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POLK COUNTY TEXAS



96 JUN -5 AM 9 39

Barb Middleton

POLK COUNTY TEXAS

**NOTICE OF MEETING OF THE
COMMISSIONERS COURT OF POLK COUNTY, TEXAS # 41**

Notice is hereby given that a Regular meeting of the above named Commissioners' Court will be held on Monday, June 10, 1996 at 10 00 a m in the County Courthouse, Livingston, Texas, at which time the following subjects will be discussed, to wit

SEE ATTACHED AGENDA

Dated June 5, 1996

Commissioners' Court of Polk County, Texas

By *John P. Thompson*
John P. Thompson, County Judge

I, the undersigned County Clerk, do hereby certify that the above Notice of Meeting of Polk County Commissioners Court, is a true and correct copy of said Notice, and that I posted a true and correct copy of said notice in the County Courthouse of Polk County, Texas, at a place readily accessible to the general public at all times on June 5, 1996, and said notice remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting

Notice filed, June 5, 1996

Barbara Middleton, County Clerk

By *Barbara Middleton*



COMMISSIONERS COURT AGENDA

for: MONDAY - JUNE 10, 1996 - 10:00 A.M.

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BAPTIST COUNTY CO

CALL TO ORDER

- 1 WELCOME - Public Comments & Discussion
- 2 INFORMATIONAL REPORTS
- 3 CONSIDER APPROVAL OF MINUTES for meeting of, May 11 (Special meeting) and May 28 (last regular session), 1996

OLD BUSINESS

- 4 APPROVE MINUTES OF MAY 13, 1996 MEETING (tabled from last agenda)

NEW BUSINESS

- 5 CONSIDER ANY/ALL NECESSARY ACTION PERTAINING TO BID #96-07 "SALE OF FOUR 12G MOTORGRADERS, ROAD & BRIDGE, PCT 3"
- 6 CONSIDER ANY/ALL NECESSARY ACTION PERTAINING TO BID #96-08 "PURCHASE OF THREE MOTORGRADERS WITH OPTIONAL TRADE-IN OF FOUR USED MOTORGRADERS(offered in Bid #96-07), ROAD & BRIDGE, PCT 3"
- 7 RECEIVE SINGLE AUDIT REPORT (SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE) FOR FISCAL YEAR ENDING SEPTEMBER 30, 1995
- 8 CONSIDER ACCEPTANCE OF OFFERS TO PURCHASE COUNTY TAX FORECLOSURE PROPERTIES, PCT #1 - (MEMORIAL POINT, BLOCK 7, LOTS 10 & 11), PCT #2 - (CANYON PARK #2, LOT 123)
- 9 CONSIDER PROPOSAL FROM MUNICIPAL BUREAU SERVICES FOR COLLECTION OF UNPAID MISDEMEANOR FINES
- 10 CONSIDER APPROVAL OF BUDGET REQUEST #5 (AMENDED) AND BUDGET REQUEST #6, AS SUBMITTED BY COUNTY AUDITOR

CONSENT AGENDA ITEMS

- 11 CONSIDER APPROVAL AND PAYMENT OF BILLS (by Schedule)
- 12 CONSIDER APPROVAL OF PERSONNEL ACTION FORMS

ADJOURN

Next regularly scheduled meeting - June 24, 1996, 10 00 a m

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Barbara Middleton
BARBARA MIDDLETON
COUNTY CLERK POLK CO

**ADDENDUM TO
NOTICE OF MEETING # 41
COMMISSIONERS COURT OF POLK COUNTY, TEXAS**

THE FOLLOWING WILL SERVE TO AMEND THE AGENDA OF THE COMMISSIONERS COURT MEETING SCHEDULED FOR MONDAY, JUNE 10, 1996 AT 10 00 A M

ADD,

- 13 CONSIDER DESIGNATION OF SURPLUS PROPERTY**
- 14 CONSIDER SHERIFF DEPARTMENT REQUEST FOR REPLACEMENT AND FINANCING OF DAMAGED VEHICLE**

Posted on Friday, June 7, 1996

Commissioners' Court of Polk County, Texas

By *John P. Thompson*
John P. Thompson, County Judge

I, the undersigned County Clerk, do hereby certify that the above Notice of Meeting of Polk County Commissioners Court, is a true and correct copy of said Notice, and that I posted a true and correct copy of said notice in the County Courthouse of Polk County, Texas, at a place readily accessible to the general public at all times on Friday, June 7, 1996 and said notice remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting

Dated Friday, June 7, 1996

Barbara Middleton, County Clerk
By *Barbara Middleton*

STATE OF TEXAS }
 COUNTY OF POLK }

DATE: JUNE 10, 1996
 REGULAR CALLED MEETING
 BOBBY SMITH - ABSENT

BE IT REMEMBERED ON THIS THE 10th DAY OF JUNE, 1996
 THE HONORABLE COMMISSIONERS COURT MET IN A REGULAR CALLED MEETING
 WITH THE FOLLOWING OFFICERS AND MEMBERS PRESENT, TO WIT:
 JOHN P THOMPSON, COUNTY JUDGE, PRESIDING. B.E "SLIM" SPEIGHTS,
 COMMISSIONER PCT#1, JAMES J "BUDDY" PURVIS, COMMISSIONER PCT#3,
 R.R."DICK" HUBERT, COMMISSIONER PCT#4, AND BARBARA MIDDLETON,
 COUNTY CLERK, WHEN & WERE AMONG OTHER PROCEEDINGS HAD, CONSIDERED
 AND PASSED

1. MEETING WAS CALLED TO ORDER BY JUDGE JOHN P. THOMPSON, AT 10:00 AM.
 - PUBLIC COMMENTS:
 - a. SUSIE PATE FROM CORRIGAN, OFFERED COMMENTS PERTAINING TO AMBULANCE SERVICE.
2. INFORMATIONAL REPORTS
 - a. SHERIFF NELSON ANNOUNCED A NEW PROGRAM TO START IN POLK CO. SOON TRIAD, IS A THREE WAY JOINT EFFORT, WITH SHERIFF'S DEPT., POLICE, AND A A.R P. GROUPS, TO INFORM SENIOR CITIZENS OF THE CRIME ELEMENTS THAT EXIST IN OUR SOCIETY.
3. MOTIONED BY B E "SLIM" SPEIGHTS, SECONDED BY JAMES J "BUDDY" PURVIS TO APPROVE MINUTES FOR MEETING OF MAY 11, 1996. ALL VOTING YES.
4. MOTIONED BY JAMES J."BUDDY" PURVIS, SECONDED BY B.E "SLIM" SPEIGHTS TO APPROVE MINUTES FOR MEETING OF MAY 13, 1996. ALL VOTING YES.
5. BID #96-07. SALE OF 4 (4) MOTOR GRADERS, ROAD & BRIDGE, PCT#3. MOTIONED BY JAMES J."BUDDY" PURVIS, SECONDED BY R.R."DICK" HUBERT TO ACCEPT THE HIGH BIDS RECEIVED FOR EACH ITEM. MUSTANG TRACTOR & EQUIPMENT/ 2 MOTOR GRADERS AWARDED. ROMCO TRAX EQUIPMENT LTD. CO./ 2 MOTOR GRADERS AWARDED. ALL VOTING YES. (SEE ATTACHED)
6. BID #96-08: PURCHASE OF (3) MOTOR GRADERS, ROAD & BRIDGE, PCT#3. MOTIONED BY JAMES J."BUDDY" PURVIS, SECONDED BY R.R."DICK" HUBERT TO APPROVE PURCHASE OF (3) CATERPILLAR MOTOR GRADERS FROM MUSTANG TRACTOR & EQUIPMENT. SEE NEXT AGENDA FOR FINANCING AND TERMS. ALL VOTING YES. (SEE ATTACHED)

7. MOTIONED BY JAMES J."BUDDY" PURVIS, SECONDED B.E."SLIM" SPEIGHTS TO RECEIVE SINGLE AUDIT REPORT (SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE FOR FISCAL YEAR ENDING SEPT. 30, 1995. ALL VOTING YES. (SEE ATTACHED)
8. MOTIONED BY JAMES J."BUDDY" PURVIS, SECONDED BY B.E."SLIM" SPEIGHTS TO TABLE ITEM#8 " CONSIDER OFFERS TO PURCHASE COUNTY TAX FORECLOSURE PROPERTIES IN PCT #1 AND PCT #2." ALL VOTING YES.
9. MOTIONED BY JAMES J."BUDDY" PURVIS, SECONDED BY B.E."SLIM" SPEIGHTS TO TABLE ITEM #9, "PROPOSAL FROM MUNICIPAL BUREAU SERVICES FOR COLLECTION OF UNPAID MISDEMEANOR FINES", UNTIL NEXT COMMISSIONER COURT MEETING. ALL VOTING YES
10. MOTIONED BY R.R."DICK" HUBERT, SECONDED BY B.E."SLIM" SPEIGHTS TO APPROVE REQUEST BUDGET AMENDMENT #5 (AMENDED) AND #6, AS SUBMITTED BY COUNTY AUDITOR ALL VOTING YES. (SEE ATTACHED)
11. MOTIONED BY JAMES J."BUDDY" PURVIS, SECONDED BY R R."DICK" HUBERT TO APPROVE PAYMENT OF BILLS BY SCHEDULE (PLUS ADDENDUM). ALL VOTING YES.

DATE	AMOUNT:	CHECK NUMBERS.
5-29-96	138.84	116176 - 116178
5-30-96	41,000 00	116179
5-30-96	188,267 55	116180 - 116199
6-6-96	138,434.06	116200 - 116343
6-7-96	153,310 28	116344 - 116444
TRAVEL REIMBURSEMENT	1, 259 86	TO BE ON FUTURE SCHEDULE

12. MOTIONED BY R.R."DICK" HUBERT, SECONDED BY B.E."SLIM" SPEIGHTS TO APPROVE PERSONNEL ACTION FORMS ALL VOTING YES. (SEE ATTACHED LISTING)
13. MOTIONED BY R.R."DICK" HUBERT, SECONDED BY B.E."SLIM" SPEIGHTS TO APPROVE DESIGNATION OF SURPLUS PROPERTY, (1-CONTAINER/WASTE MANAGEMENT). ALL VOTING YES.
14. MOTIONED BY JAMES J."BUDDY" PURVIS, SECONDED BY B E."SLIM" SPEIGHTS TO APPROVE ADVERTISING FOR PURCHASE OF(NEW OR USED) 4X4 TRUCK, AS REQUESTED BY MILNER, FOR REPLACEMENT OF A SHERIFF'S VEHICLE THAT WAS TOTALED IN AN ACCIDENT ALL VOTING YES.

15. MOTIONED BY R.R. "DICK" HUBERT, SECONDED BY B.E. "SLIM" SPEIGHTS
TO ADJOURN COURT THIS 10th DAY OF JUNE, 1996 AT 10:40 AM.
ALL VOTING YES.


JOHN P. THOMPSON, COUNTY JUDGE

ATTEST:


BARBARA MIDDLETON, COUNTY CLERK



Item #5

PLEASE REPLY TO P O BOX 560248/DALLAS, TX 75356-0248 / (214) 819-4100 / FAX (214) 819-4131

5/30/96

POLK COUNTY ROAD AND
BRIDGE, PRECINCT #3

"BID 96-07"
USED 12-G MOTOR GRADERS

(1) 12-G MOTOR GRADER S/N 61M-13042 BID 70,900⁰⁰

(1) 12-G MOTOR GRADER S/N 61M-13296 BID 68,550⁰⁰

(1) 12-G MOTOR GRADER S/N 61M-14596 BID 77,894⁰⁰

(1) 12-G MOTOR GRADER S/N 61M-14691
WITH REAR RIPPERS BID 92,900⁰⁰

(1) 12-G MOTOR GRADER S/N 61M-14691
WITH OUT REAR RIPPERS BID 89,500⁰⁰

RUSTY SCHOEMER

USED EQUIPMENT MANAGER
800-227-6626

QUALITY USED EQUIPMENT FOR THE CONSTRUCTION MINING & AGGREGATES INDUSTRIES
DALLAS • SAN ANTONIO • HOUSTON

VOL

42 PAGE 396
Item # 5**Mustang**

Bid # 96-07

TRACTOR & EQUIPMENT CO.

HOUSTON, TEXAS 77040 12800 NORTHWEST FREEWAY (713) 460-7222 • FAX (713) 690-2287

ALVIN, TEXAS 77811
3201 N Gordon
(713) 585 5587BEAUMONT TEXAS 77708
7990 Eastex Freeway
(409) 892-8412BRYAN TEXAS 77806
Highway 21 W
(409) 775-0839CONROE, TEXAS 77304
1308 Old Montgomery Rd.
(409) 756 1110EL CAMPO TEXAS 77437
Highway 71 N
(409) 543-3389LUFKIN TEXAS 75901
Highway 69 S E
(409) 639 5551**QUOTATION**TO
County Auditor
Polk County Courthouse
Livingston, TX 77351

QUOTATION NO S96-104

DATE May 30, 1996

ATTN Buddy Purvis

CUSTOMER INQUIRY NO Bid #96-08

IMPORTANT WHEN ORDERING PLEASE MENTION ABOVE
QUOTATION NUMBER AND DATE.

QUAN	DESCRIPTION	UNIT PRICE	EXTENSION
3	We are pleased to submit the following for your consideration New Caterpillar 135H motor grader as per your specifications Price Mustang Tractor agrees to repurchase the above quoted motor graders as indicated below 3rd year \$108,250 00 ea 4th year 98,500 00 ea 5th year 91,000 00 ea <u>GUARANTEED BIDDING SPECIFICATIONS</u> 1 Equipment will be operated by Polk County for motor grader work, road repair and maintenance, and other purposes for which it was designed 2 Polk County will assume responsibility for cost of repairs due to fire, theft, accident, operators or mechanics negligence, or vandalism 3 Polk County will assume at it's own expense all lubricating oil, filters of all types, hydraulic hoses, fan belts, grease, antifreeze, cutting edges, batteries, headlights, glass breakage, cleaning and painting, and other items normally consumed in day-to-day operation 4 Polk County will maintain motor grader with all systems operating and maintained in accordance with all the schedules outlined in the factory operators and maintenance manuals <u>WARRANTY</u> - 5 years or 7,500 hour drive train APPLICABLE WARRANTY(S) As above PRICES ARE FOB Polk County, TX	\$126,000 00	\$378,000 00

THIS QUOTATION SHALL TERMINATE UNLESS MUSTANG RECEIVES WRITTEN ACCEPTANCE WITHIN 30 DAYS HEREOF

MUSTANG TRACTOR & EQUIPMENT COMPANY

BY *Ken J. Koney*

Salesman

TITLE

THIS QUOTATION IS SUBJECT TO THE TERMS AND CONDITIONS CONTAINED IN MUSTANG'S PURCHASE ORDER AND SECURITY AGREEMENT AND CH MASTER EQUIPMENT LEASE AGREEMENT & RENTAL CONTRACT

000 MT 2 25

Item # 06
BID TABULATION

Bid # 96-08

Date of Opening 5-31-96

Description Purchase of 3 Motor graders
with Trade Ins
R+B #3

To be awarded 6-10-96

BIDDER	BASE BID	ALTERNATES	COMMENTS
- Mustang Tractor	\$126,000 00 ea		Total 3 \$378,000 00

COPY

BID # ~~96-07~~ 96-07
 POLK COUNTY ROAD & BRIDGE, PCT 3

Description of Items offered for Optional Trade-in

ONE (1) 1989 CATERPILLAR 12G MOTORGRADER (The gage on this grader has not worked since 8-23-95)					
(Front Scarfier)	05283 HOURS	S/N 61M13296	-----	\$	<u>75,100.00</u>
					<i>CASH BID - AS-IS</i>
ONE (1) 1989 CATERPILLAR 12G MOTORGRADER					
(Front Scarfier)	05401 HOURS	S/N 61M13042	-----	\$	<u>73,600.00</u>
ONE (1) 1991 CATERPILLAR 12G MOTORGRADER					
(Front Scarfier)	03860 HOURS	S/N 61M14596	-----	\$	<u>88,100.00</u>
ONE (1) 1992 CATERPILLAR 12G MOTORGRADER					
(back nppers)	02056 HOURS	S/N 61M14691	-----	\$	<u>93,500.00</u>
					<i>w/c Ripper</i>
					<i>Option → with Rear Ripper</i>
					<u>103,100.00</u>

by Ron Jacobson
 General Mgr



Ron Jacobson
 General Manager

P O Box 500248
 Dallas Texas 75358-0248
 (800) 227-8828
 Fax: (214) 819-4131

1048 S.E. Loop 410
 San Antonio, TX 78220
 (800) 908-4801
 Fax: (210) 648-4841

Mobile (214) 384-3510
 Pager: (800) 498-2042 (input no. / d)
 956-3690



ROUTE J BOX 398
LIVINGSTON TEXAS 77351
Office Phone 409-127-9410
Fax 409-127-9108
Home Phone 409-593-4174

Re Proc 3 Motorgraders bid

1992 cat 12G SR# 61M 14596 (32,600)
without rear ripper

1991 cat 12G SR# 61M 14596 (74,100)

1989 cat 12G SR# 61M 13296 (63,600)

1989 cat 12G SR# 61M 13042 (63,600)

Total \$253,900

VOL 42 PAGE 400

SINGLE AUDIT REPORTS

**POLK COUNTY
TEXAS**

September 30, 1995

CONTENTS

	<u>Page</u>
Reports Required by Government Auditing Standards	
Independent Auditors' Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	5
Independent Auditors' Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	9
Reports Required by OMB Circular A-128	
Independent Auditors' Report on Internal Control Structure Used in Administering Federal Financial Assistance Programs	13
Independent Auditors' Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs	17
Independent Auditors' Report on Compliance with Specific Requirements Applicable To Nonmajor Federal Financial Assistance Programs	19
Independent Auditors' Report on Compliance with Specific Requirements Applicable To Major Federal Financial Assistance Programs	21
Schedules	
Independent Auditors' Report on Schedule of Federal Financial Assistance and Supplemental Schedules	25
Schedule of Federal Financial Assistance	27
Supplemental Schedule of Community Development Grant No 7702481	28
Supplemental Schedule of Community Development Grant No 7703112	29
Exhibit	
Management letter	

**REPORTS REQUIRED BY GOVERNMENT
AUDITING STANDARDS**



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable County Judge
and Members of Commissioners Court
Polk County, Texas

We have audited the general purpose financial statements of Polk County, Texas, (the County) as of and for the nine months ended September 30, 1995, and have issued our report thereon dated March 19, 1996

The general purpose financial statements referred to above do not include the general fixed assets account group, which should be included in order to conform with generally accepted accounting principles. The amount that should be recorded in the general fixed assets account group is not known.

Except as discussed in the paragraph above, we conducted our audit in accordance with generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement.

The County's management is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the County for the nine months ended September 30, 1995, we obtained an understanding of its internal control structure. With respect to the internal structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purposes of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be

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Houston, Texas 77057-3413
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reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design of operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly would not necessarily disclose all reportable conditions that are considered to be material weaknesses as defined above. However, we noted the following matters involving internal control structure and its operation that we consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of the County for the nine months ended September 30, 1995.

The following reportable conditions, including material weaknesses and other matters were reported to the County's management, in a separate letter dated March 19, 1996.

Findings	Classification of Findings		
	Reportable Condition		Other matters
	Material Weakness	Other	
1 Bids and change orders			X
2 Expenditures in excess of appropriations			X
3 Purchase order system			X
4 Internal audit and other compliance duties	X		
5 Waste Management's internal controls	X		
6 Landfill post closure care costs			X
7 Reconciliation of hot check account		X	X
8 Notice of effective tax rate			X
9 Property tax reports		X	
10 Tax assessment and collection contract			X
11 School funds receipts		X	
12 Activity of expendable trust funds		X	

Findings	Classification of Findings		
	Reportable Condition		Other matters
	Material Weakness	Other	
13 Computer system security	X		
14 Earnings of registry funds			X
15 Payroll penalties and interest		X	X
16 Debt service fund balance			X
17 Unallocated expenses			X
18 Fixed asset records	X		
19 Enterprise fund			X
20 Processing payroll for other entities			X
21 Accounting for financed equipment		X	
22 Refinancing debt			X

This report is intended for the information of members of management and any appropriate legislative or regulatory body. However, this report is a matter of public record and its distribution is not limited.

Lairson, Stephens & Reimer, P.C.

Houston, Texas

March 19, 1996



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable County Judge
and Members of Commissioners Court
Polk County Texas

We have audited the general purpose financial statements of Polk County, Texas, (the County) as of and for the nine months ended September 30, 1995, and have issued our report thereon dated March 19, 1996

The general purpose financial statements referred to above do not include the general fixed assets account group, which should be included in order to conform with generally accepted accounting principles. The amount that should be recorded in the general fixed assets account group is not known.

Except as discussed in the paragraph above, we conducted our audit in accordance with generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the County, is the responsibility of the County's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. The results of our tests disclosed immaterial instances of noncompliance with the above requirements, which we have communicated to the County's management in a separate letter dated March 19, 1996.

This report is intended for the information of members of management and any appropriate legislative or regulatory body. However, this report is a matter of public record and its distribution is not limited.

Lairson, Stephens & Reimer, P.C.

Houston, Texas

March 19, 1996

Certified Public Accountants

5 Post Oak Park, Suite 250
Houston, Texas 77027-3413
Tel (713) 629-6000 Fax (713) 629-6004

**REPORTS REQUIRED BY
OMB CIRCULAR A-128**



LAIRSON • STEPHENS • REIMER, PC

*Trusted Business Advisors Since 1970***INDEPENDENT AUDITORS' REPORT ON INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Honorable County Judge
and Members of Commissioners Court
Polk County Texas

We have audited the general purpose financial statements of Polk County, Texas, (the County) for the nine months ended September 30, 1995, and have issued our report thereon dated March 19, 1996. We have also audited the compliance of Polk County with requirements applicable to major federal financial assistance programs and have issued our report thereon dated March 19, 1996.

The general purpose financial statements referred to above do not include the general fixed assets account group, which should be included in order to conform with generally accepted accounting principles. The amount that should be recorded in the general fixed assets account group is not known.

Except as discussed in the paragraph above, we conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States and Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the County complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the nine months ended September 30, 1995, we considered the County's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the County's general purpose financial statements and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated March 19, 1996.

The County's management is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are

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Houston, Texas 77027-3413
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managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Applications

Purchasing and Receiving
Accounts Payable
Cash Disbursements
Property and Equipment
General Ledger

Federal Program Administration

Political Activity
Civil Rights
Drug Free Workplace Act
Administrative Requirements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended September 30, 1995, the County had major and nonmajor federal financial assistance programs and expended 44% of its total federal financial assistance under major programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the major programs which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control policies and procedures used in administering federal assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that might constitute a material weakness under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure of its operation that we consider to be material weaknesses as defined above.

We noted other matters involving the internal control structure and its operation that we reported to the County's management, in a separate letter dated March 19, 1996

This report is intended for the information of the members of management and any appropriate legislative or regulatory body. However, this report is a matter of public record and its distribution is not limited.

Larson, Stephens & Reiner, P.C.
Houston, Texas

March 19, 1996

**LAIRSON • STEPHENS • REIMER, PC***Trusted Business Advisors Since 1970*

**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE
TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Honorable County Judge
and Members of Commissioners Court
Polk County, Texas

We have audited the general purpose financial statements of Polk County, Texas (the County), for the nine months ended September 30, 1995 and have issued our report thereon dated March 19, 1996

The general purpose financial statements referred to above do not include the general fixed assets account group, which should be included in order to conform with generally accepted accounting principles. The amount that should be recorded in the general fixed assets account group is not known.

We have applied procedures to test the County's compliance with the following requirements applicable to its federal financial assistance programs which are identified in the accompanying Schedule of Federal Financial Assistance, for the nine months ended September 30, 1995

Political Activity
Civil Rights
Drug Free Workplace Act
Administrative Requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit the objective of which is the expression of an opinion on the County's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the County had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of the members of management and any appropriate legislative or regulatory body. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Lairson, Stephens & Reimer, PC.

Houston Texas

March 19, 1996

Certified Public Accountants

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LAIRSON • STEPHENS • REIMER PC

Trusted Business Advisors Since 1970

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Honorable County Judge
and Members of Commissioners Court
Polk County, Texas

We have audited the general purpose financial statements of Polk County Texas (the County) as of and for the year ended September 30, 1995 and have issued our report thereon dated March 19, 1996

In connection with our audit of the general purpose financial statements of the County and with our consideration of the County's control structure used to administer federal financial assistance programs as required by Office of Management and Budget Circular A 128 "Audits of State and Local Governments" we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended September 30, 1995

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility. Our procedures were substantially less in scope than an audit the objective of which is the expression of an opinion on the County's compliance with those requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the County had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instance of noncompliance with those requirements.

This report is intended for the information of the members of management and any appropriate legislative or regulatory body. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Lairson, Stephens & Reimer, P.C.

Houston, Texas

March 19, 1996

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LAIRSON • STEPHENS • REIMER, PC

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Honorable County Judge
and Members of Commissioners Court
Polk County, Texas

We have audited the general purpose financial statements of Polk County, Texas, (the County) as of and for the nine months ended September 30, 1995 and have issued our report thereon dated March 19, 1996

The general purpose financial statements referred to above do not include the general fixed assets account group, which should be included in order to conform with generally accepted accounting principles. The amount that should be recorded in the general fixed assets account group is not known.

We have also audited the County's compliance with the requirements governing types of services allowed or unallowed, eligibility, matching level of effort, or earmarking, claims for reimbursement for its major federal financial assistance program which is identified in the accompanying Schedule of Federal Financial Assistance for the nine months ended September 30, 1995. The County's management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards *Government Auditing Standards*, issued by the comptroller General of the United States, Office of Management and Budget Circular A 128, "Audits of State and Local Governments." Those standards and OMB Circular A 128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the specific requirements referred to in the second paragraph occurred. An audit includes examining on a test basis evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our procedures did not disclose instances of noncompliance with the requirements referred to in the second paragraph.

In our opinion, the County complied, in all material respects with the specific requirements referred to in the second paragraph that are applicable to its major federal program for the nine months ended September 30, 1995.

This report is intended for the information of the members of management and any appropriate legislative or regulatory body. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Lairson, Stephens & Reimer, P.C.
Houston Texas

March 19, 1996

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SCHEDULES

**LAIRSON•STEPHENS•REIMER, P.C.***Trusted Business Advisors Since 1970***INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF
FEDERAL FINANCIAL ASSISTANCE AND SUPPLEMENTAL SCHEDULES**

Honorable County Judge and
Members of Commissioners Court
Polk County, Texas

We have audited the general purpose financial statements of Polk County, Texas, for the nine months ended September 30, 1995, and have issued our report thereon dated March 19, 1996. These general purpose financial statements are the responsibility of Polk County, Texas, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

The general purpose financial statements referred to above do not include the general fixed assets account group, which should be included in order to conform with generally accepted accounting principles. The amount that should be recorded in the general fixed assets account group is not known.

Except as discussed in the paragraph above, we conducted our audit in accordance with generally accepted auditing standards *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A 128 *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the County taken as a whole. The accompanying Schedule of Federal Financial Assistance and supplemental schedules are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Lairson, Stephens & Reimer, P.C.

Houston Texas

March 19, 1996

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POLK COUNTY, TEXAS

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Nine months ended September 30, 1995

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL NUMBER	AGENCY OR PASS-THROUGH NUMBER	PROGRAM OR AWARD AMOUNT	FEDERAL DISBURSEMENT /EXPENDITURES
<u>Federal Emergency Management Agency</u>				
Pass-through from Texas Department of Public Safety's Division of Emergency Management:				
<i>Emergency Management Assistance</i>	83 503	EMT 95-0287	\$ 13 991	\$ 18 952
<i>Hazard Mitigation Grant Program</i>	83 516	(Flood Disaster)		368 713 *
			<u>13,991</u>	<u>387 665</u>
<u>U.S. Department of Housing and Urban Development</u>				
Pass-through from Texas Department of Housing and Community Affairs				
<i>Community Development</i>	14.228	7702481	209 809	14,288
<i>Community Development</i>	14.228	7703112	427,202	100 098
			<u>637 011</u>	<u>114,386</u>
<u>U.S. Department of Agriculture</u>				
Pass through from Texas Department of Human Services (TDHS)				
<i>The Emergency Food Assistance Program</i>	10 569	187-4000	9,347	6,292
Pass-through from Texas Department of Aging and Deep East Texas Council of Governments (DETCOG)				
<i>Food Distribution</i>	10 550		33 936	11,222
<i>Title XX DHS</i>	10 570		21 053	27 438
			<u>54 989</u>	<u>38 660</u>
			<u>64,336</u>	<u>44,952</u>
<u>Department of Health and Human Services</u>				
Pass-through from Texas Department of Aging and Deep East Texas Council of Governments (DETCOG)				
<i>Title III B</i>	93 044	AA3 9548-014	17,093	15 488
<i>Title III-C</i>	93 045	AA3-9548-014	66,573	72 480
<i>Home-delivered - C2</i>	93 045	AA3-9548-014	29,235	33 680
			<u>112,901</u>	<u>121,648</u>
<u>General Services Administration</u>				
Pass-through from Texas General Services Commission				
<i>Federal Surplus Property Program</i>	39 003	42 573	n/a	183 737
			<u>\$ 818,892</u>	<u>\$ 846 096</u>

* Classified as a major program.

The fair market value of commodities received from TDHS passed through DETCOG for the year ended September 30, 1995 was \$8,800

POLK COUNTY, TEXAS**SUPPLEMENTAL SCHEDULE OF COMMUNITY DEVELOPMENT GRANT NO 7702481**

Nine months ended September 30, 1995

Federal/State Financial Assistance
 Federal Grantor U S Department of Housing and Urban Development
 Pass Through Grantor Texas Department of Housing and Community Affairs
 CFDA Number 14 228
 Project Number 7702481
 Contract Period May 1 1993 to April 30, 1995

	<u>Budget</u>	<u>Federal/State</u>		<u>Local</u>	<u>Total</u>	<u>Variance</u>
		<u>Prior Year</u>	<u>Current Year</u>			
REVENUE						
Federal	\$ 209 809	\$ 169 232	\$ 14 288		\$ 183,520	\$ (26,289)
Local	11 000			\$ 15 000	15 000	4 000
TOTAL REVENUE	<u>\$ 220 809</u>	<u>\$ 169 232</u>	<u>\$ 14 288</u>	<u>\$ 15 000</u>	<u>\$ 198 520</u>	<u>\$ (22 289)</u>
EXPENSES						
Administration	\$ 20 950	\$ 18 989	\$ 4 190		\$ 23 179	\$ (2 229)
Engineering	32 600	35 550	1 200		36 750	(4 150)
Water Facilities	167 259	114 693	8 898	\$ 15 000	138 591	28 668
TOTAL EXPENSES	<u>\$ 220 809</u>	<u>\$ 169 232</u>	<u>\$ 14 288</u>	<u>\$ 15 000</u>	<u>\$ 198 520</u>	<u>\$ 22 289</u>
Excess Revenue over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

POLK COUNTY, TEXAS

SUPPLEMENTAL SCHEDULE OF COMMUNITY DEVELOPMENT GRANT NO 7703112

Nine months ended September 30, 1995

Federal/State Financial Assistance
 Federal Grantor U S Department of Housing and Urban Development
 Pass Through Grantor Texas Department of Housing and Community Affairs
 CFDA Number 14 228
 Project Number 7703112
 Contract Period September 22 1993 to September 21 1995

	<u>Budget</u>	<u>Federal/State</u>		<u>Local*</u>	<u>Total</u>	<u>Variance</u>
		<u>Prior Year</u>	<u>Current Year</u>			
REVENUE						
Federal	\$ 427,202	\$ 258,352	\$ 100,097		\$ 358,449	\$ (68,753)
					0	0
TOTAL REVENUE	<u>\$ 427,202</u>	<u>\$ 258,352</u>	<u>\$ 100,097</u>	<u>0</u>	<u>\$ 358,449</u>	<u>\$ (68,753)</u>
EXPENSES						
Administration	\$ 40,594	\$ 27,793	\$ 12,801		\$ 40,594	\$ 0
Sewer Facilities	85,505		54,220		54,220	31,285
Acquisition	25,000		1,220		1,220	23,780
Engineering	39,800	32,600	7,200		39,800	0
Water Facilities	80,700	37,101	24,656		61,757	18,943
Other	155,603	160,858			160,858	(5,255)
TOTAL EXPENSES	<u>\$ 427,202</u>	<u>\$ 258,352</u>	<u>\$ 100,097</u>	<u>\$ 0</u>	<u>\$ 358,449</u>	<u>\$ 68,753</u>
Excess Revenue over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

In addition to Polk County's "Local" contributions, \$1,176,000 was provided from other sources

EXHIBIT



LAIRSON • STEPHENS • REIMER PC

Trusted Business Advisors Since 1970

March 19 1996

Honorable Judge and Members
of Commissioners Court of Polk County, Texas
Livingston, Texas

At the conclusion of every audit we issue a management letter to the governing body. We utilize this letter to formally communicate to the entity concerns that we have noted during the audit and opportunities for operational improvements. As the governing body for Polk County (the County) we suggest that you carefully review this letter and obtain a written response and action plan (if appropriate) from County officials or management for each item listed. You should satisfy yourself that our recommendation is appropriate and that managements' and/or County officials' responses are adequate and their action plan is acceptable.

In planning and performing our audit of the general purpose financial statements of Polk County, Texas for the nine months ended September 30, 1995, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. However, we noted certain matters involving the internal control structure and its operation that we consider to be *reportable conditions* under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

A *material weakness* is a reportable condition in which the design or operation of one or more of the internal control structure elements do not reduce, to a relatively low level, the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

During the course of the audit we have also noted other matters that we considered to be deserving of your attention, classified as other matters. This classification includes matters not directly related to the internal control structure including compliance with laws and regulations, matters of efficiency, management of risk, etc.

Although we have made an attempt to research all items noted during the audit, the source of problems, or the extent of the problems, may not have been fully determined. However, the information should be sufficient for the County Judge and Commissioners to determine if additional procedures are considered necessary.

Certified Public Accountants

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Honorable Judge and Members
of Commissioners Court of Polk County, Texas
March 19, 1996
Page 2 of 17

Our findings are classified as follows

Findings	Classification of Findings			Official or Department
	Reportable Condition		Other matters	
	Material Weakness	Other		
1 Bids and change orders			X	PCT-3, PCT-2,CA
2 Expenditures in excess of appropriations			X	CA
3 Purchase order system			X	PCT-A,CA
4 Internal audit and other compliance duties	X			CA
5 Waste Management s internal controls	X			WM CA
6 Landfill post closure care costs			X	WM CJ CA, CT
7 Reconciliation of hot check account		X	X	DA,CA
8 Notice of effective tax rate			X	TA CJ
9 Property tax reports		X		TA
10 Tax assessment and collection contract			X	TA
11 School funds receipts		X		CT CA
12 Activity of expendable trust funds		X		DC DA S,CA
13 Computer system security	X			DP,CA CT
14 Earnings of registry funds			X	CC DC
15 Payroll penalties and interest		X	X	CT
16 Debt service fund balance			X	CJ
17 Unallocated expenses			X	CJ,CA
18 Fixed asset records	X			CA CJ
19 Enterprise fund			X	CA

NOTE: This report is intended for the information and use of the County Judge, Members of Commissioners Court, County officials and management of Polk County Texas and should not be used for any other purpose

Honorable Judge and Members
of Commissioners Court of Polk County, Texas
March 19, 1996
Page 3 of 17

Findings	Classification of Findings			Official or Department
	Reportable Condition		Other matters	
	Material Weakness	Other		
20 Processing payroll for other entities			X	CJ
21 Accounting for financed equipment		X		CT,CA
22 Refinancing debt			X	CT,CJ

To assist County officials and department heads in the identification of findings noted that may pertain to their area or that may require their assistance to resolve, we have provided an abbreviation of the County official's office or department which corresponds to the chart below. The entire finding and recommendation should be read in its entirety to understand the nature of the finding and the possible degree of responsibility associated with the officials noted. In many cases more than one official or department may be noted. The finding may have resulted from a simple break down in communications between officials of departments. Hopefully each official will understand the constructive nature in which this letter is intended and will work with everyone to bring about positive change.

Area	Abbreviation
County Judge (including matters related to the Budget Officer and Commissioners Court)	CJ
Commissioner(s) (A=all or precinct number)	C
County Auditor	CA
County Treasurer	CT
Tax Assessor	TA
County Clerk	CC
District Clerk	DC
District Attorney	DA
Data Processing	DP
Sheriff	S
Waste Management	WM

NOTE: This report is intended for the information and use of the County Judge, Members of Commissioners Court, County officials and management of Polk County Texas and should not be used for any other purpose.

Honorable Judge and Members
of Commissioners Court of Polk County, Texas
March 19, 1996
Page 4 of 17

1 BIDS AND CHANGE ORDERS

Finding

We noted that in at least one instance the County appears to have violated state bid laws. The County incurred expenses of \$15,735 for repairs to Rock Island Road which exceed the \$15,000 limit over which the County is required to solicit bids in accordance with state statutes. In addition, we noted that in another instance that the County had followed bid requirements but had failed to appropriately have a change order approved by Commissioners Court.

County employees and elected officials purchasing goods and services on behalf of the County are primarily responsible for ensuring that they are aware of and are following the County's policies and state statutes in regards to purchasing.

The County Auditor's office approved both transactions for payment and did not appropriately detect the violations and report them to Commissioners Court.

Recommendation

All disbursements approved for payment should be carefully reviewed by the County Auditor's office to ensure that all county policies and state statutes were followed. Any significant exceptions should be reported to Commissioners Court. The County Auditor should require Commissioners Court approval for payment of transactions where it appears that a material violation of the County's policies or state statutes may have occurred.

The County Auditor should provide all individuals purchasing goods or services on behalf of the County the County's purchasing policies and procedures as well as a summary of applicable purchasing laws.

2 EXPENDITURES IN EXCESS OF APPROPRIATIONS

Finding

For some line items expenditures exceeded the amounts approved by Commissioners Court at the legal level of control. A similar finding was also reported in the prior year management letter. Although significant improvements have been made in this area, there should be no exceptions other than provided by state law for defined emergencies. State law provides significant penalties and sentences for noncompliance with budgetary laws.

Recommendations

The County Auditor should develop adequate procedures to ensure that the County does not overspend budgeted amounts. Vouchers should not be approved for payment by the County Auditor if budgeted funds

Honorable Judge and Members
of Commissioners Court of Polk County, Texas
March 19, 1996
Page 5 of 17

are not available, unless there is a declared emergency County officials should anticipate the need for additional funds and request an amendment to the budget in sufficient time to prevent a procurement crisis

3 PURCHASE ORDER SYSTEM

Finding

The purpose of a purchase order system is to ensure that all necessary approvals have been obtained and budget funds are available before a purchase is made. The County maintains two different purchase order systems. A manual system is utilized by the road and bridge operations. A computerized purchase order system is utilized by the remainder of the County. The manual system does not appear to be working as effectively as the computerized system.

The need for an effective purchase order system appears to outweigh the additional time requirements for maintaining an effective system. However, the County's current purchase order requirements may need to be more flexible in regards to relatively small dollar purchases where the opportunities for budget violations are unlikely.

Recommendations

The County should have one purchase order system. If possible, terminals should be provided at each of the road and bridge offices to allow them the ability to prepare purchase orders on line, when budgeted funds are available. If remote terminals are not feasible, road and bridge offices should obtain purchase orders using the same procedures that other County offices must follow as prescribed by the County Auditor.

The accounting program should be modified to require the County Auditor to override the system if a purchase order exceeds available appropriations. The County Auditor should only approve such purchase order when considered an emergency as defined by State procurement guidelines.

When adequate funds are not appropriated a request for a budget adjustment should be made in sufficient time to avoid a procurement crisis. Request for budget adjustments should be presented to the Budget Officer (County Judge) for his review. If necessary, the Budget Officer should review the proposed change with the County Auditor. If sufficient merit exists for the budget adjustment the Budget Officer should place the requested change on Commissioners Court Agenda for the Court to approve or deny the request.

The County Auditor should develop guidelines for the effective use of blanket purchase orders. Blanket purchase orders should be used in accordance with the County Auditor's guidelines and not abused.

NOTE: This report is intended for the information and use of the County Judge, Members of Commissioners Court, County officials and management of Polk County Texas and should not be used for any other purpose.

Honorable Judge and Members
of Commissioners Court of Polk County, Texas
March 19 1996
Page 6 of 17

4 INTERNAL AUDIT AND OTHER COMPLIANCE DUTIES

Finding

As noted in the prior year management letter State law requires the County Auditor to examine in detail the reports of the Tax Assessor Collector, the County Treasurer, and all other officials, and make a report to Commissioners Court While the County Auditor's office appears to adequately examine the County Treasurer's records, it does not appear that adequate procedures are being performed to examine the reports of the Tax Assessor-Collector and other officials

Recommendations

The County Auditor should develop a program and schedule to examine the reports of County officials These reports should be periodically selected at random and supporting records examined as prescribed by state statutes

It should be noted that the County Auditor's office has performed, on occasion, detailed examinations of various County officials' offices However the number of these examinations per year should be increased In addition the County Auditor should perform a greater number of examinations of reports in more of a review manner The County Auditor District Judges and Commissioners Court should work together to determine the appropriate amount of internal audit coverage to satisfy the requirements of the office and the needs of the County

5 WASTE MANAGEMENT'S INTERNAL CONTROLS

Finding

Internal controls over fees collected by the Regional Waste Management Center (the Landfill) appear to be inadequate particularly in light of the amount of cash received Few effective control procedures are in place which increases the likelihood that money could be misappropriated Because of the lack of controls we have not separately identified all of the deficiencies in the internal control structure at the Landfill

Recommendations

The Department Head of the Regional Waste Management Center should work closely with the County Auditor to develop an adequate internal control structure at the Landfill The control structure developed should be documented by the Department in the form of a written policies and procedures manual These policies and procedures should be followed by all Landfill personnel The County Auditor should periodically verify that the stated policies and procedures are being followed.

NOTE: This report is intended for the information and use of the County Judge, Members of Commissioners Court, County officials and management of Polk County, Texas and should not be used for any other purpose.

Honorable Judge and Members
 of Commissioners Court of Polk County, Texas
 March 19, 1996
 Page 7 of 17

The procedures and control mechanisms listed below are only provided as a guide that the County should possibly consider while developing an internal control structure. The County may be able to develop procedures and control mechanisms that are more cost effective or that would provide a greater level of assurance than those listed below. The procedures and control mechanisms that the County may want to consider are as follows:

Cash registers should be installed at all collection stations. Cash register receipts should be provided for all monies received. Highly visible signs should be posted at all collection stations. These signs should state that receipts are required for all transactions and provide a number to call if a receipt is not issued. The fees for services should also be clearly posted. Monies received at waste collection stations should be picked up at the end of each day.

Commissioners Court may want to consider requesting that Deputies from the Sheriff's Department pick up locked collection boxes while on patrol and deliver them to the Law Enforcement Center or the Treasurer's Office. Utilizing deputies on patrol may be a cost-effective way to deliver collections to a central location. Postage paid envelopes should be provided to collection station attendants and daily receipt book carbons mailed to the County Treasurer's Office.

The County Treasurer should verify that monies received are equal to the cash register receipts received. On a periodic basis the County Auditor should verify that all cash register receipts have been turned in and that all receipts were deposited.

A cash register should also be installed at the landfill office and cash register receipts issued for all monies collected. Signs should be posted at the landfill similar to those at the collection stations. Motion activated video cameras should be installed at the Landfill office to record the license plate and the quantity of materials being brought into the Landfill. On a periodic basis video tapes should be compared to the Landfill's records by someone independent of money handling and accounting duties, such as the Landfill's compliance officer.

6 LANDFILL POST CLOSURE CARE COSTS

Finding

The costs for post closure care of the County's landfill, as discussed in footnote IV C in the County's financial statement is quite significant in relationship to the financial condition of the County. The estimated costs of closing the landfill including post closure monitoring over thirty years is \$ 4,907,000. Based on the estimated capacity utilized to date the County has a \$3,250,000 liability related to current and prior use of the landfill. Although proceeds of the County's last certificates of obligation were to be set aside to fund future closure and post closure costs these monies have not been moved to a separate restricted account.

NOTE: This report is intended for the information and use of the County Judge, Members of Commissioners Court, County officials and management of Polk County Texas and should not be used for any other purpose.

Honorable Judge and Members
of Commissioners Court of Polk County, Texas
March 19, 1996
Page 8 of 17

Recommendation

The Waste Management director in cooperation with Commissioners Court should develop a plan to fund future closure and post closure costs for the landfill

A separate restricted account should be authorized by Commissioners Court for the accumulation of monies for closure and post closure costs. Monies remaining from the last certificate of obligation should be deposited into this fund. In accordance with funding plan prepared, monthly deposits of the net earnings of the Waste Management fund, and to the extent needed tax revenues, should be deposited into the restricted cash account

7 RECONCILIATION OF HOT CHECK ACCOUNT

Finding

In the prior year management letter we noted that cash accounts held by the District Attorney had not been submitted to the County Auditor. In the District Attorney's response to Commissioners Court he indicated that he would provide to the County Auditor's office reconciled bank statements for 1995 and provide future monthly reconciled bank statements. This has not been done.

The bank account utilized by the District Attorney to deposit payments to his office for restitution and fees related to hot checks has not been reconciled since July 1994. In addition a monthly summary of receipts and disbursements has not been prepared since this date. It appears that this monthly report is required to be filed by Article 1617 & 1620 of the Revised Civil Statutes of the State of Texas.

Recommendation

All bank accounts should be reconciled in a timely manner. Bank statements for prior periods should be reconciled at once and examined by the County Auditor. If allowed by state statutes, the District Attorney should consider turning over the treasury duties of the hot check account to the County Treasurer. All reports required by state statutes should be prepared and filed in a timely manner.

8 NOTICE OF EFFECTIVE TAX RATE

Finding

The Notice of Effective Tax Rate - 1994 Property Tax Rates in Polk County, published in the Polk County Enterprise September 8, 1994 incorrectly reported the debt service payments to be paid by property taxes. The wrong year's debt payments were listed overstating the taxes needed for debt service. The debt service payments for the 1995 calendar year should have been listed, which were substantially less than the 1994 debt service requirements. In addition, debt payments planned to be made by other sources were not listed, which would have also reduced the taxes needed to service debt.

NOTE: This report is intended for the information and use of the County Judge, Members of Commissioners Court, County officials and management of Polk County Texas and should not be used for any other purpose.

Honorable Judge and Members
of Commissioners Court of Polk County, Texas
March 19, 1996
Page 9 of 17

These errors appear to have simply resulted from a misunderstanding between the Tax Assessor and County Auditor. The Tax Assessor requested, in writing, information for calculating the 1994 tax rate. The County Auditor provided debt payments for the 1994 budget year and labeled the information as "Total Debt Requirements for 1994". The County Auditor should have provided debt service information for the 1995 budget year for which the 1994 taxes were to be levied. It appears that the information needed by the Tax Assessor may have been more appropriately obtained from the Budget Officer since data related to operating transfers and use of fund balance was also needed.

The roll back rate was also incorrectly calculated as a result of the errors identified above. The roll back rate would have been lower than the effective tax rate had the correct debt information been used. Consequently, the County would have been required to publish notices and hold hearings to exceed the rollback rate. The County adopted a tax rate that exceeded the actual roll back rate without publishing notices or hold hearings. However, at the time the rates were adopted the County was unaware of these errors and did not believe they were required to perform these additional procedures.

Recommendations

In the future, when preparing the Notice of Effective Tax Rate, the Tax Assessor-Collector should obtain the debt to be paid from property taxes from the County's Budget Officer. During the budget process the Budget Officer should review the Tax Assessor-Collector's Notice of Effective Tax Rate to determine the nature of any differences in the proposed debt service tax rates.

9 PROPERTY TAX REPORTS

Finding

The Computer generated cash collection report which reconciles the beginning and ending taxes receivable for each tax year does not agree to the County's listing of property taxes receivable. At year end the difference in these reports was approximately \$16,000. The Tax Department contends that the collection report is out of balance because of tax refunds.

Recommendation

All reports should be reconciled on a monthly basis. Any differences should be investigated to determine the cause of the error. The cause of the problems should then be corrected, i.e., changing procedures or modifying computer programs if possible. If differences cannot be resolved by making systemic changes then detailed reconciliations should be performed each month to ensure that the nature of the differences in system reports are identified.

NOTE: This report is intended for the information and use of the County Judge, Members of Commissioners Court, County officials and management of Polk County, Texas and should not be used for any other purpose.

Honorable Judge and Members
of Commissioners Court of Polk County, Texas
March 19, 1996
Page 10 of 17

10 TAX ASSESSMENT AND COLLECTION CONTRACT

Findings

We noted where the County had not complied with certain provisions of its contract for the assessment and collection of ad valorem taxes with the Livingston Independent School District. The contract currently in effect was entered into in 1987 and has not been revised since that date.

The contract specified that the County would develop and maintain written policies and procedures of its operations. The tax department does not have written policies and procedures.

The contract also specified that a taxpayer shall be given the option to pay the School District's taxes separate from other taxing units. The Tax Collector's policy is to apply all tax payments proportionally among taxing entities regardless of the taxpayer's wishes. It should be noted that the computer system being used by the tax department does not currently allow the Tax Collector the option to apply payments to a specific entity.

Recommendations

The Tax Collector's Office should maintain written policies and procedures. The contract with the School District should be modified to exclude the option to allocate taxes or the policies and computer system of the Tax Collector's Office should be modified.

11 SCHOOL FUNDS RECEIPTS

Finding

It does not appear that the County is correctly utilizing the Permanent and Available School funds. The non-expendable principal of the Permanent School Fund should increase only by the amount of royalty income received. All other rental income and interest earnings should be accrued directly to the Available School Fund. Proper utilization of these funds was discussed during the prior audit with the County Treasurer and County Auditor but it does not appear those accounting procedures were changed. At year end September 30, 1995 the Permanent School Fund owed the Available School Fund approximately \$17,000 which should be repaid.

Recommendation

The County Treasurer should receipt all non-royalty rental income and interest earnings of the Permanent School Fund directly to the Available School Fund. The County Auditor should verify that revenue received is appropriately posted.

Honorable Judge and Members
of Commissioners Court of Polk County, Texas
March 19, 1996
Page 11 of 17

12 ACTIVITY OF EXPENDABLE TRUST FUNDS

Finding

Several County officials receive money directly from the State whereas the use of the monies is restricted within the discretion of the County officials. Officials receiving designated funds to offset the cost of their offices are the District Clerk, District Attorney and Sheriff. The County Auditor has implemented new procedures for ensuring that the balance of the bank accounts maintained by each of these offices is recorded on the County's books. Procedures have not been implemented to record the activity (receipts and disbursements) for each of these accounts or to examine the transactions for proper utilization.

Recommendation

The County Auditor should post receipts and disbursements of these separate bank accounts to the County's general ledger. In addition, the County Auditor should obtain sufficient documentation to determine if the funds disbursed were utilized for their intended purpose. Since these bank accounts are decentralized and outside of the County's normal internal control structure, the County Auditor should examine these accounts on a more frequent basis and place additional scrutiny on transactions.

County officials holding separate accounts should provide the County Auditor complete support for all transactions to ensure that public funds are utilized for their intended purpose. County officials should consider turning over the treasury duties associated with these bank accounts to the County Treasurer.

13 COMPUTER SYSTEM SECURITY

Finding

The County does not appear to be using the security features within the County's various program packages offered by NetData to prevent unauthorized entry in those packages. It did not appear that adequate classes of users or individuals had been established within the NetData programs, including the County's financial package. In addition, all classes of users and individuals were assigned the highest security level. The highest security level gives the users all privileges within that package, including the ability to edit or delete data.

Recommendations

The County Treasurer and County Auditor should ensure that adequate computer security procedures are in place. The department head of the Data Processing Center should meet with the head of each of the departments using the NetData software, including the County Treasurer and County Auditor and discuss the various security levels offered by NetData. Based on this discussion, accounts should be established for all users and security levels assigned to each user. Unique passwords should be assigned to each account and changed at least semiannually.

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Honorable Judge and Members
of Commissioners Court of Polk County, Texas
March 19, 1996
Page 12 of 17

14 EARNINGS OF REGISTRY FUNDS

Finding

Three of the bank accounts used by the County to invest registry trust funds on behalf of beneficiaries were non-interest bearing. It would appear that the County has a fiduciary duty to invest funds held for the benefit of another party in a manner similar to which the County's funds are invested. Two of the non-interest bearing accounts were in the custody of the County Clerk and the other non-interest bearing account was utilized by the District Clerk as the main operating trust fund.

Recommendation

If allowed by the respective courts and state law new interest-bearing accounts should be opened and funds transferred.

15 PAYROLL PENALTIES AND INTEREST

Finding

The County has not resolved some of its disputes with the IRS regarding penalties and interest noted in our prior year letter to the County. In the County Treasurer's response to our management letter she indicated that corrective action had been taken. In addition, it does not appear that notices received by the County Treasurer were sent, as recommended in the prior year management letter, to the County Judge and County Auditor.

Recommendations

Greater care should be taken when preparing payroll tax returns and making payroll tax deposits. This function should be carefully administered, employees properly supervised and all their work reviewed. Notices from the IRS should be addressed immediately. Copies of notices received from the IRS should be provided to the County Auditor and County Judge. The County Auditor should follow up on all notices received to ensure that they have been properly addressed and the matter resolved. All correspondence with the IRS should be sent certified mail, return receipt requested, to provide evidence of the County's actions to resolve the issue.

Penalties and interest that are attributed to the County Treasurer should be charged to her office and approved by Commissioners Court by a budget amendment.

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Honorable Judge and Members
of Commissioners Court of Polk County, Texas
March 19, 1996
Page 13 of 17

16 DEBT SERVICE FUND BALANCE

Finding

Over the years the debt service fund has accumulated a deficit fund balance when utilizing generally accepted accounting principles of \$184,348. The deficit fund balance is largely the result of the County's prior year financial statements being prepared using the cash basis of accounting but may also be the result of errors in the levy and allocation of tax revenues and unbudgeted expenditures.

At year end the General Fund had temporarily loaned reported as a due from other fund, \$146,716, to the Debt Service Fund to provide sufficient cash to meet the County's debt obligations.

Recommendation

Commissioners Court should forgive the General Fund's loan to the Debt Service Fund which would effectively transfer much needed funds to the Debt Service Fund and help re-establish reserves. In addition, all unexpended surpluses from prior year debt issues should be transferred from capital project funds to the Debt Service Fund. At a minimum the fund should be brought to a positive balance over the next year.

The County should work toward building a reserve equal to 25% of the next year's debt service. For example, Polk County's 1996 debt service is approximately \$1,500,000, therefore the County should work toward building a reserve of approximately \$375,000. While this goal cannot be accomplished in one year, the County should work toward increasing the reserve by \$75,000 over the next five years.

17 UNALLOCATED/ GENERAL OPERATING EXPENSES

Finding

Approximately 17% of the County's budget is not allocated to a specific department. Expenses not charged to a specific department include workers' compensation, postage, telephone and automobile insurance, etc. Many of the expenditures could be relatively easily budgeted and charged to the various County departments. Allocating these costs to control centers would most likely help the County reduce total costs by holding departments accountable for controlling costs.

Recommendation

The County Auditor should work with the Budget Officer to identify and project expenses that can be allocated to the various County departments. New account line items should be created in each of the departments for these expenditures and budgets adopted or amended for the reclassification of expenditures.

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Honorable Judge and Members
of Commissioners Court of Polk County, Texas
March 19, 1996
Page 14 of 17

18 FIXED ASSET RECORDS

Findings

As noted in the prior year management letter the County has not capitalized the cost of property, plant and equipment in a general fixed asset account group as required by generally accepted accounting principles. In addition, the County does not have a complete listing of property, plant and equipment, i.e., fixed assets. Without a listing of all County-owned fixed assets the County does not have a place to start from, to determine the amounts that should be reported in the County's financial statements. Consequently, this year, as in the past, the County's independent auditors have issued a qualified audit opinion for the omission of this account group from the financial statements.

The County is aware of the need for a fixed asset register and fixed asset control system. The County Auditor has completed preliminary procedures to correct these deficiencies by obtaining necessary equipment and software. It is the County's goal to construct the fixed asset records by September 30, 1996 so that the annual report may be submitted to the GFOA for the Certificate of Achievement for Excellence in Financial Reporting. However, only six months remain to complete this monumental project in addition to fulfilling other day to day duties.

Recommendations

The County Auditor should prepare a detailed work plan and make monthly reports to Commissioners Court regarding progress on this project. Commissioners Court and the County Auditor should consider employing temporary help during the summer, such as college students, to assist in tagging assets, gathering information, data entry and research. This assistance would help to ensure that the project is completed in a timely manner and that all other duties of the County Auditor's office are fulfilled.

19 ENTERPRISE FUND

Background

The County is currently accounting for its Waste Management Fund as a special revenue fund type. However, it appears to be the goal of the County to account for this fund as an enterprise fund type. Enterprise funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise where the intent of the governing body is for the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges.

Finding

Detailed records of assets are not currently available for the Waste Management Fund. Consequently, depreciation schedules for these fixed assets are also not available.

Honorable Judge and Members
of Commissioners Court of Polk County, Texas
March 19, 1996
Page 15 of 17

Recommendation

In conjunction with the County Auditor's construction of fixed asset records the County Auditor should also develop a depreciation schedule for Waste Management

20 PROCESSING PAYROLL FOR OTHER ENTITIES

Finding

The payroll for employees of the 258th Judicial Adult Probation and Juvenile Probation Departments are paid as if they are County employees, despite being a separate legal entity. Paychecks are drawn on the County's payroll account and included on the County's payroll tax returns. Consequently, by handling the payroll in this fashion there is not a clear distinction between the employees of the 258th District and Polk County for liability purposes. It appears that processing the payroll in this manner exposes the County to additional risk that should otherwise be borne by the entire District, including Trinity and San Jacinto counties.

Recommendations

The County should consider entering into a contract with the District for providing payroll services and remedies for loss incurred by the County as a result of providing these services.

21 ACCOUNTING FOR FINANCED EQUIPMENT

Background

The County has financed various computer equipment and supporting software from IBM. In addition, the County has acquired maintenance agreements to cover these purchases. The County's purchases have been spread over a number of months and new purchases added onto previous financing agreements or new agreements created.

Finding

It does not appear that the County has adequate control over purchases financed by IBM. The County does not have a summary schedule for each transaction reconciling purchases to monthly principal and interest payments and monthly maintenance payments.

We requested IBM confirm the total amount owed by the County to IBM and payments received by IBM for the year. We were provided by IBM a stack of documents approximately one inch thick, containing various credit forms, payment schedules and other undeterminable types of documents. Based on this information, it was not readily possible to determine what the proper balances should be.

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Honorable Judge and Members
of Commissioners Court of Polk County, Texas
March 19, 1996
Page 16 of 17

Currently the County Judge's office is maintaining the County's principle listing of fixed rate debt obligations, including certificates of obligations, time warrants, notes payable and capital leases. Maintenance of debt records by the County Judge's office appears to have been necessitated by the need for timely and accurate information that could not be obtained from other offices. Statutory responsibility for the maintenance of these records rests with the County Treasurer and County Auditor. The County Treasurer is responsible for maintaining a listing of all debt owed by the County. Verification of payment of these debts rest with the County Auditor. It appears the County Treasurer and County Auditor have inappropriately come to rely on the County Judge's office to provide them debt information.

Recommendation

The County Auditor and County Treasurer should obtain or prepare reconciliations of equipment, software and maintenance purchased to monthly payments. In addition, amortization schedules should be maintained to keep track of the debt outstanding and future cash requirements.

The County Treasurer should assume her statutorial prescribed duties of maintaining the debt records of the County with the assistance of the County Auditor.

22 REFINANCING DEBT

Findings

As noted in prior year management letters the interest rates being paid by the County on some of its notes and time warrants appear to be much higher than current market rates. None of this debt has been refinanced at lower market rates despite the potential for significant savings. The County Treasurer indicated in her response to our prior year management letter that the County cannot refinance time warrants. We are not aware of any legal limitations that would ultimately prevent the County from refinancing its present time warrants or notes payable by some means.

Recommendations

The County Judge should pursue a course of action to refinance the higher debt obligations of the County if the County Treasurer is unable to obtain debt for the County at favorable interest rates.

CONCLUDING COMMENT

As noted in the comments above it appears that in many instances statutorially prescribed duties were not performed in addition to other laws being routinely ignored. Because of the extent to which a county must rely upon various laws to operate the County should pursue appropriate legal actions when violations have occurred and County officials have not taken appropriate action to correct violations or safeguard against future violations.

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Honorable Judge and Members
of Commissioners Court of Polk County, Texas
March 19 1996
Page 17 of 17

Significant changes have been made during the year to address problems identified during the previous audit as well as other deficiencies in the County's financial and accounting system. The County Auditor's office implemented a new general ledger system at the beginning of the period in cooperation with other County officials and departments. In conjunction with the new accounting system the County Auditor has also attempted to implement many new control procedures. We applaud the County Auditor and other County officials' efforts during the past year as well as the direction provided by the County Judge and Commissioners Court.

As evidenced by the findings above many deficiencies still exist and much work is still needed to remedy these problems. By design the County Auditor is the County's primary control mechanism and in many instances is responsible for correcting or identifying problems within the County in addition to performing the day to day duties of her office. While the accomplishments have been great there is still much work to be performed to bring the County to the appropriate level of accountability to the general public.

We wish to thank all of the County officials for the cooperation and assistance afforded us in the performance of our audit. We appreciate the opportunity to be of service to the County. Please feel free to contact us at your convenience to discuss this report or any other concerns you may have. We would be pleased to discuss these comments in further detail with you and, if desired, to assist you in implementing any of the recommendations.

This report is intended solely for the information and use of the County Judge, Commissioners Court, County officials and management of the Polk County, Texas and should not be used for any other purpose.

Very truly yours,

J Randall Reimer, CPA

J Randall Reimer, C P A
Partner

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POLK COUNTY BUDGET AMENDMENT
 REQUEST #5 REVISED
 REQUESTED 6/10/96
 REQUESTED BY Karen Remmert, County Auditor

Sheet1

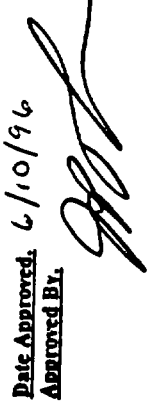
	Increase	Decrease	Comments
032 598 377	8 501 00		
032 598 311	250 00		
032 598-420	1 752 00		
032 598-490	2 065 00		
032 598-495	2 042 00		
032 598-497	3 890 00		
051-645-312	1 000 00		
051-645-463	1 000 00		
051-645-443		1 000 00	
051-645-441		1 000 00	
051-645 572		1 000 00	
051-645 204		4 000 00	
051-645 334		2 500 00	
051-645 350			
051-645 332		1 000 00	
051-645 356		1 000 00	
051-645-352		2 700 00	
051-645-427			
051-645-442			
051-645-490			
051-645 343			
010-450 372	2 500 00		
010-450 105	4 227 90		
010-450 201	323 44		
010-450 202	694 56		
010-450 203	254 10		
015-621 100		32 566 88	
015-622 100		35 878 45	
015-623 100		24 376 73	
015-624 100		17 861 77	
Material/Supplies			DETCOG re imburseable grant funding for \$18 500
Postage			Schedule of expenditures as proposed by Mr Jay Barbee is
Telephone			attached. The decal kit has already been taken care of Item #4 on
Anti Litter Theme Bookcovers for Schools			Mr Barbee's list (Motorola Radio) was purchased for \$156 less
Anti Litter Advertising in Newspaper			than original budget amount.
Signage on Highways			
Office Supplies			Requested by Director of Aging but Auditor misunderstood
Storage - Equipment Lease			Director's intentions and failed to code properly for budget
Garbage & Sewer			amendments approved 4/8/96 on request #3
Gas/Heat			move money to cover expenditures
Equipment			move money to cover expenditures
Worker's Compensation			cover expenditures
Food Delivery			cover expenditures
Maintenance Building			cover expenditures
Maintenance - Custodial			move money to cover expenditures
Pest Control			cover expenditures
Maintenance Linen			move money to cover expenditures
Travel			cover expenditures
Water			move money to cover expenditures
Liability Insurance			cover expenditures
Food Related			move money to cover expenditures
District Clerk - Office Furnishings			cover expenditures
Salaries			District Clerk for office furnishings for new employee
Social Security			and for salary of new employee (\$10 564 42) District Clerk paid
Group Insurance			\$8000 from her funds Additional \$2564 42 will be needed from
Retirement			additional source to cover expenditures for remainder of FY96
Budget Carryover			
Budget Carryover			Soil & Water Conservation reimbursement
Budget Carryover			Soil & Water Conservation reimbursement
Budget Carryover			Soil & Water Conservation reimbursement
Budget Carryover			Soil & Water Conservation reimbursement

Account Number	Description	Amount	Notes
015-624-339	R&B Pct #4 Construction Materials	24,227.97	
015-624-420	Pct#4 Telephone	1,005.00	
015-624-423	Pct#4 Mobil Phone	1,005.00	
015-624-490	Pct#4 Miscellaneous		
015-623-338	Pct#3 Culverts	1,500.00	
015-623-420	Pct#3 Telephone	1,500.00	
015-623-423	Pct#3 Mobil Phone	3,000.00	
015-623-486	Pct#3 Contract Labor	187.70	
015-623-490	Pct#3 Miscellaneous		
015-622-337	Pct#2 Material/Supplies	3,000.00	
015-622-339	Pct#2 Construction Material	15,626.52	
015-622-700	Pct#2 Transfer to Debt Service		
015-622-420	Pct#2 Telephone	555.00	
015-622-423	Pct#2 Mobil Phone	555.00	
015-622-571	Pct#2 Road Machinery & Equipment		
015-621-338	Pct#1 Culverts	6,203.94	
015-621-442	Pct#1 Water	300.00	
015-621-490	Pct#1 Miscellaneous		
015-620-703	Loan to Pct #3 from Pct #4	15,546.59	
010-409-423	Mobil Phone/Pagers	250.00	
010-401-352	Contingencies		

Sheet1
 Difference of Solid Water reimb 42 089 74 and 17 861 77
 applied to deficit budget carryover
 cover expenditures
 cover expenditures
 move money to cover expenditures
 cover expenditures
 cover expenditures
 cover expenditures
 cover expenditures
 move money to cover expenditures
 cover expenditures
 cover expenditures
 move money to cover expenditures
 cover expenditures
 cover expenditures
 move money to cover expenditures
 cover expenditures
 cover expenditures
 move money to cover expenditures
 reimbursement of culverts paid by citizens
 cover expenditures
 move money to cover expenditures
 Permanent Road Money to be paid back 10/01/96
 cover expenditures
 move money to cover expenditures

2 010 00
 6 187 70
 15 626 52
 4 110 00
 300 00
 250 00

Revised due to previous line item for permanent road expenditure of \$200,000 done in error by Auditor
 113,912.72
 152,118.05
 Difference includes additional revenues received but not budgeted.
 Reimbursements and grant revenues


Date Approved: 6/10/96
 Approved By: 

budgets

Sheet1

POIK COUNTY BUDGET AMENDMENT
 REQUEST #6
 REQUESTED 6/10/96
 REQUESTED BY Karen Remmert, County Auditor

	<u>Increase</u>	<u>Decrease</u>	<u>Comments</u>
010-401-525	2 500 00		Delinquent Tax Attorney scholarship reimbursement of \$2500
032 595 575	1 330 30		Clean Up of illegal waste deposited on McSpadden Road, citizen has remitted \$1 330 30 for their share (75%) of the clean-up fee.
010-401-600	17 859 50		To cover disbursing department shares from Surplus Sale which includes (Waste Mgmt \$6 839 50 R&B Pct2 \$4 717 00 R&B Pct3 \$4 320 00 and R&B Pct4 \$1 983 00) Remaining \$12 080 72 will stay in General Fund of which \$9 585 00 will be used to repay Revenue Anticipation Note for Sheriff's Vehicles.
010-409-441 010-409-440	2 000 00	2 000 00	To cover expenditures for remaining FY96 To move money to cover expenditures
093-403-435	15 000 00		C Clerk needed to catch-up indexing for the public records and at the same time learn NETDATA system. ** Fees collected as of June, 1996 \$44 205 and \$52 861 in investments (for your info only)
093-403 500	17 356 16		C Clerk paid for part of hardware/software for imaging system & fiber optic cabling for the AS-100 computer system
093 271-000		32,356 16	Reduce fund balance to cover expenditures for FY96
	56 045 96	34 356 16	

Date Approved, 6/10/96
 Approved By, 

budamem6

SCHEDULE OF BILLS PAID

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	40 24
088 JUDICIAL FUND	98 60
TOTAL OF ALL FUNDS	138 84

THE PRECEDING LIST OF BILLS PAID WAS REVIEWED AND APPROVED FOR PAYMENT

DATE 5/29/96 APPROVED BY *James A. Stewart*
John P. Thompson

MEMORANDUM FOR THE BOARD OF SUPERVISORS

FUND DESCRIPTION	DISBURSEMENTS
033 FEIA D EASTER FUNDS	41,000.00
TOTAL OF ALL FUNDS	41,000.00

THE PRECEDING LIST OF BILLS HAS BEEN REVIEWED AND APPROVED FOR PAYMENT
 DATE 5-30-96 APPROVED BY James Beaumont

Walter H. Hightower
John P. Thompson

SCHEDULE OF BILLS B FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	104 290 04
015 ROAD & BRIDGE ADM	32 358 21
032 ENVIRONMENTAL SERVICES	10 605 04
048 DISTRICT ATT / SPECIAL FUND	3 397 96
051 AGING DEPT	4 370 34
101 ADULT SUPERVISION	17 656 13
104 DTP - CSR	1 026 10
107 CCP CORP/IGAN OFFICE	1 076 17
108 CCP - SURVEILLANCE	2 313 20
184 JUVENILE PROBATION	2 596 56
185 CCAP - JUVENILE PROBATION	6 577 77
TOTAL OF ALL FUNDS	188 267 55

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT

DATE 5-30-96

APPROVED BY

John P. Thompson
John P. Thompson

STATE OF MISSISSIPPI

REVENUE

015	PAID TO STATE	15,835.64
032	PSYCHIATRIC SERVICES	13,948.46
040	LAW LIBRARY FUND	381.70
051	STATE PRINTING	113.72
051	STATE PRINTING FUND	2,988.25
073	STATE COLLEGE FUND	2,509.91
074	SECURITY RECORDS TRUST FUND	4,363.13
TOTAL OF ALL FUNDS		139,434.06

THE FUND TO WHICH THIS RECEIPT IS REFERRED IS A PERMANENT FUND

DATE 6-6-86 APPROVED John P. Thompson

County Auditor

John P. Thompson

Add

SCHEDULE OF BILLS BY FUND

FUND	DESCRIPTION	DISBURSEMENTS
010	GENERAL FUND	101 966 97
015	ROAD & BRIDGE ADM	22 409 51
032	ENVIRONMENTAL SERVICES	6 919 18
049	DISPACT AT / SPECIAL FUND	439 24
051	AGING DEPT	2 802 49
088	JUDICIAL FUND	502 20
101	ADULT SUPERVISION	11 187 17
104	OTP - CSP	507 94
107	CCP CORRIGAN OFFICE	644 26
108	CCP - SUPVE LLANCE	1 329 05
184	JUVENILE PROBATION	1 454 75
185	CCAP - JUVENILE PROBATION	3 118 52
TOTAL OF ALL FUNDS		153 310 28

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT

DATE June 2, 1996 APPROVED BY: Alex R. Bennett
County Auditor
John P. Thompson

DATE MAY 29, 1996 THROUGH JUNE 06, 1996

NO	NAME	DEPT	JOB CLASSIFICATION	TYPE OF EMPLOYEE	SALARY GROUP	ACTION TAKEN
(1)	TONYA JACOBS	JAIL	#1052 JAIL ADM SECRETARY	REGULAR FULL TIME	10/1 \$14,966.64	NEW HIRE EFFECTIVE 05/29/96 EMG HIRE
(2)	DAVID CATHEY	JAIL	#1055 CORRECTIONS OFFICER	REGULAR FULL TIME	11/1 \$15,734.16	RESIGNED EFFECTIVE 08/05/96
(3)	VELMA ASHLEY	AGING ONALASKA	#1265 COOK	REGULAR PART TIME	UNCLASSIFIED \$8.30/HR	RETIRED EFFECTIVE 06/01/96
(4)	DARRELL GENE GIBSON	JAIL	#1055 CORRECTIONS OFFICER	REGULAR FULL TIME	11/1 \$15,374.16	NEW-HIRE EFFECTIVE 06/10/96
(5)	FRANCES HOPSON	AGING LIVINGSTON	#1265 COOK	LABOR POOL	UNCLASSIFIED \$6.00	NEW-HIRE EFFECTIVE 06/04/96
(6)	KERRY GHOLSON	PCT #1 ROAD & BRIDGE	#109 LIGHT EQUIPMENT OPERATOR	TEMPORARY FULL TIME	UNCLASSIFIED \$6.25/HR	NEW-HIRE EFFECTIVE 06-12-96
(7)	TRACY SMITH	WASTE MGT	#108 HEAVY EQT OPEATOR	REGULAR FULL TIME	13/3 \$18,228.60	RESIGNED EFFECTIVE 06-07-96
(8)						
(9)						
(10)						
(11)						
(12)						
(13)						
(14)						
(15)						
(16)						