,035	-	-	-	-
2020	1,965,000	612,217	-	-	-	-
2021	2,045,000	531,246	-	-	-	-
2022	2,125,000	446,359	-	-	-	-
2023	2,215,000	357,504	-	-	-	-
2024	1,400,000	263,120	-	-	-	-
2025	1,460,000	201,520	-	-	-	-
2026	1,525,000	137,280	-	-	-	-
2027	1,595,000	70,181	-	-	-	-
<b>Total</b>	<b>\$ 28,415,000</b>	<b>\$ 12,233,232</b>	<b>\$ 6,920,000</b>	<b>\$ 695,015</b>	<b>\$ 988,771</b>	<b>\$ 19,498</b>

Machinery and equipment acquired under current capital lease obligations was a total of \$518,385.

**E. Interfund Transactions**

Operating transfers between the primary government funds during the 2009 year were as follows:

Transfer Out	Transfer In	Amounts
Major funds:		
General Fund	Other governmental funds	\$ 110,406
Other governmental funds	General Fund	215,410
Other governmental funds	Other governmental funds	3,021
		<u>\$ 328,837</u>

**POLK COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended September 30, 2009**

The composition of interfund balances as of September 30, 2009, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
Major funds:		
General Fund	Grants	\$ 717,689
Road and Bridge Fund	Grants	648,642
General Fund	Other governmental funds	37,135
	<b>Total</b>	<b>\$ 1,403,466</b>

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

**F. Fund Equity**

The County records fund balance reserves on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures.

The following is a list of fund balance reserved or designated recognized by the County:

<b>Debt Service Fund</b>		
Reserved for debt service	\$	40,825
Reserved for landfill		625,968
<b>Total reserved</b>	<b>\$</b>	<b>666,793</b>
 <b>Permanent Fund</b>		
Reserved for endowments/trusts	\$	412,791

**V. OTHER INFORMATION**

**A. Risk Management**

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

The County reports liabilities when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency, and amount of payout and other economic and social factors. The liability for claims and judgments is reported in the government-wide financial statements because it is not

**POLK COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended September 30, 2009**

expected to be liquidated with expendable available financial resources. However, none are reported at September 30, 2009.

**B. Contingent Liabilities**

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

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

**C. Landfill Closure and Post Closure Care Cost**

On December 1, 2001, the County entered into an agreement with a private 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 cost for capacity utilized under their management. The contractor is required to annually obtain a performance bond to provide financial assurance to the County for such costs. Upon the termination of the agreement, the contractor is relieved of any financial obligation for closure and post closure care costs. Accordingly, the County is liable or contingently liable for the entire closure and post closure care costs.

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

The County revised its estimated closure and post closure care costs in an application for a permit amendment submitted to the T.C.E.Q. in 2004 to modify the existing permit for expansion of total permit capacity. The County's estimate of total cost of closure and post closure care for 30 years, under permits and regulations currently in effect, is \$8,787,094.

The \$1,643,187 reported as landfill closure and post closure care liability at September 30, 2009, is based on the use of 18.70 percent of the estimated capacity of the landfill. The estimated net decrease in capacity after the permit modification during the year was 1.30 percent related to new estimates of airspace capacity using digital terrain modeling techniques. The accrued liability increased by \$114,233. The County will recognize the remaining estimated cost of closure and post closure care of \$7,143,907 as the remaining estimated capacity is filled. Based on the current rate of materials deposited, the life of the landfill is 54.4 years.

The estimated costs are based on what it would cost to perform all closure and post closure care in 2009 and do not include provisions for inflation. Based on current projections, the present landfill site will be closed in the year 2055. Monitoring would begin on this date and would continue for the next 30 years. The County expects that future inflation costs will be paid from interest earnings on accumulated



**POLK COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended September 30, 2009**

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

The County is not currently required to make contributions to a trust fund to finance closure and post closure costs. The County has reserved \$625,968 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. 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 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 Internal Revenue Service's rules and regulations.

**E. Other Post Employee Benefits (OPEB)**

During the year, the County implemented Governmental Accounting Standards Board (GASB) No. 45. The County elected to prospectively implement GASB No. 45 for the County's plan named Polk County Retiree Health Care 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 Other Post-Employment Benefits (OPEB) plan that will pay a portion of the premium for continuation of the medical and dental insurance coverage of certain retirees. Enrollment for retiree coverage must be completed no later than 30 days after the date of retirement. Later enrollment is not permitted. Any retiree eligible for medical coverage with another group plan shall not qualify for medical coverage with the County.

In order to be eligible for this benefit, the retiree must be vested, age 55 or older and a current recipient of retirement benefits from the Texas Municipal Retirement System; have been a full-time employee of the County for ten consecutive years immediately prior to retirement; and satisfy the applicable plan requirements for the extension of retiree coverage under the medical and dental insurance benefit plan offered by the County at the time of retirement.

Beginning with retirement and ending when the person is eligible for Medicare coverage, the County shall pay a portion of the retiree medical and dental coverage premiums in accordance with the following: 40 percent of the premium costs for retirees having at least 10 years, but less than 15 years, of full-time service with the County; 55 percent of the premium costs for retirees having at least 15 years, but less than 20 years, of full-time service with the County; 70 percent of the premium costs for retirees having at least 20 years, but less than 25 years, of full-time service with the County; or 85

**POLK COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended September 30, 2009**

percent of the premium costs for retirees having at least 25 years of full-time service with the County. To cover their spouses, eligible retirees must pay 100 percent of the cost for their eligible spouse. Eligible retirees shall pay 100 percent of the premiums for basic life insurance (\$2,000).

Benefit continuation of medical, dental, and life insurance coverage provided at the County's expense to retirees ends when the retiree is eligible for Medicare coverage. Retirees who are eligible for Medicare coverage may, at their sole expense, continue to purchase coverage for themselves and their eligible dependents as provided under the applicable terms of County's policies. The policy will be a secondary policy only.

**Funding Policy**

The County has elected to finance the OPEB plan on a pay-as-you-go basis. The County paid \$18,454 related to the plan during the year.

**Actuarial Information**

The contribution requirement has been actuarially determined. The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimate are made about the future. The required schedule of funding progress immediately following the notes presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Projections of benefits are based on the types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan members to that point, and the projections of benefits for financial reporting purposes do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective, and consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. As of the actuarial valuation date of December 31, 2008, the actuarial value of plan assets is zero dollars, the actuarial accrued liability is \$2,182,465, the total unfunded actuarial liability is \$2,182,465, and the actuarial value of assets as a percentage of the actuarial accrued liability is zero percent. The actuarial determined annual required contribution (ARC) is \$242,410. The components of the ARC consist of the employer's normal cost and the amortization of the unfunded actuarial accrued liabilities.

The following is a summary of the actuarial assumptions:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level % of Payroll
Remaining Amortization Period	30 Years - Open period
Asset Valuation Method	Market value smoothed
Investment Rate of Return	4.5%
Projected Salary Increases	3.0%
Healthcare Cost Trend Rate (Initial/Ultimate)	10.0%/4.5%

**POLK COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
For the Year Ended September 30, 2009

**Three-Year Contribution Information**

Fiscal year	Annual OPEB Cost and Contributions		Net Pension Obligation	
	Cost (ARC)	Contributions	Beginning	Ending
2007	\$ N/A	\$ N/A	\$ N/A	\$ N/A
2008	\$ N/A	\$ N/A	\$ N/A	\$ N/A
2009*	\$ 242,410	\$ 18,454	\$ -	\$ 223,956

\* First year of implementation of GASB 45

**F. Pension Plans**

**Plan Description**

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 586 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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

Benefit amounts are determined by the sum of the employee's contribution to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the Commissioners' Court within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer'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 employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

**Funding Policy**

The County has elected the annually determined contribution rate (ACDR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 9.17 percent for the months of the accounting year in 2008 and 9.41 percent for the months of the accounting year in 2009.

The Commissioners' Court adopted the rate of 7 percent as the contribution rate payable by the employee members for calendar year 2009. The Commissioners' Court may change the employee contribution rate and the employer contribution rate within the options available in the TCDRS Act.

**POLK COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
For the Year Ended September 30, 2009

**Annual Pension Costs**

The required contribution was determined as part of the December 31, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2008 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.3 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2008 was 20 years.

Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	20 Years - Closed Period
Asset Valuation Method	10-yr smoothed value
	ESF: Fund value
Investment Rate of Return	8%
Projected Salary Increases	5.3%
Includes Inflation at	3.5%
Cost of Living Adjustments	None

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Annual req. contrib. (ARC)	\$ 937,293	\$ 855,283	\$ 653,209
Contributions Made	937,293	855,283	653,209
<b>NPO at the End of Period</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Funded Status and Funding Progress**

As of December 31, 2008, the most recent actuarial valuation date, the plan was 87.52 percent funded. The actuarial accrued liability for benefits was \$27,493,065, and the actuarial value of assets was \$24,062,563, resulting in an unfunded (or unfunded) actuarial accrued liability (UAAL) (or OAAL) of \$3,430,502. The covered payroll (annual payroll of active employees covered by the plan) was \$9,959,348, and the ratio of the UAAL (or OAAL) to the covered payroll was 34.45 percent.

The schedule of funding progress, presented as RSI, following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**G. Jointly Governed and Related Organizations**

The Adult Probation and Juvenile Probation divisions are operated as a combined department doing business as the 258<sup>th</sup> and 411<sup>th</sup> Community Supervision and Correction Department (the "Department"). A different board governs each division, although the district judges preside on both boards. The Department services the counties of Polk, San Jacinto, and Trinity. Each county is required to provide office space for the operations of the Department. Substantially all of the Department's funding is provided by the State. The participating counties provide approximately 10 percent of the Juvenile Probation division's budget.

**POLK COUNTY, TEXAS**  
*NOTES TO FINANCIAL STATEMENTS, Continued*  
For the Year Ended September 30, 2009

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

**H. Component Unit Disclosures**

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

**1. Financing Agreements and Practical Considerations**

The Corporation was formed for the initial purpose of building a detention facility (the "facility"). The project was initially financed with the issuance of the Project Revenue Bonds Series, 2004 (the "2004 bond issue") and was expanded with the issuance of the Project Revenue Bonds Series, 2006 (the "2006 bond issue"). The bonds are secured by the mortgage on the facility and the facility's revenues and are not secured by the full faith and credit of the County or tax revenues. In connection with these issuances on November 1, 2004 and December 21, 2006, the Corporation and/or the County entered into a number of legal agreements for the financing of the project, many of which are designed to provide additional security to the bond holders.

The Corporation entered into the trust indenture with U.S. Bank National Associates (the "Trustee") to serve as the Trustee related to the 2004 and 2006 bond issues. The trust indenture is primarily for the benefit of the owners of the bonds and calls for the creation of a number of funds and accounts, including the construction fund, bond fund, reserve fund, rebate fund, and project fund. In addition, the trust indenture specifies the amounts of pledged revenues to be placed into each of the funds established by the Trustee and the order of priority of the disposition of the pledged revenues.

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

The County entered into the facility operation and management agreement with Civigenics-Texas, Inc. (the "operator") for three years, containing options for both early cancellation and renewal. The operator's compensation is payable solely from and to the extent monies are available in the operating account, as established in the trust account in accordance with the trust indenture. The operator is paid a fixed fee per prisoner of \$34.75 from the available funds in the trust's operating account. The operator

**POLK COUNTY, TEXAS**  
***NOTES TO FINANCIAL STATEMENTS, Continued***  
**For the Year Ended September 30, 2009**

pays the County an administrative fee of \$2.75 per prisoner per day for the first 526 prisoners and \$4.25 per prisoner per day for each prisoner in excess of 526 from the operator's fee and guarantees the County a minimum aggregate administrative fee of \$100,000 annually.

In practice, the operator bills the federal agencies and other local governments for prisoners at the facility, and all payments are made directly to the Polk County treasurer (the "Treasurer"). The treasurer wire transfers all payments received directly to the trustee. The trustee allocates the funds received among the respective accounts as required by the indenture and lease agreement and disburses the funds directly to the operator for the amount due. The operator then disburses the administrative fee to the County. No funds change hands between the corporation and the County related to lease payments or debt service payments. Although the County remits the gross payments received from the federal agencies and other local governments for prisoners held at the facility, the only actual revenue received by the County is disbursed by the operator for the County's administrative fee.

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

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

**2. Long-Term Debt**

On November 5, 2004, the corporation issued Project Revenue Bonds, Series 2004, in the amount of \$24,215,000 and on December 21, 2006, the corporation issued Project Revenue Bonds, Series 2006, in the amount of \$24,820,000. Long-term debt obligations of the corporation as of September 30, 2009, are as follows:

**POLK COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
For the Year Ended September 30, 2009

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,420,000	\$ 3,167,625	\$ 4,587,625
2011	1,500,000	3,079,250	4,579,250
2012	1,595,000	2,982,500	4,577,500
2013	1,695,000	2,879,550	4,574,550
2014	1,805,000	2,770,100	4,575,100
2015	1,920,000	2,653,500	4,573,500
2016	2,045,000	2,529,450	4,574,450
2017	2,180,000	2,390,125	4,570,125
2018	2,330,000	2,241,475	4,571,475
2019	2,490,000	2,082,425	4,572,425
2020	2,665,000	1,912,287	4,577,287
2021	2,850,000	1,729,987	4,579,987
2022	3,040,000	1,534,838	4,574,838
2023	3,250,000	1,324,506	4,574,506
2024	3,475,000	1,099,444	4,574,444
2025	3,720,000	858,569	4,578,569
2026	8,630,000	600,494	9,230,494
<b>Total</b>	<u>\$ 46,610,000</u>	<u>\$ 35,836,126</u>	<u>\$ 82,446,126</u>

The bonds were issued to finance a project that consists of the acquisition of real property in Polk 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 dated December 21, 2009.

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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, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues</b>				
Property taxes	\$ 7,696,658	\$ 7,762,011	\$ 7,462,031	\$ (299,980)
Sales taxes	2,135,000	2,135,000	1,941,259	(193,741)
Other taxes	41,000	41,000	41,513	513
Fines and forfeitures	836,000	898,842	890,498	(8,344)
Charges for services	1,302,500	1,339,089	1,243,378	(95,711)
Intergovernmental	1,695,802	1,904,537	1,977,293	72,756
Licenses and permits	129,400	141,700	159,036	17,336
Investment income	200,000	200,000	49,723	(150,277)
Other revenue	990,383	1,145,971	1,255,884	109,913
<b>Total Revenues</b>	<u>15,026,743</u>	<u>15,568,150</u>	<u>15,020,615</u>	<u>(547,535)</u>
<b>Expenditures</b>				
<b>General Government:</b>				
County judge	210,072	210,072	207,954	2,118
Commissioner's court	345,663	341,462	271,136	70,326
County clerk	468,923	478,979	475,222	3,757
County treasurer	154,733	154,733	148,757	5,976
County auditor	266,750	266,750	265,422	1,328
Data processing	458,961	562,361	467,506	94,855
Personnel	138,522	139,934	133,993	5,941
Maintenance	152,697	151,239	136,413	14,826
Engineering	584,851	1,113,671	1,092,874	20,797
Fire department support	158,874	158,874	125,727	33,147
Emergency management	298,101	337,138	331,159	5,979
General operating	848,859	848,859	846,444	2,415
Other unclassified	246,460	260,219	258,902	1,317
	<u>4,333,466</u>	<u>5,024,291</u>	<u>4,761,509</u>	<u>262,782</u>
<b>Administration of Justice:</b>				
Jury	45,500	67,562	67,472	90
County clerk-at-law	468,690	504,537	493,045	11,492
District clerk	452,829	453,168	437,234	15,934
District judges	807,206	808,791	759,518	49,273
Justice of the peace pct. 1	159,407	159,407	154,217	5,190
Justice of the peace pct. 2	134,772	134,772	133,565	1,207
Justice of the peace pct. 3	142,620	142,620	139,597	3,023
Justice of the peace pct. 4	135,703	135,703	122,100	13,603
District attorney	898,216	910,644	891,645	18,999
Sheriff	3,389,662	3,759,980	3,602,825	157,155
Jail	2,111,676	2,116,881	1,994,536	122,345
Constables	165,280	169,507	154,238	15,269
DPS	58,785	58,785	56,074	2,711
	<u>8,970,346</u>	<u>9,422,357</u>	<u>9,006,066</u>	<u>416,291</u>

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

**GENERAL FUND**

For the Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b><u>Expenditures (continued)</u></b>				
<b>Health and Human Services:</b>				
Library	\$ 83,845	\$ 85,654	\$ 85,314	\$ 340
Social services	335,408	335,408	306,882	28,526
Veterans services	89,280	89,280	84,941	4,339
County extension	113,234	113,234	111,073	2,161
Environmental	80,825	102,468	96,928	5,540
	<u>702,592</u>	<u>726,044</u>	<u>685,138</u>	<u>40,906</u>
<b>Tax Administration:</b>				
Appraisal district	411,080	411,080	411,080	-
Tax assessor collector	620,849	620,849	583,855	36,994
	<u>1,031,929</u>	<u>1,031,929</u>	<u>994,935</u>	<u>36,994</u>
<b>Debt Service:</b>				
Debt issuance costs	-	64,626	64,626	-
	<u>-</u>	<u>64,626</u>	<u>64,626</u>	<u>-</u>
<b>Total Expenditures</b>	<u>15,038,333</u>	<u>16,269,247</u>	<u>15,512,274</u>	<u>756,973</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(11,590)</u>	<u>(701,097)</u>	<u>(491,659)</u>	<u>209,438</u>
<b><u>Other Financing Sources</u></b>				
<b><u>(Uses)</u></b>				
Transfers in	186,989	186,989	215,410	28,421
Transfers (out)	(110,406)	(110,406)	(110,406)	-
Debt issuance	-	1,075,687	1,075,687	-
Premium on bonds issued	-	946	946	-
<b>Total Other Financing Sources (Uses)</b>	<u>76,583</u>	<u>1,153,216</u>	<u>1,181,637</u>	<u>28,421</u>
<b>Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>\$ 64,993</u>	<u>\$ 452,119</u>	689,978	<u>\$ 237,859</u>
Beginning Fund Balance			<u>5,392,980</u>	
<b>Ending Fund Balance</b>			<u>\$ 6,082,958</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, 2009

	<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>		
<b>Revenues</b>				
Property taxes	\$ 3,664,056	\$ 3,664,056	\$ 3,567,818	\$ (96,238)
Other taxes	1,123,267	1,128,717	1,084,921	(43,796)
Fines and forfeitures	84,700	110,000	137,495	27,495
Investment income	38,000	38,000	13,684	(24,316)
Other revenue	11,191	170,143	195,960	25,817
<b>Total Revenues</b>	<u>4,921,214</u>	<u>5,110,916</u>	<u>4,999,878</u>	<u>(111,038)</u>
<b>Expenditures</b>				
Roads and bridges:				
Permanent	-	990,000	534,399	455,601
Pct. 1	1,165,494	1,535,877	1,120,645	415,232
Pct. 2	1,186,278	1,724,175	1,410,160	314,015
Pct. 3	1,237,889	1,206,157	998,990	207,167
Pct. 4	1,330,073	1,384,659	1,225,372	159,287
Debt service:				
Principal	-	795,609	795,609	-
Interest	-	46,884	46,884	-
Capital Outlay	-	1,032,274	1,001,271	31,003
<b>Total Expenditures</b>	<u>4,919,734</u>	<u>8,715,635</u>	<u>7,133,330</u>	<u>1,582,305</u>
<b>Excess (Deficiency)</b> <b>of Revenues over</b> <b>Expenditures</b>	1,480	(3,604,719)	(2,133,452)	1,471,267
<b>Other Financing Sources (Uses)</b>				
Debt issuance	-	1,967,698	1,967,699	1
Sale of capital assets	-	737,313	739,412	2,099
<b>Total Other Financing</b> <b>Sources (Uses)</b>	<u>-</u>	<u>2,705,011</u>	<u>2,707,111</u>	<u>2,100</u>
<b>Net Change in Fund Balance</b>	<u>\$ 1,480</u>	<u>\$ (899,708)</u>	<u>573,659</u>	<u>\$ 1,473,367</u>
Beginning Fund Balance			<u>1,439,853</u>	
<b>Ending Fund Balance</b>			<u>\$ 2,013,512</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 FUNDING PROGRESS**  
**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**  
**For the Year Ended September 30, 2009**

The County's annual covered payroll and pension costs are actuarially valued on a calendar year basis. Because the County makes all the annually required contributions, no net pension obligation (NPO) exists. The information presented below represents the County's schedule of funding progress.

Fiscal Year	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Actuarial Valuation Date	12/31/2008	12/31/2007	12/31/2006	12/31/2005	12/31/2004
Actuarial Value of Assets	\$ 24,062,563	\$ 24,005,305	\$ 21,623,223	\$ 18,696,224	\$ 17,341,515
Actuarial Accrued Liability	\$ 27,493,065	\$ 25,040,374	\$ 22,255,081	\$ 18,683,354	\$ 17,381,741
Percentage Funded	87.5%	95.9%	97.2%	100.1%	99.8%
Unfunded Actuarial					
Accrued Liability	\$ 3,430,502	\$ 1,035,069	\$ 631,858	\$ (12,870)	\$ 40,226
Annual Covered Payroll	\$ 9,959,348	\$ 9,000,765	\$ 7,993,320	\$ 7,719,890	\$ 7,548,847
Unfunded Actuarial					
Accrued Liability					
(UAAL) % of Covered Payroll	34.45%	11.50%	7.90%	(.17%)	0.53%
Net Pension Obligation (NPO)					
at the Beginning of Period	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Req. Contrib. (ARC)	937,293	855,283	653,209	366,062	358,961
Contributions Made	937,293	855,283	653,209	366,062	358,961
<b>NPO at the End of Period</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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***COMBINING STATEMENTS  
AND SCHEDULES***

## ***NONMAJOR GOVERNMENTAL FUNDS***

### ***Special Revenue Funds***

***College and Commerce Center Fund*** - This fund is used to account for all revenues related to the operation of the College and Commerce Center.

***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 nutrition and activity centers, home delivered meal programs, and counseling.

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

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

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

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

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

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

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

***District Clerk Records Preservation*** - 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.

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

***NONMAJOR GOVERNMENTAL FUNDS (Continued)***

***Special Revenue Funds (continued)***

***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*** - This fund is used to collect and remit restitution for insufficient checks. Fees collected are remitted to the district attorney collection fund.

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

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

***District Attorney Special Fund*** - 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 costs related to special issues within the district attorney's office.

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

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

**POLK COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 1 of 3)**  
**September 30, 2009**

Special Revenue Funds				
	College and Commerce Center	Court- house Security	Law Library	Aging
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 15,000	\$ 10,387	\$ 49,972	\$ 138,047
Receivables, net	-	-	-	24,986
<b>Total Assets</b>	<b>\$ 15,000</b>	<b>\$ 10,387</b>	<b>\$ 49,972</b>	<b>\$ 163,033</b>
<b><u>Liabilities and Fund Balances</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 2,464	\$ -	\$ 11,839
Due to other funds	-	-	-	-
Due to other units	-	-	-	-
Deferred revenue	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>2,464</b>	<b>-</b>	<b>11,839</b>
<b>Fund Balances:</b>				
Reserved for endowments/trusts	-	-	-	-
Unreserved and undesignated	15,000	7,923	49,972	151,194
<b>Total Fund Balances</b>	<b>15,000</b>	<b>7,923</b>	<b>49,972</b>	<b>151,194</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 15,000</b>	<b>\$ 10,387</b>	<b>\$ 49,972</b>	<b>\$ 163,033</b>

**Special Revenue Funds**

<b>County Records Mgmt.</b>	<b>County Clerk Records Preserv.</b>	<b>Hotel/Motel Tax</b>	<b>JP Technology</b>	<b>Historical Commission</b>	<b>Available School</b>
\$ 2,661	\$ 152,905	\$ 18,872	\$ 129,754	\$ 388,501	\$ 219,908
-	-	533	-	-	-
<u>\$ 2,661</u>	<u>\$ 152,905</u>	<u>\$ 19,405</u>	<u>\$ 129,754</u>	<u>\$ 388,501</u>	<u>\$ 219,908</u>
\$ 2,467	\$ -	\$ 8,262	\$ 1,148	\$ 581	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,467</u>	<u>-</u>	<u>8,262</u>	<u>1,148</u>	<u>581</u>	<u>-</u>
-	-	-	-	-	-
194	152,905	11,143	128,606	387,920	219,908
<u>194</u>	<u>152,905</u>	<u>11,143</u>	<u>128,606</u>	<u>387,920</u>	<u>219,908</u>
<u>\$ 2,661</u>	<u>\$ 152,905</u>	<u>\$ 19,405</u>	<u>\$ 129,754</u>	<u>\$ 388,501</u>	<u>\$ 219,908</u>

**POLK COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 2 of 3)**  
September 30, 2009

	<b>Special Revenue Funds</b>			
	<b>District Attorney Collection</b>	<b>District Clerk Records Preservation</b>	<b>Forfeiture</b>	<b>District Clerk TDCJ</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 14,007	\$ 12,762	\$ 340,350	\$ 30,010
Receivables, net	-	-	-	-
<b>Total Assets</b>	<b>\$ 14,007</b>	<b>\$ 12,762</b>	<b>\$ 340,350</b>	<b>\$ 30,010</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 4,064	\$ -
Due to other funds	-	-	-	-
Due to other units	-	-	-	16,649
Deferred revenue	-	-	90,911	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>94,975</b>	<b>16,649</b>
<b>Fund Balances:</b>				
Reserved for endowments/trusts	-	-	-	-
Unreserved and undesignated	14,007	12,762	245,375	13,361
<b>Total Fund Balances</b>	<b>14,007</b>	<b>12,762</b>	<b>245,375</b>	<b>13,361</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 14,007</b>	<b>\$ 12,762</b>	<b>\$ 340,350</b>	<b>\$ 30,010</b>

**Special Revenue Funds**

<b>Judiciary</b>	<b>Officials' Fee Account</b>	<b>Sheriff Federal Revenue Sharing</b>	<b>District Attorney's Check Restitution</b>	<b>Environmental Services</b>	<b>Jail Commissary</b>
\$ 231,637	\$ 10,345	\$ 3,221	\$ 494	\$ 1,082	\$ 21,026
-	234	-	-	37,135	-
<u>\$ 231,637</u>	<u>\$ 10,579</u>	<u>\$ 3,221</u>	<u>\$ 494</u>	<u>\$ 38,217</u>	<u>\$ 21,026</u>
\$ 231,637	\$ 318	\$ -	\$ 494	\$ 1,082	\$ 489
-	-	-	-	37,135	-
-	10,261	-	-	-	-
-	-	-	-	-	-
<u>231,637</u>	<u>10,579</u>	<u>-</u>	<u>494</u>	<u>38,217</u>	<u>489</u>
-	-	-	-	-	-
-	-	3,221	-	-	20,537
-	-	3,221	-	-	20,537
<u>\$ 231,637</u>	<u>\$ 10,579</u>	<u>\$ 3,221</u>	<u>\$ 494</u>	<u>\$ 38,217</u>	<u>\$ 21,026</u>

**POLK COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 3 of 3)**  
September 30, 2009

	<u>Special Revenue Funds</u>		<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>District Attorney Special</u>	<u>Justice Court Building Security</u>	<u>Permanent School</u>	
<b>Assets</b>				
Cash and cash equivalents	\$ 1,378	\$ 19,436	\$ 412,791	\$ 2,224,546
Receivables, net	-	-	-	62,888
<b>Total Assets</b>	<u>\$ 1,378</u>	<u>\$ 19,436</u>	<u>\$ 412,791</u>	<u>\$ 2,287,434</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 264,845
Due to other funds	-	-	-	37,135
Due to other units	-	-	-	26,910
Deferred revenue	-	-	-	90,911
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>419,801</u>
<b>Fund Balances:</b>				
Reserved for endowments/trusts	-	-	412,791	412,791
Unreserved and undesignated	1,378	19,436	-	1,454,842
<b>Total Fund Balances</b>	<u>1,378</u>	<u>19,436</u>	<u>412,791</u>	<u>1,867,633</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,378</u>	<u>\$ 19,436</u>	<u>\$ 412,791</u>	<u>\$ 2,287,434</u>



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**POLK COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (page 1 of 3)**  
**For the Year Ended September 30, 2009**

	Special Revenue Funds			
	College and Commerce Center	Court- house Security	Law Library	Aging
<b>Revenues</b>				
Other taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Charge for services	-	40,997	14,326	-
Intergovernmental	-	-	-	307,326
Investment income	-	-	184	-
Other revenue	28,120	-	-	3,227
<b>Total Revenues</b>	<u>28,120</u>	<u>40,997</u>	<u>14,510</u>	<u>310,553</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	-	-	-
Administration of justice	-	63,050	10,190	-
Health and human services	13,120	-	-	320,191
<b>Total Expenditures</b>	<u>13,120</u>	<u>63,050</u>	<u>10,190</u>	<u>320,191</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>15,000</u>	<u>(22,053)</u>	<u>4,320</u>	<u>(9,638)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	29,750	-	60,000
Transfers (out)	-	-	-	-
Debt proceeds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>29,750</u>	<u>-</u>	<u>60,000</u>
<b>Net Change in Fund Balances</b>	15,000	7,697	4,320	50,362
Beginning Fund Balances	-	226	45,652	100,832
<b>Ending Fund Balances</b>	<u>\$ 15,000</u>	<u>\$ 7,923</u>	<u>\$ 49,972</u>	<u>\$ 151,194</u>

**Special Revenue Funds**

<b>County Records Mgmt.</b>	<b>County Clerk Records Preservation</b>	<b>Hotel/Motel Tax</b>	<b>JP Technology</b>	<b>Historical Commission</b>	<b>Available School</b>
\$ -	\$ -	\$ 32,513	\$ -	\$ -	\$ -
-	-	-	-	-	-
14,084	139,583	-	-	-	-
-	-	-	28,340	-	-
-	-	-	-	3,119	1,506
-	-	-	-	7,454	113,743
<u>14,084</u>	<u>139,583</u>	<u>32,513</u>	<u>28,340</u>	<u>10,573</u>	<u>115,249</u>
29,736	39,699	45,676	-	4,640	126,059
-	-	-	25,868	-	-
-	-	-	-	-	-
<u>29,736</u>	<u>39,699</u>	<u>45,676</u>	<u>25,868</u>	<u>4,640</u>	<u>126,059</u>
<u>(15,652)</u>	<u>99,884</u>	<u>(13,163)</u>	<u>2,472</u>	<u>5,933</u>	<u>(10,810)</u>
20,656	-	-	-	-	3,021
-	(66,989)	-	-	-	-
-	-	-	-	-	-
<u>20,656</u>	<u>(66,989)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,021</u>
5,004	32,895	(13,163)	2,472	5,933	(7,789)
<u>(4,810)</u>	<u>120,010</u>	<u>24,306</u>	<u>126,134</u>	<u>381,987</u>	<u>227,697</u>
<u>\$ 194</u>	<u>\$ 152,905</u>	<u>\$ 11,143</u>	<u>\$ 128,606</u>	<u>\$ 387,920</u>	<u>\$ 219,908</u>

**POLK COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**

*NONMAJOR GOVERNMENTAL FUNDS (page 2 of 3)*

For the Year Ended September 30, 2009

	Special Revenue Funds			
	District Attorney Collection	District Clerk Records Preserv.	Forfeiture	District Clerk TDCJ
<b>Revenues</b>				
Other taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Charge for services	11,133	6,089	-	-
Intergovernmental	-	-	39,781	45,400
Investment income	-	-	826	-
Other revenue	-	-	-	-
<b>Total Revenues</b>	<u>11,133</u>	<u>6,089</u>	<u>40,607</u>	<u>45,400</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	-	-	-
Administration of justice	-	-	39,796	46,113
Health and human services	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>39,796</u>	<u>46,113</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>11,133</u>	<u>6,089</u>	<u>811</u>	<u>(713)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Debt proceeds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	11,133	6,089	811	(713)
Beginning Fund Balances	<u>2,874</u>	<u>6,673</u>	<u>244,564</u>	<u>14,074</u>
<b>Ending Fund Balances</b>	<u>\$ 14,007</u>	<u>\$ 12,762</u>	<u>\$ 245,375</u>	<u>\$ 13,361</u>

**Special Revenue Funds**

<b>Judiciary</b>	<b>Officials' Fee Account</b>	<b>Sheriff Federal Revenue Sharing</b>	<b>District Attorney's Check Restitution</b>	<b>Environmental Services</b>	<b>Jail Commissary</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	148,421	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	9,473
-	-	-	-	148,421	9,473
-	-	-	-	-	-
-	-	-	-	-	2,529
-	-	-	-	-	-
-	-	-	-	-	2,529
-	-	-	-	148,421	6,944
-	-	-	-	-	-
-	-	-	-	(148,421)	-
-	-	-	-	-	-
-	-	-	-	(148,421)	-
-	-	-	-	-	6,944
-	-	3,221	-	-	13,593
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,221</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,537</u>

**POLK COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS (page 3 of 3)**  
**For the Year Ended September 30, 2009**

	Special Revenue Funds		Permanent Fund	Total Nonmajor Governmental Funds
	District Attorney Special	Justice Court Building Security	Permanent School	
<b>Revenues</b>				
Other taxes	\$ -	\$ -	\$ -	\$ 32,513
Fines and forfeitures	-	6,944	-	6,944
Charge for services	-	-	-	374,633
Intergovernmental	-	-	-	420,847
Investment income	-	-	3,119	8,754
Other revenue	49,523	-	30,311	241,851
<b>Total Revenues</b>	49,523	6,944	33,430	1,085,542
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	2,856	-	248,666
Administration of justice	48,584	-	-	236,130
Health and human services	-	-	-	333,311
<b>Total Expenditures</b>	48,584	2,856	-	818,107
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	939	4,088	33,430	267,435
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	113,427
Transfers (out)	-	-	(3,021)	(218,431)
Debt proceeds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	(3,021)	(105,004)
<b>Net Change in Fund Balances</b>	939	4,088	30,409	162,431
Beginning Fund Balances	439	15,348	382,382	1,705,202
<b>Ending Fund Balances</b>	\$ 1,378	\$ 19,436	\$ 412,791	\$ 1,867,633

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

**DEBT SERVICE FUND**

For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Taxes	\$ 3,564,192	\$ 3,564,192	\$ 3,460,319	\$ (103,873)
Investment income	73,000	73,000	13,259	(59,741)
<b>Total Revenues</b>	<u>3,637,192</u>	<u>3,637,192</u>	<u>3,473,578</u>	<u>(163,614)</u>
<b><u>Expenditures</u></b>				
Principal	2,210,686	2,210,686	2,210,686	-
Interest and fiscal charges	1,423,866	1,424,866	1,424,866	-
<b>Total Expenditures</b>	<u>3,634,552</u>	<u>3,635,552</u>	<u>3,635,552</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>2,640</u>	<u>1,640</u>	<u>(161,974)</u>	<u>(163,614)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 2,640</u>	<u>\$ 1,640</u>	<u>(161,974)</u>	<u>\$ (163,614)</u>
Beginning Fund Balance			<u>828,767</u>	
<b>Ending Fund Balance</b>			<u>\$ 666,793</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, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 876,702	\$ 876,702	\$ 853,646	\$ (23,056)
Other taxes	243,915	243,915	231,424	(12,491)
Investment Income	25,300	25,300	33,959	8,659
Interest	8,740	8,740	3,097	(5,643)
Other	11,191	18,016	21,664	3,648
<b>Total Revenues</b>	<u>1,165,848</u>	<u>1,172,673</u>	<u>1,143,790</u>	<u>(28,883)</u>
<b>Expenditures</b>				
Roads and Bridges:				
Permanent	-	50,000	50,000	-
Pct. 1	1,165,494	1,535,877	1,120,645	415,232
Debt Service:				
Principal	-	194,680	194,680	-
Interest	-	11,630	11,630	-
Capital Outlay	-	206,716	206,316	400
<b>Total Expenditures</b>	<u>1,165,494</u>	<u>1,998,903</u>	<u>1,583,271</u>	<u>415,632</u>
<b>Excess of Revenues Over (Under)</b>				
<b>    Expenditures</b>	354	(826,230)	(439,481)	386,749
<b>Other Financing Sources (Uses)</b>				
Debt proceeds	-	437,140	437,140	-
Sale of capital assets	-	187,713	187,713	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>624,853</u>	<u>624,853</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 354</u>	<u>\$ (201,377)</u>	185,372	<u>\$ 386,749</u>
Beginning Fund Balance			<u>249,566</u>	
<b>Ending Fund Balance</b>			<u>\$ 434,938</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, 2009**

	<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>		
<b><u>Revenues</u></b>				
Property taxes	\$ 897,494	\$ 897,494	\$ 873,568	\$ (23,926)
Other taxes	280,406	255,106	245,756	(9,350)
Fines and forfeitures	-	25,300	32,257	6,957
Investment Income	8,740	8,740	2,872	(5,868)
Other	-	150,295	150,751	456
<b>Total Revenues</b>	<u>1,186,640</u>	<u>1,336,935</u>	<u>1,305,204</u>	<u>(31,731)</u>
<b><u>Expenditures</u></b>				
Roads and Bridges:				
Pct. 2	1,186,278	1,724,175	1,410,160	314,015
Debt Service:				
Principal	-	97,617	97,617	-
Interest	-	4,967	4,967	-
Capital Outlay	-	437,638	437,638	-
<b>Total Expenditures</b>	<u>1,186,278</u>	<u>2,264,397</u>	<u>1,950,382</u>	<u>314,015</u>
<b>Excess of Revenues Over (Under)</b>				
<b>    Expenditures</b>	362	(927,462)	(645,178)	282,284
<b><u>Other Financing Sources (Uses)</u></b>				
Debt proceeds	-	667,638	667,638	-
Sale of capital assets	-	91,600	91,600	-
<b>Total Other Financing</b>				
<b>    Sources (Uses)</b>	<u>-</u>	<u>759,238</u>	<u>759,238</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 362</u>	<u>\$ (168,224)</u>	114,060	<u>\$ 282,284</u>
Beginning Fund Balance			<u>235,190</u>	
<b>Ending Fund Balance</b>			<u>\$ 349,250</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, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues</u></b>				
Property taxes	\$ 898,820	\$ 898,820	\$ 875,522	\$ (23,298)
Other taxes	299,473	299,473	288,496	(10,977)
Fines and forfeitures	29,700	29,700	36,237	6,537
Investment Income	10,260	10,260	3,726	(6,534)
<b>Total Revenues</b>	1,238,253	1,238,253	1,203,981	(34,272)
<b><u>Expenditures</u></b>				
Roads and Bridges:				
Permanent	-	270,000	-	270,000
Pct. 3	1,237,889	1,206,157	998,990	207,167
Debt Service:				
Principal	-	309,743	309,743	-
Interest	-	18,657	18,657	-
Capital Outlay	-	376,031	345,428	30,603
<b>Total Expenditures</b>	1,237,889	2,180,588	1,672,818	507,770
<b>Excess of Revenues Over (Under)</b>				
<b>    Expenditures</b>	364	(942,335)	(468,837)	473,498
<b><u>Other Financing Sources (Uses)</u></b>				
Debt proceeds	-	581,031	581,031	-
Sale of capital assets	-	274,800	276,900	2,100
<b>Total Other Financing Sources (Uses)</b>	-	855,831	857,931	2,100
<b>Net Change in Fund Balance</b>	\$ 364	\$ (86,504)	389,094	\$ 475,598
Beginning Fund Balance			272,749	
<b>Ending Fund Balance</b>			\$ 661,843	

**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, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 991,041	\$ 991,041	\$ 965,083	\$ (25,958)
Other taxes	299,473	330,223	319,246	(10,977)
Fines and forfeitures	29,700	29,700	35,040	5,340
Investment Income	10,260	10,260	3,989	(6,271)
Other	-	1,832	23,545	21,713
<b>Total Revenues</b>	<u>1,330,474</u>	<u>1,363,056</u>	<u>1,346,903</u>	<u>(16,153)</u>
<b>Expenditures</b>				
Roads and Bridges:				
Permanent	-	670,000	484,399	185,601
Pct. 4	1,330,073	1,384,659	1,225,371	159,288
Debt Service:				
Principal	-	193,570	193,570	-
Interest	-	11,630	11,630	-
Capital Outlay	-	11,889	11,889	-
<b>Total Expenditures</b>	<u>1,330,073</u>	<u>2,271,748</u>	<u>1,926,859</u>	<u>344,889</u>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	401	(908,692)	(579,956)	328,736
<b>Other Financing Sources (Uses)</b>				
Debt proceeds	-	281,889	281,889	-
Sale of capital assets	-	183,200	183,200	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>465,089</u>	<u>465,089</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 401</u>	<u>\$ (443,603)</u>	<u>(114,867)</u>	<u>\$ 328,736</u>
Beginning Fund Balance			<u>682,348</u>	
<b>Ending Fund Balance</b>			<u>\$ 567,481</u>	

**POLK COUNTY, TEXAS**  
**COMBINING STATEMENT OF NET ASSETS**  
**AGENCY FUNDS**  
September 30, 2009

	<u>County Clerk's Probate Trust</u>	<u>District Clerk's Trust</u>	<u>Tax Collector</u>	<u>Total Agency Funds</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 383,763	\$ 3,395,067	\$ 676,980	\$ 4,455,810
<b>Total Assets</b>	<u>\$ 383,763</u>	<u>\$ 3,395,067</u>	<u>\$ 676,980</u>	<u>\$ 4,455,810</u>
<b><u>Liabilities</u></b>				
Due to other units	\$ 383,763	\$ 3,395,067	\$ 676,980	\$ 4,455,810
<b>Total Liabilities</b>	<u>\$ 383,763</u>	<u>\$ 3,395,067</u>	<u>\$ 676,980</u>	<u>\$ 4,455,810</u>

**POLK COUNTY, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
September 30, 2009

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>County Clerk's Probate Trust</b>				
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 207,358	\$ 176,405	\$ -	\$ 383,763
<b><u>Liabilities</u></b>				
Due to other units	\$ 207,358	\$ 176,405	\$ -	\$ 383,763
<b>District Clerk's Trust</b>				
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 3,447,592	\$ -	\$ 52,525	\$ 3,395,067
<b><u>Liabilities</u></b>				
Due to other units	\$ 3,447,592	\$ -	\$ 52,525	\$ 3,395,067
<b>Tax Collector</b>				
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 553,498	\$ 123,482	\$ -	\$ 676,980
<b><u>Liabilities</u></b>				
Due to other units	\$ 553,498	\$ 123,482	\$ -	\$ 676,980
<b>Total Agency Funds</b>				
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 4,208,448	\$ 299,887	\$ 52,525	\$ 4,455,810
<b><u>Liabilities</u></b>				
Due to other units	\$ 4,208,448	\$ 299,887	\$ 52,525	\$ 4,455,810

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# ***STATISTICAL SECTION***

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

## **Contents**

### **Financial Trends (Page 100)**

*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 108)**

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

### **Debt Capacity (Page 118)**

*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 124)**

*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 130)**

*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 ASSETS BY COMPONENT

Last Seven Years (1)

(Accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	\$ 3,159,728	\$ 6,516,831	\$ 5,768,223	\$ 13,101,783
Restricted	969,033	994,579	1,159,707	1,315,496
Unrestricted	4,961,440	2,068,436	2,890,488	4,751,455
<b>Total governmental activities net assets</b>	<u>\$ 9,090,201</u>	<u>\$ 9,579,846</u>	<u>\$ 9,818,418</u>	<u>\$ 19,168,734</u>

(1) The requirement for statistical data is ten years; only seven years are available at this time.



<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 15,748,347	\$ 16,127,180	\$ 14,526,990
1,096,393	988,219	1,003,827
6,043,734	7,914,865	10,422,140
<u>\$ 22,888,474</u>	<u>\$ 25,030,264</u>	<u>\$ 25,952,957</u>

# POLK COUNTY, TEXAS

## CHANGES IN NET ASSETS

Last Seven Years (1)

(Accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
<b>Expenses</b>				
Governmental activities				
General government	\$ 3,574,826	\$ 3,679,583	\$ 3,604,151	\$ 4,758,365
Administration of justice	6,200,998	5,978,981	6,700,554	7,215,233
Roads and bridges	5,051,516	3,268,923	4,887,005	5,220,888
Health and human services	1,253,407	1,091,520	945,272	981,990
Tax administration	779,542	755,033	733,937	807,230
Interest and fiscal agent fees	298,952	232,831	267,913	205,970
<b>Total governmental activities expenses</b>	17,159,241	15,006,871	17,138,832	19,189,676
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
General government	\$ 1,551,777	\$ 1,749,638	\$ 1,729,362	\$ 2,158,693
Administration of justice	14,942	163,064	157,036	176,852
Roads and bridges	-	-	-	-
Health and human services	1,136,058	188,256	201,730	186,991
Operating grants and contributions	1,048,454	483,404	840,948	1,819,107
<b>Total governmental activities program revenues</b>	3,751,231	2,584,362	2,929,076	4,341,643
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (13,408,010)	\$ (12,422,509)	\$ (14,209,756)	\$ (14,848,033)
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities				
Taxes	\$ 10,689,214	\$ 12,307,581	\$ 12,299,881	\$ 14,864,665
Investment earnings	86,669	74,210	173,301	338,495
Other revenues	1,015,942	1,430,703	1,975,146	2,044,675
Gain (loss) on sale of capital assets	-	-	-	415,906
<b>Total governmental activities</b>	11,791,825	13,812,494	14,448,328	17,663,741
<b>Change in Net Assets</b>				
Governmental activities	\$ (1,616,185)	\$ 1,389,985	\$ 238,572	\$ 2,815,708

(1) The requirement for statistical data is ten years; only seven years are available at this time.

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 5,503,708	\$ 5,086,750	\$ 13,153,683
6,462,550	8,777,239	8,933,374
4,984,706	6,737,830	6,126,250
962,227	1,029,386	1,164,876
865,141	903,615	1,001,973
580,113	1,353,728	1,602,765
<u>19,358,445</u>	<u>23,888,548</u>	<u>31,982,921</u>

\$ 2,474,710	\$ 2,489,079	\$ 2,473,938
53,985	54,658	97,530
-	107,534	137,495
255,530	229,727	148,421
<u>1,442,147</u>	<u>4,144,123</u>	<u>10,420,519</u>

<u>4,226,372</u>	<u>7,025,121</u>	<u>13,277,903</u>
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<u>\$ (15,132,073)</u>	<u>\$ (16,863,427)</u>	<u>\$ (18,705,018)</u>
------------------------	------------------------	------------------------

\$ 16,189,813	\$ 16,198,654	\$ 17,595,693
726,705	1,350,300	338,323
1,747,855	1,456,263	1,693,695
-	-	-
<u>18,664,373</u>	<u>19,005,217</u>	<u>19,627,711</u>

<u>\$ 3,532,300</u>	<u>\$ 2,141,790</u>	<u>\$ 922,693</u>
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**POLK COUNTY, TEXAS**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Seven Years (1)  
 (Modified accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	1,761,633	1,707,692	2,702,905	2,975,092
<b>Total general fund</b>	<u>\$ 1,761,633</u>	<u>\$ 1,707,692</u>	<u>\$ 2,702,905</u>	<u>\$ 2,975,092</u>
All Other Governmental Funds				
Reserved	\$ 1,016,089	\$ 1,034,579	\$ 1,159,707	\$ 1,315,496
Unreserved, reported in:				
Capital project funds	-	-	-	-
Special revenue funds	2,747,366	1,594,302	838,027	1,065,878
<b>Total all other governmental funds</b>	<u>\$ 3,763,455</u>	<u>\$ 2,628,881</u>	<u>\$ 1,997,734</u>	<u>\$ 2,381,374</u>

(1) The requirement for statistical data is ten years; only seven years are available at this time.

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ -	\$ -	\$ -
3,956,435	5,392,980	6,082,958
<u>\$ 3,956,435</u>	<u>\$ 5,392,980</u>	<u>\$ 6,082,958</u>
\$ 1,233,217	\$ 1,211,150	\$ 1,079,584
18,310,433	27,909,565	26,358,140
2,448,001	2,884,016	3,686,780
<u>\$ 21,991,651</u>	<u>\$ 32,004,731</u>	<u>\$ 31,124,504</u>

# POLK COUNTY, TEXAS

## CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS

Last Seven Years (1)  
(Modified accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
<b>Revenues</b>				
Taxes	\$ 11,353,825	\$ 11,828,927	\$ 12,573,534	\$ 14,583,975
Permits, licenses, and fees	147,556	155,755	138,966	202,912
Fines and forfeitures	640,960	847,623	882,212	927,082
Charges for services	2,061,817	1,253,335	1,205,916	1,595,454
Intergovernmental	1,048,454	483,404	840,948	1,819,107
Investment earnings	86,669	74,210	173,301	338,495
Other revenues	868,386	1,274,948	1,836,180	1,841,763
<b>Total revenues</b>	<u>16,207,667</u>	<u>15,918,202</u>	<u>17,651,057</u>	<u>21,308,788</u>
<b>Expenditures</b>				
General government	3,406,136	3,534,920	4,247,963	4,850,509
Administration of justice	5,995,847	6,244,004	6,463,676	7,312,142
Roads and bridges	4,495,511	4,313,004	5,203,705	4,885,421
Health and human services	1,108,267	970,567	806,084	877,338
Tax administration	780,264	702,591	728,523	802,646
Capital outlay	-	-	-	-
Debt service				
Principal	1,681,789	1,806,026	1,715,749	2,448,376
Interest and paying agent	290,238	407,160	250,668	229,130
<b>Total expenditures</b>	<u>17,758,052</u>	<u>17,978,272</u>	<u>19,416,368</u>	<u>21,405,562</u>
Excess of revenues over (under) expenditures	(1,550,385)	(2,060,070)	(1,765,311)	(96,774)
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,908,533	407,623	658,218	2,136,685
Transfers out	(1,908,533)	(407,623)	(658,218)	(2,136,685)
Issuance of debt	3,736,447	2,122,113	1,606,139	1,714,497
Payment to refunded bond escrow agent	-	(1,250,558)	-	-
Sale of capital assets	-	-	-	415,906
<b>Total other financing sources</b>	<u>3,736,447</u>	<u>871,555</u>	<u>1,606,139</u>	<u>2,130,403</u>
<b>Net change in fund balances</b>	<u>\$ 2,186,062</u>	<u>\$ (1,188,515)</u>	<u>\$ (159,172)</u>	<u>\$ 2,033,629</u>
Debt service as a percentage of noncapital expenditures	11.10%	12.31%	10.13%	12.51%

(1) The requirement for statistical data is ten years; only seven years are available at this time.

	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$	15,635,471	\$ 16,345,276	\$ 17,590,374
	228,543	204,668	159,036
	854,030	931,688	1,034,937
	1,930,195	1,744,642	1,618,011
	1,442,147	4,144,123	10,465,919
	726,705	1,350,300	338,323
	1,519,312	1,456,263	1,693,695
	<u>22,336,403</u>	<u>26,176,960</u>	<u>32,900,295</u>
	5,545,641	6,207,669	12,980,872
	8,179,894	8,843,965	9,242,196
	6,051,944	6,533,096	5,289,566
	860,987	911,810	1,018,449
	859,964	897,198	994,935
	85,106	1,270,589	2,805,599
	2,770,449	2,365,761	3,006,295
	922,972	1,550,143	1,536,376
	<u>25,276,957</u>	<u>28,580,231</u>	<u>36,874,288</u>
	(2,940,554)	(2,403,271)	(3,973,993)
	680,334	629,389	328,837
	(680,334)	(629,389)	(328,837)
	22,067,160	13,029,656	3,044,332
	-	-	-
	610,450	823,240	739,412
	<u>22,677,610</u>	<u>13,852,896</u>	<u>3,783,744</u>
\$	<u>19,737,056</u>	<u>\$ 11,449,625</u>	<u>\$ (190,249)</u>
	14.66%	14.34%	13.33%

**POLK COUNTY, TEXAS**  
**TAX REVENUES BY SOURCE, GOVERNMENTAL ACTIVITIES**  
 Last Seven Years (1)  
 (Accrual basis of accounting)

<u>Function</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Property	\$ 8,285,023	\$ 9,807,298	\$ 9,804,935	\$ 11,989,686	\$ 12,653,787
Sales	1,179,478	1,317,619	1,331,065	1,736,997	2,283,286
Other taxes	1,224,713	1,182,664	1,163,881	1,137,982	1,252,740
	<u>\$ 10,689,214</u>	<u>\$ 12,307,581</u>	<u>\$ 12,299,881</u>	<u>\$ 14,864,665</u>	<u>\$ 16,189,813</u>

(1) The requirement for statistical data is ten years; only seven years are available at this time.



	<u>2008</u>	<u>2009</u>	<u>Change 2008-2009</u>
\$	13,081,465	\$ 14,495,487	10.8%
	1,940,152	1,941,259	0.1%
	<u>1,177,037</u>	<u>1,158,947</u>	-1.5%
\$	<u><u>16,198,654</u></u>	<u><u>\$ 17,595,693</u></u>	8.6%

**POLK COUNTY, TEXAS**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Eight Years (1)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Real Property	\$ 1,203,724,356	\$ 1,372,314,784	\$ 1,404,145,426	\$ 1,455,026,685
Personal Property	\$ 275,825,054	\$ 290,713,868	\$ 286,155,369	\$ 308,964,819
Mineral	\$ 245,547,630	\$ 261,126,250	\$ 243,396,530	\$ 299,726,780
Total assessed value (1)	1,725,097,040	1,924,154,902	1,933,697,325	2,063,718,284
Less: real property exemptions	(236,359,445)	(313,533,765)	(271,753,119)	(281,830,062)
Taxable value	<u>\$ 1,488,737,595</u>	<u>\$ 1,610,621,137</u>	<u>\$ 1,661,944,206</u>	<u>\$ 1,781,888,222</u>
Assessed value	86.3%	83.7%	85.9%	86.3%

(1) The requirement for statistical data is ten years; only eight years are available at this time.

(2) Assessed valuations are considered to be 100 percent of actual valuations.

Source: Polk County Tax Assessor/Collector

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 1,503,984,334	\$ 1,640,053,202	\$ 1,662,956,029	\$ 1,954,019,389
\$ 311,314,465	\$ 312,333,843	\$ 319,782,986	\$ 415,350,005
\$ 277,116,300	\$ 312,441,209	\$ 340,812,815	\$ 322,631,740
2,092,415,099	2,264,828,254	2,323,551,830	2,692,001,134
(270,149,713)	(303,249,234)	(334,218,024)	(369,238,526)
<u>\$ 1,822,265,386</u>	<u>\$ 1,961,579,020</u>	<u>\$ 1,989,333,806</u>	<u>\$ 2,322,762,608</u>
87.1%	86.6%	85.6%	86.3%

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b><u>Polk County by fund:</u></b>				
General	0.37630	0.37630	0.37630	0.36530
Road and Bridge	0.07130	0.07130	0.06290	0.06550
Debt Service	0.10740	0.10740	0.11580	0.12420
	<u>\$ 0.55500</u>	<u>\$ 0.55500</u>	<u>\$ 0.55500</u>	<u>\$ 0.55500</u>
<b><u>Cities:</u></b>				
City of Corrigan	0.05986	0.59860	0.59000	0.59000
City of Goodrich	0.68690	0.68690	0.63690	0.71340
City of Livingston	-	-	-	-
City of Onalaska	-	-	-	-
<b><u>School Districts:</u></b>				
Big Sandy ISD	1.53000	1.42010	1.55570	1.57580
Corrigan-Camden ISD	1.52000	1.51000	1.50000	1.57200
Goodrich ISD	1.49610	1.49610	1.49610	1.49610
Leggett ISD	1.49600	1.01330	0.15000	1.50000
Livingston ISD	1.49000	1.51250	1.55250	1.55250
Onalaska ISD	1.54100	1.54100	1.67100	1.67100
<b><u>Utility Districts:</u></b>				
Memorial Point Utility District	0.86000	0.86000	0.86000	0.86000
Polk County FWSD	0.47170	0.48000	0.48000	0.48000
<b>Total Direct and Overlapping Rates</b>	<u>\$ 11.70656</u>	<u>\$ 11.67350</u>	<u>\$ 11.04720</u>	<u>\$ 12.56580</u>

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

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
0.35670	0.35670	0.38070	0.36790	0.30160	0.32370
0.09140	0.09140	0.12590	0.13760	0.17390	0.15410
0.10690	0.10690	0.12110	0.12220	0.15220	0.14990
<u>\$ 0.55500</u>	<u>\$ 0.55500</u>	<u>\$ 0.62770</u>	<u>\$ 0.62770</u>	<u>\$ 0.62770</u>	<u>\$ 0.62770</u>
0.59000	0.59000	0.59000	0.58580	0.48610	0.48610
0.81800	0.81800	0.72710	0.73500	0.68870	0.55170
-	-	-	-	-	-
-	-	-	-	-	-
1.29000	1.29000	1.58900	1.45600	1.11650	1.11130
1.61000	1.61000	1.61000	1.48860	1.17390	1.16780
1.49610	1.49610	1.50000	1.37000	1.04000	1.04000
1.50000	1.50000	1.50000	1.50700	1.18010	1.16610
1.55250	1.55250	1.55250	1.42450	1.11000	1.40000
1.67100	1.67100	1.67100	1.54290	1.20180	1.20020
0.86000	0.86000	0.86000	0.84000	0.84000	0.84000
0.48000	0.48000	0.48000	0.48000	0.44400	0.44000
<u>\$ 12.42260</u>	<u>\$ 12.42260</u>	<u>\$ 12.70730</u>	<u>\$ 12.05750</u>	<u>\$ 9.90880</u>	<u>\$ 10.03090</u>

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# POLK COUNTY, TEXAS

## PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Tax Payer	2000			2009		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
Comstock Oil and Gas Inc.	\$ 146,602,460	2	10.33%	\$ 118,542,720	1	5.10%
Georgia Pacific LLC	-	n/a	0.00%	65,252,630	2	2.81%
Enbridge Pipelines	-	n/a	0.00%	32,322,470	3	1.39%
RMS Texas Timberlands	-	n/a	0.00%	31,427,670	4	1.35%
Unit Petroleum Company	-	n/a	0.00%	28,055,516	5	1.21%
Blackstone Minerals	10,762,320	10	0.76%	21,022,300	6	0.91%
Devon Energy Production Co LP	-	n/a	0.00%	20,875,300	7	0.90%
ETC Katy Pipeline Limited	-	n/a	0.00%	20,579,830	8	0.89%
Delta Exploration Co., Inc.	-	n/a	0.00%	17,752,400	9	0.76%
Famcor Oil, Inc.	15,097,120	4	1.05%	16,589,984	10	0.71%
Champion International	147,598,961	1	10.40%	-	n/a	0.00%
Carter W.T. & Brothers	26,608,940	3	1.87%	-	n/a	0.00%
Eastex Telephone Coop. Inc.	14,300,970	5	1.01%	-	n/a	0.00%
Wal-Mart	14,129,016	6	1.00%	-	n/a	0.00%
Louisiana Pacific Corp	13,340,636	7	0.94%	-	n/a	0.00%
Sam Houston Electric Coop. Inc.	13,068,291	8	0.92%	-	n/a	0.00%
Teco Pipeline	13,002,400	9	0.92%	-	n/a	0.00%
Subtotal	\$ 414,511,114		29.20%	\$ 372,420,820		16.03%
Other taxpayers	1,005,099,531		70.80%	1,950,341,788		83.97%
Total	\$ 1,419,610,645		100.00%	\$ 2,322,762,608		100.00%

Source: Polk County Appraisal District

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Adjusted tax levy	\$ 7,872,215	\$ 8,272,083	\$ 8,941,594	\$ 8,940,234
Current tax collected	\$ 7,691,941	\$ 7,875,720	8,486,390	8,477,198
Percent of current tax collections	97.71%	95.21%	94.91%	94.82%
Delinquent tax collections	\$ 147,146	\$ 355,149	\$ 403,733	\$ 401,187
Total tax collections	\$ 7,839,087	\$ 8,230,869	\$ 8,890,123	\$ 8,878,384
Total collections as a percentage of current levy	99.58%	99.50%	99.42%	99.31%
Outstanding delinquent taxes	\$ 33,128	\$ 41,214	\$ 51,472	\$ 61,850
Outstanding delinquent taxes as percentage of current levy	0.42%	0.50%	0.58%	0.69%

Source: Polk County Tax Assessor/Collector



	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
\$	9,205,175	\$ 9,879,685	\$ 11,565,442	\$ 11,953,364	\$ 13,038,903	\$ 14,226,340
	8,726,521	9,383,100	11,037,132	11,418,475	12,457,010	13,669,417
	94.80%	94.97%	94.80%	94.00%	95.54%	96.09%
\$	400,292	\$ 399,198	\$ 374,559	\$ 336,593	\$ 302,830	\$ -
\$	9,126,813	\$ 9,782,298	\$ 11,411,690	\$ 11,755,068	\$ 12,759,840	\$ 13,669,417
	99.15%	99.01%	98.66%	95.65%	99.41%	97.00%
\$	78,361	\$ 97,387	\$ 153,752	\$ 198,296	\$ 279,062	\$ 556,923
	0.85%	0.99%	1.33%	1.66%	2.14%	3.91%

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>NET TAXABLE ASSESSED VALUE</b>				
All property	\$ 1,418,414,305	\$ 1,419,610,645	\$ 1,488,737,595	\$ 1,610,621,137
<b>NET BONDED DEBT</b>				
Gross bonded debt	6,953,326	6,807,540	6,054,582	8,109,241
Less debt service funds	818,474	767,357	641,672	641,314
<b>Net Bonded Debt</b>	<u>\$ 6,134,852</u>	<u>\$ 6,040,183</u>	<u>\$ 5,412,910</u>	<u>\$ 7,467,927</u>
<b>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</b>	0.4325%	0.4255%	0.3636%	0.4637%
<b>POPULATION</b>	41,133	43,082	44,129	45,064
<b>NET BONDED DEBT PER CAPITA</b>	\$ 149	\$ 140	\$ 123	\$ 166

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 1,661,944,206	\$ 1,781,888,222	\$ 1,822,265,386	\$ 1,961,579,020	\$ 1,989,333,806	\$ 2,322,762,608
7,176,348	7,012,065	6,369,635	25,810,117	36,286,680	36,323,771
658,075	780,558	935,605	853,369	828,766	666,793
<u>\$ 6,518,273</u>	<u>\$ 6,231,507</u>	<u>\$ 5,434,030</u>	<u>\$ 24,956,748</u>	<u>\$ 35,457,914</u>	<u>\$ 35,656,978</u>
0.3922%	0.3497%	0.2982%	1.2723%	1.7824%	1.5351%
45,708	45,944	46,291	46,206	46,144	46,332
\$ 143	\$ 136	\$ 117	\$ 540	\$ 768	\$ 770

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**POLK COUNTY, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
September 30, 2009

Governmental Unit	Net Bonded Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
<b>Debt repaid with property taxes</b>			
Cities:			
Corrigan		100%	\$ -
Goodrich	\$ 280,000	100%	\$ 280,000
Livingston	\$ 1,700,000	100%	\$ -
Onalaska	\$ -	100%	\$ -
School Districts:			
Big Sandy ISD	\$ 1,250,000	100%	\$ 1,250,000
Chester ISD	\$ 485,000	48.90%	\$ 237,165
Corrigan-Camden ISD	\$ 3,855,000	100%	\$ 3,855,000
Goodrich ISD	\$ -	100%	\$ -
Leggett ISD	\$ 1,700,000	100%	\$ 1,700,000
Livingston ISD	\$ 70,148,296	100%	\$ 70,148,296
Onalaska ISD	\$ 5,059,337	100%	\$ 5,059,337
Woodville ISD	\$ 5,427,851	2.53%	\$ 137,325
Utility Districts:			
Memorial Point	\$ 140,000	100%	\$ 140,000
Polk Co Freshwater	\$ -	100%	\$ -
Subtotal, overlapping debt	\$ 90,045,484		82,807,123
<b>Polk County direct debt</b>	<u>36,323,771</u>	100%	<u>36,323,771</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 119,130,894</u></u>

Source: Texas Municipal Reports

(1) Estimated Percentage Applicable obtained from Municipal Advisory Council of Texas.

**POLK COUNTY, TEXAS**  
**LEGAL DEBT MARGIN INFORMATION**  
 Last Ten Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Debt limit	\$ 141,841,431	\$ 141,961,065	\$ 148,873,760	\$ 161,062,114
Total net debt applicable to limit	6,953,326	6,807,540	6,054,582	8,109,241
Legal debt margin	<u>\$ 134,888,105</u>	<u>\$ 135,153,525</u>	<u>\$ 142,819,178</u>	<u>\$ 152,952,873</u>
Total net debt applicable to the limit as a percentage of debt limit	4.90%	4.80%	4.07%	5.03%

**Legal Debt Margin Calculation for 2009**

Assessed value	\$ 2,322,762,608
Debt limit (10% of assessed value)	232,276,261
Debt applicable to limit:	
General obligation bonds	36,323,771
Less: amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>36,323,771</u>
Legal debt margin	<u>\$ 195,952,490</u>

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 166,194,421	\$ 178,188,822	\$ 182,226,539	\$ 196,157,902	\$ 198,933,381	\$ 232,276,261
7,176,348	7,012,065	6,369,635	25,810,117	36,286,680	36,323,771
<u>\$ 159,018,073</u>	<u>\$ 171,176,757</u>	<u>\$ 175,856,904</u>	<u>\$ 170,347,785</u>	<u>\$ 162,646,701</u>	<u>\$ 195,952,490</u>
4.32%	3.94%	3.50%	13.16%	18.24%	15.64%

**POLK COUNTY, TEXAS**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 Last Ten Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Population (1)	41,333	43,082	44,129	45,064
Personal income (3)	\$ 1,010,207	\$ 1,083,874	\$ 1,115,830	\$ 1,164,011
Per capita personal income (3)	\$ 24,300	\$ 25,158	\$ 25,286	\$ 25,830
Median age (3)	39.4	39.2	39.0	39.1
School enrollment (4)				
Livingston ISD	3,788	4,120	4,096	4,111
Big Sandy ISD	411	430	447	452
Chester ISD	N/A	N/A	N/A	N/A
Corrigan Camden ISD	1,090	1,175	1,113	1,144
Leggett ISD	241	247	270	278
Onalaska ISD	469	523	665	467
Goodrich ISD	282	263	293	304
<b>TOTAL:</b>	<b>6,281</b>	<b>6,758</b>	<b>6,884</b>	<b>6,756</b>
Unemployment rate (2)	5.90%	6.30%	7.80%	8.10%

Data sources:

- (1) US Census Bureau
- (2) Texas Workforce
- (3) Texas Association of Counties (County Information Project)
- (4) TEA



<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
45,708	45,944	46,291	46,206	46,144	46,332
\$ 1,198,247	\$ 1,289,580	\$ 1,381,286	\$ 1,417,000	n/a	n/a
\$ 26,215	\$ 28,069	\$ 29,839	\$ 31,832	n/a	n/a
39.0	39.1	39.2	38.7	38.3	38.6
4,048	4,072	3,742	3,753	3,728	3,733
458	484	433	456	471	465
N/A	N/A	45	77	73	71
1,126	1,122	1,028	990	990	956
267	255	221	205	202	190
751	802	826	813	817	846
308	317	289	259	247	241
<b>6,958</b>	<b>7,052</b>	<b>6,584</b>	<b>6,553</b>	<b>6,528</b>	<b>6,502</b>
7.20%	6.80%	6.10%	5.90%	6.40%	10.50%

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# POLK COUNTY, TEXAS

## PRINCIPAL EMPLOYERS

Current Year and Four Years Ago (1)

Employer	2009			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Georgia Pacific	1,000	1	2.16%	*1600	1	3.48%
Texas Department of Criminal Justice	900	2	1.94%	900	2	1.96%
Livingston ISD	642	3	1.39%	547	3	1.19%
Wal-Mart Super Center	400	4	0.86%	450	4	0.98%
Memorial Medical Center	400	5	0.86%	124	9	0.27%
Polk County	295	6	0.64%	282	5	3.48%
CEC Int'l (IAH Detention Facility)	235	7	0.51%	-		0.00%
Corrigan Camden ISD	225	8	0.49%	178	7	0.39%
Alabama-Coushatta Reservation	206	9	0.44%	197	6	0.43%
Sam Houston Electric Coop	157	10	0.34%	150	8	0.33%
<b>Total</b>	<u>4,460</u>		<u>9.63%</u>	<u>2,828</u>		<u>12.51%</u>

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

\*Was previously named International Paper Company

(1) The requirement for statistical data is current year and 9 years ago; Only current year and 4 years ago was available

# POLK COUNTY, TEXAS

## COUNTY EMPLOYEES (1)

Last Ten Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>County Employees</b>				
Elected Officials	21	21	22	22
Full Time	195	224	228	227
Part Time/Labor Pool	64	53	54	47
	<u>280</u>	<u>298</u>	<u>304</u>	<u>296</u>

Source: Polk County Human Resources

(1) The requirement for statistical data is full-time equivalent employees by function/program; however, this data was not available in current year and will be presented in future years.

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
22	22	22	22	22	22
227	258	256	247	293	259
27	57	28	49	35	44
<u>276</u>	<u>337</u>	<u>306</u>	<u>318</u>	<u>350</u>	<u>325</u>

**POLK COUNTY, TEXAS**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
Last Ten Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b><u>County Court</u></b>				
<b>Civil Cases</b>				
Pending Beginning of Year	159	152	157	1,916
Docket Adjust	(2)	5	1,775	(43)
Added	23	-	395	1,352
Disposed	28	-	411	1,034
Pending End of Year	152	157	1,916	2,191
<b>Criminal Cases</b>				
Pending Beginning of Year	2,205	2,258	2,262	2,289
Docket Adjust	3	4	-	(2)
Added	1,687	-	1,674	2,055
Disposed	1,637	-	1,647	1,785
Pending End of Year	2,258	2,262	2,289	2,557
<b><u>District Court</u></b>				
<b>Civil Cases</b>				
Pending Beginning of Year	2,206	2,312	2,607	798
Docket Adjust	(22)	99	(1,952)	-
Added	1,284	1,373	867	403
Disposed	1,156	1,177	724	354
Pending End of Year	2,312	2,607	798	847
<b>Criminal Cases</b>				
Pending Beginning of Year	634	661	553	570
Docket Adjust	(4)	(15)	(35)	-
Added	629	674	604	939
Disposed	598	767	552	799
Pending End of Year	661	553	570	710
<b><u>Justice Of The Peace Courts</u></b>				
<b>Cases Filed</b>				
Traffic	4,045	5,186	6,172	4,955
Non Traffic	2,223	2,606	2,994	3,200
Small Claims Suits	143	198	177	239
Forcible Entry & Detainer	79	90	110	116
Other Civil Suits	178	182	184	200
<b>Cases Disposed</b>				
Traffic	4,231	4,565	5,557	4,939
Non Traffic	2,438	2,220	2,346	2,813
Small Claims Suits	121	134	140	173
Forcible Entry & Detainer	67	71	97	111
Other Civil Suits	138	124	150	136
<b>Cases Appealed</b>				
Traffic	8	10	6	2
Non Traffic	(1)	3	2	2
Small Claims Suits	1	-	-	3
Forcible Entry & Detainer	(1)	1	-	1
Other Civil Suits	1	-	-	1
<b>Miscellaneous</b>				
Examining Trials	1	1	1	5
Inquests	192	198	208	192

Source: Texas Courts Online (Office of Court Administration)

2004	2005	2006	2007	2008	2009
2,191	2,378	2,705	2,836	2,829	2,980
(3)	30	27	(30)	75	56
1,189	1,443	1,442	1,304	1,230	1,352
999	1,146	1,338	1,281	1,154	1,176
2,378	2,705	2,836	2,829	2,980	3,212
2,557	2,589	2,889	2,935	2,798	2,719
(8)	(5)	13	(5)	(7)	113
1,830	2,001	1,774	1,779	1,446	1,307
1,790	1,696	1,741	1,911	1,518	1,470
2,589	2,889	2,935	2,798	2,719	2,669
847	899	670	757	842	885
(11)	(10)	(5)	(40)	20	(146)
421	303	328	411	336	342
358	522	236	286	313	297
899	670	757	842	885	784
710	761	1,254	1,385	1,033	810
(28)	(102)	(350)	(461)	(121)	(77)
802	900	930	924	890	980
723	305	449	815	992	890
761	1,254	1,385	1,033	810	823
6,692	8,092	7,342	6,387	7,472	8,007
2,799	2,891	2,439	2,565	2,725	2,526
131	133	114	84	83	127
124	120	146	154	119	155
172	177	218	219	327	217
7,566	7,007	6,338	6,252	6,834	6,826
3,244	2,411	1,923	2,337	2,148	2,102
97	90	79	81	54	174
102	108	124	143	109	134
132	121	108	170	205	272
2	16	19	14	19	22
3	6	1	2	1	2
2	-	1	-	-	-
6	3	1	1	-	-
2	-	-	-	-	1
-	2	1	-	-	-
206	215	206	195	210	181

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

Function/program	2000	2001	2002	2003	2004
<b><u>General Government</u></b>					
Commissioners Court	3	3	3	3	3
County Clerk	9	10	12	12	12
Veterns Service	1	1	1	1	1
General Operations	21	26	26	26	26
District Clerk	2	2	2	2	3
JP Pct 1	-	-	-	-	-
JP Pct 2	4	4	4	4	4
JP Pct 3	-	-	-	-	-
JP Pct 4	-	-	-	-	-
District Attorney	-	2	3	4	4
County Auditor	1	1	3	3	4
County Treasurer	1	2	2	2	2
Tax Assessor/Collector	4	4	4	4	4
Delinquent Tax Collection	1	1	1	1	1
Data Processing	10	12	12	12	12
Maintenance/Custodial	2	2	2	2	2
Maintenance/Engineering	8	11	14	16	17
Jail	2	4	4	4	5
Constable PCT 1	-	-	-	-	1
Constable PCT 2	-	-	-	-	1
Constable PCT 3	-	-	-	-	1
Constable PCT 4	-	-	-	-	1
Sheriff's Dept	13	20	33	31	31
Social Services	1	1	2	2	2
Extension	-	-	-	1	1
Emergency Management	2	3	3	3	6
Environmental Enforcement	1	1	3	2	2
<b><u>Road &amp; Bridge</u></b>					
Road & Bridge Pct 1	17	19	22	35	60
Road & Bridge Pct 2	17	18	20	22	40
Road & Bridge Pct 3	43	44	46	49	53
Road & Bridge Pct 4	37	40	41	43	44
<b><u>Security</u></b>					
Security Dept	1	1	1	1	1
<b><u>Historical Commission</u></b>					
Historical	2	2	2	2	2
<b><u>Waste Management</u></b>					
Waste Management	42	46	46	46	46
<b><u>Aging</u></b>					
Aging Services	3	3	3	3	4

Source: County Inventory Reports



2005	2006	2007	2008	2009
3	3	4	4	4
12	14	14	15	15
1	1	1	1	1
26	26	31	34	34
3	3	3	3	3
-	-	-	-	-
4	4	4	4	4
-	-	-	-	-
-	-	-	-	-
4	5	5	6	6
4	4	4	4	4
2	3	3	3	3
4	5	4	4	4
1	1	1	1	1
12	11	11	13	12
2	2	2	3	4
17	19	20	23	28
6	8	13	13	14
1	1	1	1	1
1	1	1	2	2
1	1	1	1	1
1	1	1	1	1
39	49	60	66	70
4	4	4	4	4
1	1	1	1	1
11	12	13	13	14
1	1	1	1	2
71	78	79	80	84
55	55	60	63	67
55	63	77	82	83
53	55	68	76	78
1	1	1	1	1
2	2	2	2	2
46	46	46	46	36
3	3	6	7	8

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