



97 MAY -7 AM 9 52

Barbara Middleton

BARBARA MIDDLETON
COUNTY CLERK POLK CO

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

48

Notice is hereby given that a Regular meeting of the above named Commissioners' Court will be held on Monday, May 12, 1997 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 Wednesday, May 7, 1997

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 Wednesday, May 7, 1997, and said notice remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting

Notice filed, Wednesday, May 7, 1997

Barbara Middleton, County Clerk

By

Barbara Middleton



for: MONDAY - MAY 12, 1997 - 10:00 AM.

CALL TO ORDER

- 1 WELCOME - Public Comments & Discussion
- 2 INFORMATIONAL REPORTS
 - A REPORT ON COUNTY SURPLUS AUCTION HELD MAY 10, 1997
 - B PRESENT RESOLUTION FOR RETIRING EMPLOYEE, Virginia Smith, Director - Aging Services
- 3 CONSIDER APPROVAL OF MINUTES for meeting of, April 28, 1997
 - A Correction of Minutes of April 14, 1997 Meeting, Item #4 - to delete phrase "(see attached)" - as no attachment pertains to this item

NEW BUSINESS

- 4 RECEIVE FY1996 AUDIT/FINANCIAL REPORT
- 5 CONSIDER ANY/ALL NECESSARY ACTION PERTAINING TO BID #97-06 "SALE OR TRADE OF PCT #3 SURPLUS EQUIPMENT, D6C DOZER"
- 6 CONSIDER REQUEST OF EMERGENCY MANAGEMENT COORDINATOR FOR APPROVAL TO SUBMIT APPLICATION FOR TEXAS DEPARTMENT OF HEALTH - HAZARD COMMUNICATION GRANT
- 7 CONSIDER APPROVAL OF STANDARD AGREEMENT FORM AND AUTHORIZATION FOR COUNTY JUDGE (OR DESIGNEE) TO EXECUTE INDIVIDUAL ROAD USE AGREEMENTS FOR HEAVY VEHICLES (EXCEEDING 84,000 lbs) ON COUNTY ROADS
- 8 CONSIDER APPROVAL OF AMENDMENT #1 TO TxDOT CONTRACT FOR COURTHOUSE RENOVATION
- 9 CONSIDER APPROVAL OF UPDATED APPOINTMENTS FOR LOCAL EMERGENCY PLANNING COMMITTEE (LEPC)
- 10 CONSIDER APPROVAL OF FY1997 BUDGET AMENDMENT #97-09
- 11 RECEIVE INTERNAL AUDIT REPORT FOR JAIL COMMISSARY

CONSENT AGENDA ITEMS

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

ADJOURN Next regularly scheduled meeting - May 27, 1997 - 10 00 A.M (To Be held on Tuesday,
due to Monday Holiday)

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
POLK COUNTY TEXAS

97 MAY -9 AM 8 27

Barbara Middleton
BARBARA MIDDLETON
COUNTY CLERK POLK CO



**ADDENDUM TO
NOTICE OF MEETING # 48**

COMMISSIONERS COURT OF POLK COUNTY, TEXAS

THE FOLLOWING WILL SERVE TO AMEND THE AGENDA OF THE COMMISSIONERS COURT MEETING SCHEDULED FOR MAY 12, 1997 AT 10 00 A.M

ADD,

- 14. CONSIDER APPROVAL OF CHANGE FUND (\$50) FOR COLLECTION STATION FLOATER.**

Posted on Friday, May 9, 1997

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 at the door of the County Courthouse of Polk County, Texas, at a place readily accessible to the general public at all times on Friday, May 9, 1997 and said notice remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting

Dated Friday, May 9, 1997

Barbara Middleton, County Clerk

By *Barbara Middleton*

STATE OF TEXAS }
 COUNTY OF POLK }

DATE MAY 12, 1997
 REGULAR CALLED MEETING
 ALL PRESENT

BE IT REMEMBERED ON THIS THE 12th DAY OF MAY, 1997 THE HONORABLE COMMISSIONERS COURT MET IN 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, BOBBY SMITH, COMMISSIONER PCT#2, JAMES J "BUDDY" PURVIS, COMMISSIONER PCT #3, R R "DICK" HUBERT, COMMISSIONER PCT #4, BARBARA MIDDLETON, COUNTY CLERK, & KAREN REMMERT, COUNTY AUDITOR, 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 REX McDANIEL, TAYLOR LAKE ESTATES, VOICED CONCERNS OVER THE ROAD CONDITIONS IN THE SUBDIVISION

- 2 INFORMATIONAL REPORTS
 - a. COUNTY AUDITOR, KAREN REMMERT, REPORTED THAT THE SURPLUS SALE GENERATED A TOTAL OF \$28, 105 50
 - b JUDGE THOMPSON REPORTED THAT GOVERNOR BUSH HAS SIGNED THE GRANT FOR EMERGENCY FUNDS OF \$350,000 00(TEXAS DEPT OF HOUSING & COMMUNITY AFFAIRS) FOR CONSTRUCTION OF ALL WEATHER ACCESS TO BIG THICKET LAKE ESTATES SUBDIVISION ENGINEERS ARE NOW TRYING TO DETERMINE THE MOST ADVANTAGEOUS LOCATION, BEFORE START UP BEGINS
 - c COMMISSIONER SMITH, REPORTED TO THE COURT ON THE EXTENSION OF 3 50 MILES, OF FM 3459 (OLD GROVETON ROAD) START UP DATE WILL BE JULY 1, 1997
 COMMISSIONER SMITH, ANNOUNCED, THE GO TEXAN COMMITTEE GOLF TOURNAMENT TO BE HELD ON MAY 15, 1997, TO RAISE MONEY FOR SCHOLARSHIPS THURSDAY NIGHT THERE WILL BE A BAND, AN AUCTION, AND FOOD
 - d COMMISSIONER SPEIGHTS THANKED SEVERAL SUBDIVISION PROPERTY OWNERS ASSOCIATION'S, FOR THEIR FUNDS AND ASSISTANCE IN FIXING THEIR ROADS
 - e MOTIONED BY R R."DICK" HUBERT, SECONDED BY B E "SLIM" SPEIGHTS TO APPROVE RESOLUTION (READ BY JUDGE THOMPSON), COMMENDING VIRGINIA SMITH, POLK COUNTY AGING DIRECTOR ON EMPLOYMENT FROM 1981 TO 1997
 ALL VOTING YES (SEE ATTACHED)

- 3 MOTIONED BY BOBBY SMITH, SECONDED BY B E "SLIM" SPEIGHTS TO APPROVE MINUTES OF APRIL 28 AND MAY 9, 1997 (SPECIAL), ALSO INCLUDED IN MOTION WAS A CORRECTION OF APRIL 14, 1997 MINUTES, ITEM #4, DELETING THE PHRASE "SEE ATTACHED"
ALL VOTING YES
- 5 MOTIONED BY JAMES J "BUDDY" PURVIS, SECONDED BY BOBBY SMITH TO ACCEPT THE BI D OF LYNN HENDRIX TRUCKING FOR \$27,500 00, FOR SALE OF D6C DOZER FROM PCT#3
ALL VOTING YES
- 4 MOTIONED BY JAMES J "BUDDY" PURVIS, SECONDED BY BOBBY SMITH TO RECEIVE AND ACCEPT THE "VERY FIRST" UNQUALIFIED AUDIT/FINANCIAL REPORT , FY1996 JUDGE THOMPSON, WANTED THE MINUTES TO REFLECT SPECIAL RECOGNITION TO THE COUNTY AUDITOR, KAREN REMMERT, AND MARCIA COOK, JUDGE THOMPSON'S ASSISTANT, AS WELL AS ALL DEPT HEADS, FOR ALL THE MANY HOURS OF HARD WORK NECESSARY FOR THIS TO BE ACCOMPLISHED
ALL VOTING YES (SEE ATTACHED)
- 6 MOTIONED BY BOBBY SMITH, SECONDED BY B E "SLIM" SPEIGHTS TO APPROVE REQUEST OF EMERGENCY MANAGEMENT COORDINATOR , TO SUBMIT APPLICATION FOR TEXAS DEPARTMENT OF HEALTH-HAZARD COMMUNICATION GRANT
ALL VOTING YES
- 7 MOTIONED BY JAMES J "BUDDY" PURVIS, SECONDED BY B E "SLIM" SPEIGHTS TO APPROVE OF STANDARD AGREEMENT FORM, AND A BOND REQUIREMENT OF, MINIMUM OF \$10,000 00, & AUTHORIZATION FOR COUNTY JUDGE (OR DESIGNEE) TO EXECUTE INDIVIDUAL ROAD USE AGREEMENTS FOR HEAVY VEHICLES, (EXCEEDING 84,000 lbs) ON COUNTY ROADS
ALL VOTING YES (SEE ATTACHED)
- 8 MOTIONED BY BOBBY SMITH, SECONDED BY JAMES J "BUDDY" PURVIS TO APPROVE AMENDMENT #1, TO TxDOT CONTRACT FOR COURTHOUSE RENOVATION
ALL VOTING YES (SEE ATTACHED)
- 9 MOTIONED BY BOBBY SMITH, SECONDED BY R R."DICK" HUBERT TO APPROVE UPDATED APPOINTMENTS FOR LOCAL EMERGENCY PLANNING COMMITTEE (LEPC)
ALL VOTING YES (SEE ATTACHED)

- 10 MOTIONED BY BOBBY SMITH, SECONDED BY R R "DICK" HUBERT TO APPROVE BUDGET AMENDMENT #97-09 (FY-1997)
ALL VOTING YES (SEE ATTACHED)
- 11 MOTIONED BY BOBBY SMITH, SECONDED BY B E "SLIM" SPEIGHTS TO RECEIVE INTERNAL AUDIT REPORT FOR JAIL COMMISSARY
ALL VOTING YES
- 12 MOTIONED BY BOBBY SMITH, SECONDED BY JAMES J "BUDDY" PURVIS APPROVE PAYMENT OF BILLS (BY SCHEDULE) PLUS ADDENDUM
ALL VOTING YES (SEE ATTACHED)

DATE	AMOUNT	CHECK NUMBERS
4-29-97	2,306 57	9198
4-29-97	150,578 32	123440 - 123450
5-02-97	971 37	123452
5-02-97	185,428 06	123453 - 123461
5-05-97	12,621 00	123462 - 123465
5-06-97	25,184 23	123466 - 123516
5-07-97	148,784 04	123517 - 123653
ADDENDUM	4,195 14	10 BILLS TO APPEAR ON FUTURE SCHEDULE
4-29-97	-350 00	VOIDED CK#123116 & 123117

- 13 MOTIONED BY R R "DICK" HUBERT, SECONDED BY JAMES J "BUDDY" PURVIS TO TO APPROVE PERSONNEL ACTION FORMS
ALL VOTING YES (SEE ATTACHED)
- 14 MOTIONED BY BOBBY SMITH, SECONDED BY B E "SLIM" SPEIGHTS TO APPROVE CHANGE FUND OF (\$50) FOR COLLECTION STATION FLOATER.
ALL VOTING YES

RECESS 10 45 AM

CONVENED INTO EXECUTIVE SESSION AT 10 55AM

EXECUTIVE SESSION

As authorized by the Texas Open Meetings Act, as amended, Government Code Chapter 551, Subchapter D, Section 551 074(a) (1)

RE-CONVENED INTO REGULAR SESSION AT 11 15AM

15 MOTION BY R R "DICK" HUBERT, SECONDED BY B E "SLIM" SPEIGHTS
AT 11 15 AM
ALL VOTING YES



JOHN P THOMPSON, COUNTY JUDGE

ATTEST



BARBARA MIDDLETON, COUNTY CLERK

STATE OF TEXAS }

DATE APRIL 14, 1997

COUNTY OF POLK }

REGULAR CALLED MEETING
COMMISSIONER SPEIGHTS - ABSENT**"Corrected" Minutes**

BE IT REMEMBERED ON THIS THE 14th DAY OF APRIL , 1997
THE HONORABLE COMMISSIONERS COURT MET IN REGULAR CALLED MEETING
WITH THE FOLLOWING OFFICERS AND MEMBERS PRESENT, TO WIT
JOHN P THOMPSON, COUNTY JUDGE, PRESIDING BOBBY SMITH, COMMISSIONER
PCT#2, JAMES J "BUDDY" PURVIS, PCT#3, R R "DICK" HUBERT, COMMISSIONER
PCT#4, BARBARA MIDDLETON, COUNTY CLERK, & KAREN REMMERT, COUNTY
AUDITOR 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 BILL HARDY STATED, THERE IS A DRUG PROBLEM IN COUNTY &
HE THINKS THE COUNTY NEEDS TO ATTEND TO THIS MATTER
 - b DON BROUSSARD OF TAYLOR LAKE ESTATES, SPOKE FOR A LARGE
GROUP OF RESIDENTS & MADE NUMEROUS COMPLAINTS ABOUT THE
ROADS IN THEIR SUBDIVISION
 - c MOLLY JOHNSON, OF TAYLOR LAKE ESTATE, MADE COMPLAINTS
ABOUT THE BAD ROADS IN THE SUBDIVISION
 - d ALLIE GILKEY, NEEDS HELP IN PLANNING THE PARK FOR DUNBAR
COMPLEX
- 2 INFORMATIONAL REPORTS
COMMISSIONER BOBBY SMITH, INFORMED EVERYONE ABOUT THE
24th ANNUAL ONALASKA FIRE DEPARTMENT, BAR-B-QUE AND
FUND RAISER AUCTION, SATURDAY APRIL 26th, 1997
- 3 MOTIONED BY BOBBY SMITH, SECONDED BY JAMES J "BUDDY" PURVIS
TO APPROVE MINUTES FOR MEETING OF MARCH 24, 1997
ALL VOTING YES
- 4 MOTIONED BY JAMES J "BUDDY" PURVIS, SECONDED BY BOBBY SMITH
TO APPROVE CONTRACT FOR AGING SERVICES BETWEEN POLK COUNTY
AND DEEP EAST TEXAS COUNCIL OF GOVERNMENTS - AREA AGENCY ON
AGING
ALL VOTING YES

RESOLUTION
of the
POLK COUNTY COMMISSIONERS COURT

Recognizing the Service of
Virginia Smith

WHEREAS Virginia Smith began her employment with Polk County in August 1981 and has served continuously as Director of Aging Services for over 15 years, and

WHEREAS, throughout her employment Virginia has provided to Polk County the benefit of her qualified dependable and loyal service and has made an enormous contribution to the organization and operation of Polk County Aging Services, and

WHEREAS, during her term of employment Virginia has faithfully administered her duties while serving the needs of the senior citizens of this County, and

WHEREAS Upon her retirement, this Court wishes to recognize the exemplary service and acknowledge the valuable contribution made to Polk County by this individual,

NOW, THEREFORE BE IT RESOLVED

that this Resolution be entered into the official record of the Court recognizing the quality of public service provided by Virginia Smith to the Citizens of Polk County Texas and hereby offering the sincere appreciation and gratitude of this Commissioners Court

SIGNED AND ENTERED, this the 12th day of May 1997

John P. Thompson

John P. Thompson, County Judge



B. E. "Slim" Speights Comm. Pct. 1

Bobby Smith Comm. Pct. 2

James J "Buddy" Purvis, Comm. Pct. 3

R. R. "Dick" Hubert, Comm. Pct. 4

Attest,

Barbara Middleton

Barbara Middleton County Clerk

FOLK COUNTY, TEXAS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR FISCAL YEAR ENDING

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**POLK COUNTY,
TEXAS**

September 30, 1996

**Prepared By
County Auditor's Office &
County Judge's Office**



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INTRODUCTORY SECTION



INTRODUCTORY SECTION



March 28, 1997

**Citizens of Polk County;
District Judges;
Honorable Members of the Commissioners Court;**

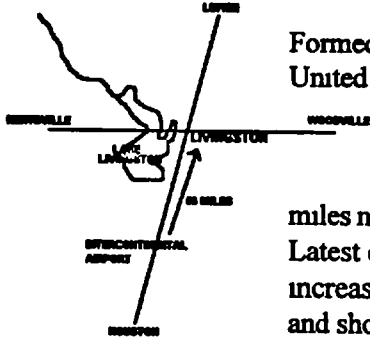
The comprehensive annual financial report of Polk County, Texas (the County) for the year ended September 30, 1996 is hereby submitted. State statutes require that the County issue an annual report on its financial position and activity, and the Polk County Commissioners Court requires that this report be audited by an independent firm of certified public accountants. The firm of Larson, Stephens & Reimer, L L P was selected to perform the 1996 audit. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, are accurate in all material aspects, that they are presented in a manner designed to fairly set forth the financial position and results of operations of the County, as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain a reasonable understanding of the County's financial affairs have been included.

THE REPORT

This Comprehensive Annual Financial Report includes all funds and account groups of the County and is divided into three major sections: introductory, financial and statistical. The introductory section, which is unaudited, includes the table of contents, a list of principal elected and appointed officials, an organizational chart, and this letter of transmittal. The financial section consists of General Purpose Financial Statements (GPFS), the combining and individual fund and account group financial statements and schedules, together with the auditor's report and notes to the financial statements. The GPFS are the County's basic financial statements and provide an overview for users who require less detailed information about the County's finances than is contained in the balance of this report. The remainder of the financial section presents combining statements, individual fund statements and schedules focusing on individual funds rather than fund types. Any notes provided in the financial section are considered essential to fair presentation and adequate disclosure for this financial report. The notes include the Summary of Significant Accounting Policies for the County and other necessary disclosures of important matters relating to the financial position of the County. The notes are treated as an integral part of the financial statements and should be read in conjunction with them. The statistical section, also unaudited, includes selected financial and demographic information presented on a multi-year basis. This section is designed to reflect social and economic data, financial trends and the fiscal capacity of the County.

In accordance with the Governmental Accounting Standards Board (GASB) Statement No 14, the reporting entity consists of the primary government, Polk County, and those organizations for which the County is financially accountable or the relationship to the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. The County is not affiliated with any legally separate entities meeting the component unit criteria, as defined by GASB, and appropriately, none are included within the County's financial statements.

ABOUT POLK COUNTY



Formed in 1846 and named in honor of James K. Polk, then President of the United States, the 1,095 square miles of Polk County are situated in the tall pine forests of Deep East Texas. Livingston is the largest city in Polk County and the county seat. Located at the intersection of U S 59 and Hwy 190, Livingston is about 70 miles north of Houston, only 56 miles from Houston Intercontinental Airport. Latest estimates issued for 1995 place the County population at 39,756, an increase of 9,069 people (or nearly 29.9%) over the 1990 census. Mainline and short line railroad, airport, bus, motor freight and parcel service combine to make Polk County easily accessible for personal, business and industry purposes.

Bounded on the southwest by the Trinity River and the northwest by the Neches River, the County boasts one of the most varied and enjoyed environments in the State. Pleasant springs and falls, long warm summers and mild winters entice vacationers year round and encourage retirement to the area. The average annual temperatures range from a January minimum of 37°F to a July maximum of 94°F. The average annual rainfall of 48 inches provides abundant forest vegetation and feeds major rivers in the area, making conditions favorable for principal activities such as agriculture, forestry and ranching.

A favorite recreation area is Lake Livingston, a manmade lake surrounded by some 500 miles of shoreline filled with vacation and primary homes, marinas, campgrounds, boat launches and fishing piers. Public access to the lake is provided by the 700-acre Lake Livingston State Park, which is open year round, as well as a number of smaller parks and boat launches. The 93,000 acre lake is located in the west and southwest portion of the County. To the north and east lie more than 100 miles of scenic roads, four Texas Woodland Trails and the State's largest Indian Reservation, home of the Alabama Coushatta Indian Tribe. In the late 1700's, the Alabama Coushatta Indians established camps on the Trinity and Neches Rivers. When the County was created, General of the Republic of Texas, Sam Houston, made certain that the Alabama Coushatta had a permanent home in the eastern portion and, until 1971, this was the only Indian Reservation in Texas.

Economic Outlook

The coming of the railroads drastically changed the economy of Polk County from farming to timber, which remains the primary local industry - followed by tourism/recreation, ranching, agriculture and retail sales. One of the largest employers in the County is Champion International. However, a well supported economic development program is bringing new and varied businesses to the County. A maximum security prison unit was completed by the Texas Department of Criminal Justice in 1993. Railcar refurbishing, high tech manufacturing and large retailers have been drawn by the strong labor force and generous tax abatement opportunities. The top ten employers in Polk County are as follows,

<u>MAJOR EMPLOYERS</u>	<u>PRODUCT</u>	<u>EMPLOYEES</u>
Champion International	Wood Products	1,200
Texas Department of Criminal Justice	Terrell Unit	900
Livingston L.S.D	Education	547
Wal-Mart Super Center	Retail Sales	450
Polk County	Local Government	282
Corrigan-Camden L.S.D	Education	178
Sam Houston Electric Cooperative	Utility	150
Louisiana-Pacific Corporation	Wood Products	133
Memorial Medical Center - Livingston	Health care	124
American Railcar Coatings	Railcar Refurbishing	70

Progressive economic development attitudes within the County are clearly reflected in the dramatic increases in gross sales occurring in Polk County over the last ten years. The State Comptroller reports a 49% increase in gross sales from 1986 to 1995. Total gross sales in all major divisions and those sales subject to sales tax are shown in the following table,

<u>YEAR</u>	<u>GROSS SALES</u>	<u>TAXABLE SALES</u>
1986	307,683,652	101,311,824
1987	286,526,713	99,204,638
1988	290,642,093	154,054,971
1989	314,519,717	196,777,090
1990	339,394,830	226,434,513
1991	334,051,253	209,361,054
1992	365,239,786	240,044,602
1993	394,762,972	247,267,869
1994	434,696,395	209,345,114
1995	457,352,005	165,907,974
1996(1st & 2nd Qtr.)	226,094,514	82,672,532

The Polk Central Appraisal District reported the County's net taxable values in July 1995, at \$1,152,082,948, which served as the base for the County's FY1996 tax revenue estimates. The amount represented a \$104,840,220 increase (10%) from the previous year's valuation of \$1,047,242,728, due mostly to new mineral interests. The increase in the 1995 net taxable value of the County provided the FY96 Budget with over \$500,000 in additional tax revenues.

Per capita income for Polk County was reported in the 1990 census to be \$9,974. However, the U.S. Bureau of Economic Analysis (BEA) provides per capita estimates based on data received largely from business and government and includes sources of income not included in census data, such as Medicare payments and "values of services." BEA's latest revised estimates (1994) show

Polk County per capita income at \$15,945, as compared to their 1990 estimate of \$13,771 (an increase of nearly 16%)

The Texas Workforce Commission (formerly the Texas Employment Commission) reports the number of jobs held in Polk County in January 1996 had increased by 520 from the number held the previous January, with the total available labor force increasing by 477. These figures resulted in an unemployment rate reduction from 7.1% to 6.5% during the same reporting period. Total salaries reported were also on the rise, with the second quarter of 1996 reported at \$46,982,337 (a 4.5% increase from the same quarter period reported in 1995).

MAJOR INITIATIVES

For the Year

- The Polk County Commissioners Court committed itself to improving the financial accounting and reporting of the County, setting a goal of receiving the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. This effort is intended to help departments self-manage their budgets and provide the taxpayer clearer and more concise information regarding the spending of their tax dollars. The Commissioners Court provided necessary support to the County Auditor's Office to address the task of reconstructing records for the general fixed asset account group. Most important, the Court recognizes that the use of better budgetary controls will help to reach the level of reserves appropriate for the County and has targeted larger reserves in all funds. Particular attention was given to Waste Management, as post closure funding for the landfill should be accumulated during the life of that landfill.
- A Judicial Management System was integrated into Law Enforcement Departments, Justice, County and District Courts, Clerks' Offices, and the District Attorney's Office to increase the effectiveness and interaction between departments in processing and tracking cases. The new system greatly reduces the repetition and margin of error inherently associated with data entry and speeds the processes of record filing and retrieval for all offices involved in or related to the judicial functions of the County.
- Work began on improvements designated by the Texas Department of Transportation for Highway 190, a primary east-west route extending through the County. These improvements were secured in part by Polk County's joint effort with other cities and counties located on this route, organizing the Highway 190 Coalition. Such improvement has an extremely positive effect on the County's economy, due to increased travel on an expanded highway system.
- The County developed and initiated a Longevity Pay Program for County Employees. Through this program, eligible Employees receive financial rewards, calculated annually at the rate of \$60 for each year of continuous employment. The rewards were presented at the annual County Christmas Party and very well received.

- The County realized substantial savings in projected premiums by opting into a pool provided by the Texas Association of Counties for both Public officials Liability insurance and County Employee Health insurance. Additionally, Workers Compensation premiums were received added discounts as a result of the County's participation in this pool. These additional discounts, along with premium reductions awarded to the County as a result of implementing a comprehensive Employee health and safety program, resulted in a total savings of more than \$175,000 in standard Workers Compensation premium costs.

For the Future

- Road improvements will be gaining more and more attention as Polk County plans for the future. From the smallest dirt road maintained by the County to primary routes planned by the Transportation Department, Polk County is addressing this important issue. U.S. 59 is being considered for the I-69 route which will connect Canada and Mexico and Polk County representatives and officials are working closely with the Alliance for I-69 Texas in this effort. Although work has begun on the planned improvements for Highway 190, the County (as a member of the Highway 190 Coalition) will continue efforts to secure additional expansion needed on this primary route. Commissioners Court will continue their attempts to build upon the permanent road improvement program implemented several years ago to ensure minimum standards of construction for County roads.
- Future attention will also focus on concerns expressed by Citizens of Polk County for improved equipment for Law Enforcement and Emergency response. Plans have been made to include funding in the ensuing Budget year for the purchase of new Sheriff's Department patrol vehicles. Additionally, the County expects to complete the 911 Rural Addressing project in 1997, providing Citizens with a fully enhanced emergency system.
- The much needed renovation of the Polk County Courthouse and the Courthouse Annex (which received funding through the Texas Department of Transportation Enhancement Program) and other County owned buildings will be addressed in the years ahead. Expansion is inevitable, as County offices will continue to grow with the needs of the citizens.

Department Focus

Beginning with this year's report, the County will focus attention on the efforts and accomplishments of a selected department. Significant improvements were made in many areas of the County during the year and a number of departments have implemented or expanded programs which have resulted in cost reductions, improved services and better public accessibility to governmental programs. The County Auditor's office has been selected for this Department Focus because of the integral role the office has in the County's effort to improve financial accounting and reporting.

The County Auditor is appointed by and reports to the District Judges serving Polk County. The County Auditor acts as a check and balance for the financial operations of other County offices and is responsible for the internal auditing and accounting functions of the County, approving all

claims against the County prior to submitting the same to the Commissioners Court for payment. The County Auditor must submit monthly and annual reports to the Commissioners Court and the District Judges which detail financial activity and the condition of each account held by the County. In the budget process, the County Auditor provides estimates of revenues, expenses and fund balances for the County Judge's use in preparing the proposed budget. The Polk County Auditors Office also serves as the central purchasing department for the County. Providing staff support to the County Auditor are three full-time and one part-time employees.

The County Auditor successfully completed conversion to new accounting software which provides greater budgetary control through county-wide use of a monitored purchase order system. In addition, this office expended a tremendous effort to accumulate records and information to develop the County's fixed asset group, which should result in the first unqualified independent audit report received by the County.

FINANCIAL INFORMATION

General Government Functions

The Commissioners Court is the governing body of the County. The Texas Constitution specifies that the Court consists of a County Judge, who is elected at large and serves as presiding officer, and four County Commissioners elected by the voters of their individual precinct. The Court exercises the powers provided by law (Tex. Const. Art. V, Sec. 18) to conduct the varied business of the County. The Local Government Code prescribes the duties and grants authorities of the Commissioners Court and other County Officers, relating to financial management.

In compliance with State statutes, the Commissioners Court maintains budgetary controls to ensure that provisions embodied within the annually appropriated budget are met for most County functions, including general administration of line Departments, Law Enforcement and Corrections, Judicial / Justice Systems (costs of District Courts, County Courts and Courts-at-Law, Probate Court, Justice of the Peace Courts and associated offices or parts thereof), Human Services (Indigent Health Care, Social Services assistance, Aging services and Nutrition Centers), Waste Management and Roads & Bridges.

The Budget Process

The County Judge serves as the Budget Officer and, along with the County Auditor (who is appointed by the District Judges of the County) prepares an annual budget for presentation and approval by the Commissioners Court - using the following process,

- ◆ Notices, Budget Request forms and a proposed Budget Planning Calendar are distributed to Elected Officials and Department Heads, who are responsible for preparing a departmental budget request and submitting the same to the County Judge, along with supporting documentation.

- ◆ The County Auditor estimates historical revenues and beginning balances for use in conjunction with information obtained from various County offices.
- ◆ The County Judge compiles and analyzes budget requests and estimated revenues, conducting budget review meetings with departments and County Auditor
- ◆ A preliminary Budget is submitted to the Commissioners Court, containing recommendations of the Budget Officer (County Judge) Budget Workshops are held with individual Departments, if requested. A proposed Budget is filed with the County Clerk, for public inspection and a tax rate is proposed to support that budget, based upon the Tax Assessor/Collector's publication of the "Effective Tax Rate"
- ◆ Notices are published in the local newspaper listing any proposed increases in Elected County & Precinct Officials' salaries or allowances
- ◆ Notices of the proposed tax rate are published in the local newspaper and Public Hearings are held to receive comments on the proposed budget and on the proposed tax rate Changes warranted by law and required in the interest of the taxpayer are made, the budget is adopted and a tax rate is set.
- ◆ The approved budget is filed with the County Clerk and the County Auditor

Departments may submit requests for budget amendments to the County Auditor, who shall review for conformity to statutes appropriateness within the scope of budget objectives - making amendment recommendations to the Commissioners Court, as required. The Commissioners Court maintains sole authority for amending the Budget.

The County Auditor monitors expenditures of the various Departments and Funds to prevent expenditures from exceeding budgeted appropriations and sends a monthly financial report to the Commissioners Court and the District Judges

Budget Carry Forwards

Departments may receive added incentives for efforts in cost effective measures during the budget year Certain "Budget balances" are carried forward (through the budget process) to allow and encourage Departments to save toward larger expenditures. Such carry forwards occurred with merit increase funds which had been budgeted on a percentage basis in 1994 and - due to proper application of personnel policies - had not been used during the 1994 budget year Road and Bridge Departments are probably the most effected by the "budget carry forward" issue, as larger balances may occur

Financial Overview

The County's fiscal year changed from December 31 to September 30 in 1995, resulting in a nine month fiscal year The revenue from the General, Special Revenue, Debt Service, Capital Projects and Expendable Trust funds and the amount and percentage of increases and decreases for

the 1996 fiscal year in relation to the prior nine month period is summarized in the following schedule,

Revenue Sources	1996 Amount	1996 Percent of Total	1995 Amount	Increase (Decrease)	Percent of Increase (Decrease)
Property taxes and penalties	\$ 6,431,685	48.9%	\$ 5,608,121	\$ 823,564	14.7%
Sales taxes	926,996	7.0	707,923	219,073	30.9
License tax and auto	881,683	6.7	786,415	95,268	12.1
Other	20,876	0.1	7,108	13,768	193.7
	<u>8,261,240</u>	<u>62.9</u>	<u>7,109,567</u>	<u>1,151,673</u>	<u>16.2</u>
Fines and forfeitures	524,466	3.9	442,001	82,465	18.7
Charges for service	1,859,189	14.1	1,148,043	711,146	61.9
Intergovernmental	1,092,179	8.3	929,542	162,637	17.5
Licenses and permits	55,382	0.4	34,272	21,110	61.6
Interest	242,885	1.8	202,989	39,896	19.7
Other	1,093,450	8.3	316,712	776,738	245.3
TOTAL	<u>\$13,128,791</u>	<u>100.0%</u>	<u>\$10,183,126</u>	<u>\$2,945,665</u>	<u>440.8</u>

The expenditures for the General, Special Revenue, Debt Service, Capital Projects and Expendable Trust funds and the amount and percentage of increases and decreases for the 1996 fiscal year in relation to the prior nine month period is summarized in the following schedule. Capital outlays made in the General, Special Revenue and Expendable Trust funds are classified in one of the functional categories within "current" character classification,

Function	1996 Amount	1996 Percent of Total	1995 Amount	Increase (Decrease)	Percent of Increase (Decrease)
General governmental	\$ 1,498,073	11.6%	\$ 991,483	\$ 506,590	51.1%
Administration of	3,004,737	23.3	1,979,679	1,025,058	51.8
Roads and bridges	2,952,222	22.9	2,008,790	943,432	47.0
Health and human	1,849,059	14.3	1,425,595	423,464	29.7
Tax administration	490,740	3.8	366,919	123,821	33.7
General operating	698,039	5.4	618,490	79,549	12.9
Other	646,880	5.0	189,396	457,484	241.5
Capital outlay	126,398	0.9	289,193	(162,795)	(56.3)
Debt Service	1,588,634	12.3	1,488,420	100,214	6.7
	<u>\$12,854,782</u>	<u>100.0%</u>	<u>\$ 9,357,965</u>	<u>\$ 3,496,817</u>	<u>37.4</u>

Fund balances (deficits) of selected funds are presented below;

	1996	Increase (Decrease)	1995	Increase (Decrease)	1994
General	\$ 201,440	\$ 165,208	\$ 36,232	\$ 681,059	\$(644,827)
Road and Bridge	466,435	444,242	22,193	508,644	(486,451)
Debt Service	133,311	317,659	(184,348)	23,690	(208,038)

After changing from the cash basis of accounting to the generally accepted methods in 1994, the County established the goal of increasing fund balances in the General, Road & Bridge and Debt Service funds equal to approximately three months of annual operating expenditures. The County made significant progress in 1995 toward reaching its goal. Although many factors are attributed to the increases in the 1995 fund balances, the majority of the change was the result of a one time change in fiscal periods resulting in twelve months of property tax collections being recognized in a nine month period. The County intends to reach its target fund balances through stricter budgetary controls, cost reductions and increased tax base from the growing local economy.

Cash Management

The County Treasurer, by statute, serves as the custodian of County funds and is responsible for the receipt and disbursement of all monies owed to or by the County. The Treasurer is required to maintain accurate records of all transactions of his/her office and to regularly report to the Commissioners Court. In the Commissioners Court regular session held in May following a general election, the County is required to select a depository or depositories in which public funds shall be placed. The County may enter into a two-year or four-year contract with selected depositories, allowing for renegotiation of interest at the two-year interval. Through the appropriate bidding procedures taken in February 1995, the Commissioners Court selected qualified banks to serve as County depositories, in which the County Treasurer deposits all monies received. County depository accounts yielded an average interest rate of 2.84% in FY1996. Monies which are temporarily idle during the year are deposited in TEXPOOL, which averaged a 5.43% during the County's 1996 fiscal year (October 1995 through September 1996).

Risk Management

As discussed previously within this letter, the County's development of a limited risk management program resulted in substantial savings in Workers Compensation Insurance premiums. More important, the program has effectively reduced the number of job-related accident claims and provides a safer work environment for County employees. The number of job related accident claims was reduced from 37 in 1994 (costing \$161,924) to 21 in 1995 (costing \$63,259). In 1996, a total of 21 job related claims were filed, costing \$27,244 and representing a \$36,015 reduction in the total annual cost of claims. Additionally the County annually reviews with its carrier all liability coverages, making necessary amendments and/or adjustments to policy deductibles and limits.

ACKNOWLEDGMENTS

We wish to thank the Commissioners Court, County Officials, Department Heads and Employees, whose interest and support have aided greatly in conducting the financial business of Polk County and initiating progressive changes in our accounting and reporting process. We feel that the County has made significant strides toward reaching our future goals. Of course, completion of this report could not have been possible without the guidance and patience of our independent auditors, Larson, Stephens & Reimer, L.L.P.



John P. Thompson
Polk County Judge



Karen Remmert
Polk County Auditor

ELECTED OFFICIALS

September 30, 1996

Commissioners Court

County Judge
 Precinct 1
 Precinct 2
 Precinct 3
 Precinct 4

John P. Thompson
 B.E. "Slim" Speights
 Bobby Smith
 James J "Buddy" Purvis
 R.R. Dick Hubert

Sheriff**District Attorney****Tax Assessor/Collector****District Clerk****County Clerk****County Treasurer**

Billy Ray Nelson
 John Holleman
 Marion A. "Bid" Smith
 Nell Lowe
 Barbara Middleton
 Cheryl Tamez

Justices of the Peace

Precinct 1
 Precinct 2
 Precinct 3
 Precinct 4

Mary Placker
 David Johnson
 Harvey Stamper
 Howard Lulley

Constables

Precinct 1
 Precinct 2
 Precinct 3
 Precinct 4

John Holt
 Jim A. Vail
 Ray Myers
 Marvin Taylor

District Judges

2nd 9th district
 9th Judicial district
 258th district
 411th district

John Martin
 Fred Edwards
 Joe Ned Dean
 Robert Hill Trapp

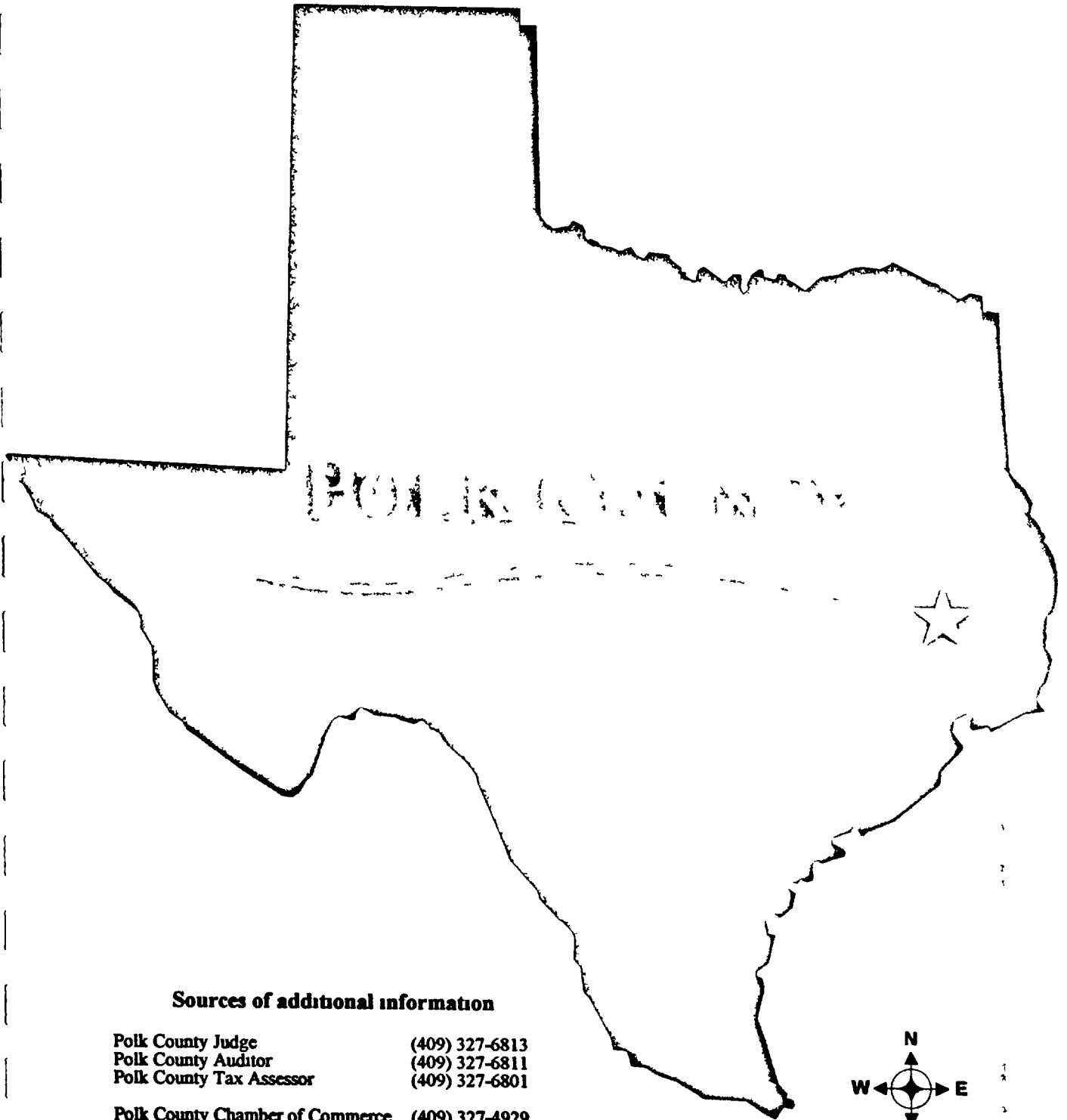
County Court-at-Law**County Surveyor**

Stephen Phillips
 James R. Lowe

Appointed Officials

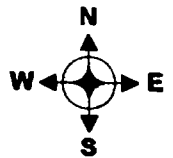
County Auditor
 Waste Management Director
 Emergency Management Coordinator
 Personnel Officer
 Aging Services Director
 Data Processing Manager
 Veterans Service Officer
 Maintenance Director
 Social Services Coordinator

Karen Rimmert
 James H. McAlister
 John McDowell Sr
 Betty Rundell
 Virginia Smith
 Steve Hullihen
 Glenn Clarke
 Elgin Davis
 Molly Locke



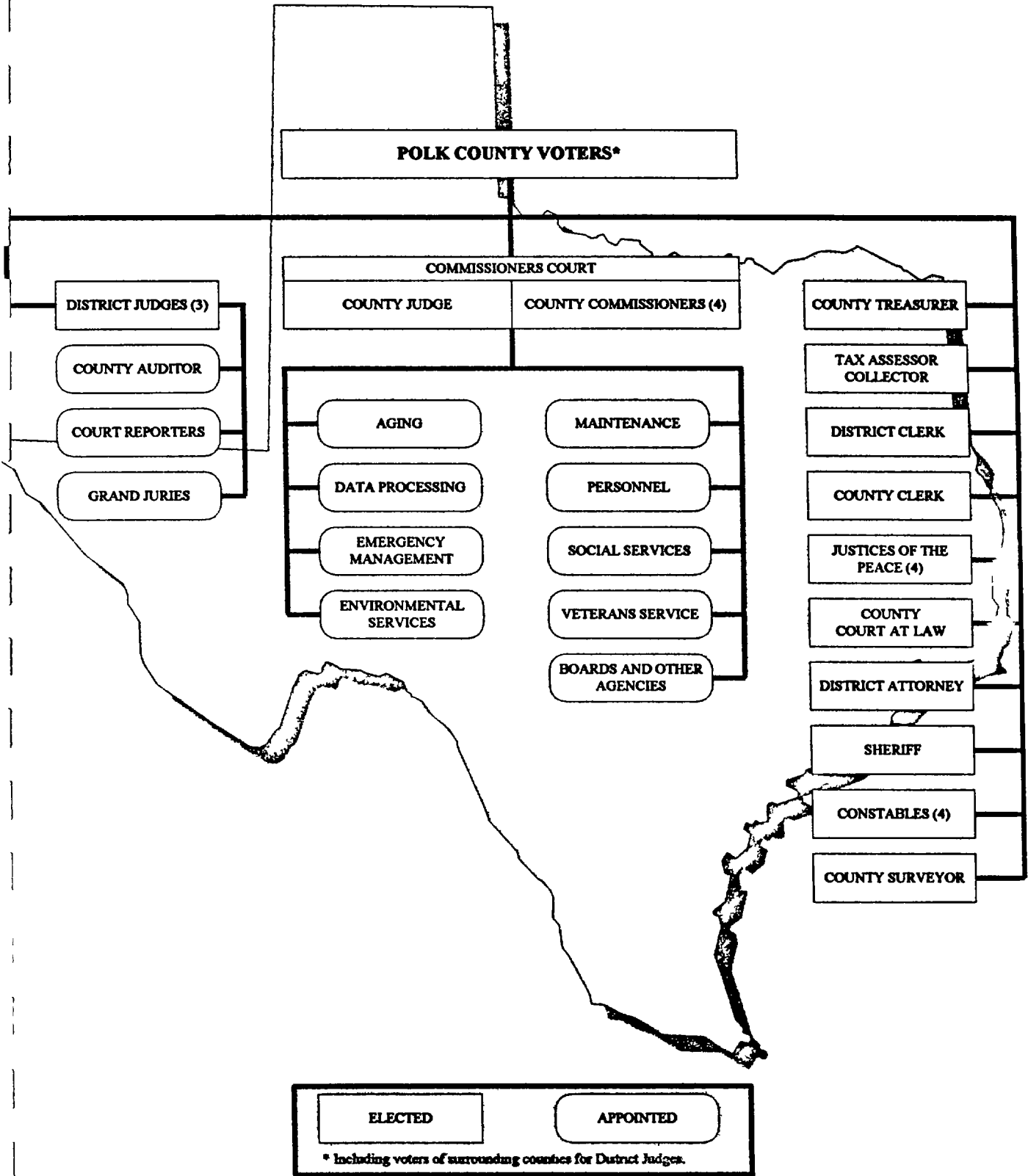
Sources of additional information

Polk County Judge	(409) 327-6813
Polk County Auditor	(409) 327-6811
Polk County Tax Assessor	(409) 327-6801
Polk County Chamber of Commerce (not affiliated with the County)	(409) 327-4929



POLK COUNTY, TEXAS ORGANIZATION CHART

September 30, 1996





KAREN REMMERT
County Auditor

POLK COUNTY
LIVINGSTON TEXAS

FINANCIAL STATEMENT RESPONSIBILITY

The Polk County Auditor is responsible for the preparation of the financial statements and supplemental information for the fiscal year ended September 30, 1996. The financial statements have been prepared in accordance with generally accepted accounting principles. The County Auditor is responsible for the integrity and objectivity of the data presented in the statements and schedules including the making of informed judgments and estimates of the expected effects of events and transactions that are not concluded by year end.

The management of the County is responsible for maintaining an internal control system designed to insure that the assets of the County are protected from loss or misuse and to provide reasonable assurance as to the integrity and reliability of the financial statements. The system of internal control provides for segregation of duties where possible and is documented by written policies and procedures. The Polk County Auditor's Office also has an internal audit function to review the operations of the County for effective internal control and compliance with statutory requirements. To the best of our knowledge, management has considered the Polk County Auditor internal auditor's recommendations concerning the County's system of internal control and has taken appropriate action to address these recommendations. County management believes that the County's internal control system is adequate to accomplish the objectives discussed above as of September 30, 1996.

The County's combined financial statements known as *the General Purpose financial Statements* have been audited by Larson, Stephens & Reimer, L.L.P., independent certified public accountants who were engaged by the Polk County Commissioners Court for the purpose of expressing an opinion on those financial statements. County management has made available to the independent auditors direct access to County officers and employees and all of the County's financial records and related data as well as the minutes of the Commissioners Court meetings. Polk County believes that all representations made to Larson, Stephens & Reimer, L.L.P. were valid and appropriate.

Karen Remmert
County Auditor

March 28, 1997



FINANCIAL SECTION



LAIRSON • STEPHENS • REIMER, L L P

*Trusted Business Advisors Since 1970***INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying general purpose financial statements of Polk County, Texas (the "County") as of and for the year ended September 30, 1996. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.


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 the Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. 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. 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the general purpose financial statements present fairly in conformity with generally accepted accounting principles the financial position of Polk County, Texas at September 30, 1996, and the results of operations and cash flows of its trust fund for the year then ended.

In accordance with Government Auditing Standards, we have also issued a report dated March 28, 1997 on our consideration of the Polk County's internal control structure and a report dated March 28, 1997 on its compliance with laws and regulations.

We were engaged to audit the general purpose financial statements for the purpose of forming an opinion on those statements taken as a whole. The combining, individual fund and account group financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of Polk County, Texas. Such additional information has been subject to the auditing procedures applied in our audit of the general purpose financial statements, and, in our opinion the combining and individual balance sheets are fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

Certified Public Accountants

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

The statistical information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the County. Such information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, accordingly we express no opinion on it.

Garrison, Stephens & Reimer, L.L.P.

Houston, Texas

March 28, 1997



**GENERAL PURPOSE
FINANCIAL STATEMENTS**

POLK COUNTY, TEXAS

COMBINED BALANCE SHEET
- ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 1996

	<u>GOVERNMENTAL FUND TYPES</u>			
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>
ASSETS AND OTHER DEBITS				
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 563,126	\$1,962,753	\$ 133,310	\$ 919,709
INVESTMENTS				
RECEIVABLES				
Taxes	657,745	178,796	229,026	
Accounts	45,440	55,564		
Intergovernmental	60,507			
DUE FROM OTHER FUNDS	19,032	47,538		
FIXED ASSETS				
OTHER DEBITS				
Amount available in debt service fund				
Amount to be provided for retirement of general long-term debt				
TOTAL ASSETS AND OTHER DEBITS	<u>\$1,345,850</u>	<u>\$2,244,651</u>	<u>\$ 362,336</u>	<u>\$ 919,709</u>

<u>FIDUCIARY FUND TYPES</u> <u>TRUST AND AGENCY</u>	<u>ACCOUNT GROUPS</u>		<u>TOTAL</u> <u>(MEMORANDUM ONLY)</u>
	<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG TERM DEBT</u>	
\$ 1,261,617			\$ 4,840,515
304,550			304,550
457			1,065,567
			101,461
			60,507
2,438			69,008
	\$ 9,709,412		9,709,412
		\$ 133,310	133,310
		<u>12,232,337</u>	<u>12,232,337</u>
<u>\$ 1,569,062</u>	<u>\$ 9,709,412</u>	<u>\$ 12,365,647</u>	<u>\$ 28,516,667</u>

See notes to financial statements.

POLK COUNTY, TEXAS

**COMBINED BALANCE SHEET - ALL FUND TYPES
AND ACCOUNT GROUPS**

September 30, 1996

	<u>GOVERNMENTAL FUND TYPES</u>			
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>
LIABILITIES, EQUITY AND OTHER				
LIABILITIES				
Accounts payable and accrued items	\$ 486,665	\$ 189,447		\$ 5,514
Other liabilities				
Due to other funds		63,537		
Due to other units				
Deferred revenues	657,745	178,796	\$ 229,026	
Compensated absences				
Notes payable				
Time warrants				
Certificates of obligation				
Landfill closure and post closure care costs				
Deferred compensation benefits payable				
TOTAL LIABILITIES	<u>1,144,410</u>	<u>431,780</u>	<u>229,026</u>	<u>5,514</u>
EQUITY AND OTHER CREDITS				
Investment in general fixed assets				
Fund balances				
Reserved for endowments/trust				
Unreserved				
Designated for future year's expenditures		1,812,871	133,310	914,195
Undesignated	<u>201,440</u>			
TOTAL EQUITY AND OTHER CREDITS	<u>201,440</u>	<u>1,812,871</u>	<u>133,310</u>	<u>914,195</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 1,345,850</u>	<u>\$ 2,244,651</u>	<u>\$ 362,336</u>	<u>\$ 919,709</u>

FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTAL
	GENERAL FIXED ASSETS	GENERAL LONG- TERM DEBT	(MEMORANDUM ONLY)
\$ 218			\$ 681 844
2,179			2 179
4 998			68 535
724 053			724 053
18,574			1 084 141
		\$ 52 733	52 733
		347 076	347 076
		1,590 838	1 590 838
		6 610 000	6 610 000
		3,765 000	3 765 000
<u>304,550</u>			<u>304,550</u>
1,054,572	0	12,365 647	15,230 949
	\$ 9 709 412		9 709,412
514,490			514,490
			2 860 376
			<u>201,440</u>
<u>514,490</u>	<u>9,709,412</u>	<u>0</u>	<u>13,285,718</u>
<u>\$1,569 062</u>	<u>\$ 9,709,412</u>	<u>\$ 12,365,647</u>	<u>\$ 28 516,667</u>

See notes to financial statements.

POLK COUNTY, TEXAS

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 AND EXPENDABLE TRUST FUND**

Year ended September 30, 1996

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT
REVENUES				
Taxes	\$ 4,774,369	\$ 2,253,358	\$ 1,233,513	
Fines and forfeitures	382,130	114,095		
Charges for services	831,278	1,027,911		
Intergovernmental	133,156	936,359		
Licenses and permits	55,382			
Interest	78,022	75,662	17,388	\$ 50,647
Other	311,904	662,741		
TOTAL REVENUES	6,566,241	5,070,126	1,250,901	50,647
EXPENDITURES				
Current				
General government	1,096,402	318,247		
Administration of justice	2,939,143	16,586		
Roads and bridges		2,952,222		
Health and human services	693,452	1,108,308		47,299
Tax administration	490,740			
General operating	698,039			
Other unclassified	646,880			
Capital outlay				126,398
Debt service				
Principal			1,016,588	
Interest and fiscal charges			572,047	
TOTAL EXPENDITURES	6,564,656	4,395,363	1,588,635	173,697
REVENUES OVER (UNDER) EXPENDITURES	1,585	674,763	(337,734)	(123,050)
OTHER FINANCING SOURCES (USES)				
Debt proceeds	538,247	409,344		
Operating transfers in	2,000	129,907	655,392	
Operating transfers out	(376,624)	(199,981)		(210,694)
	163,623	339,270	655,392	(210,694)
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	165,208	1,014,033	317,658	(333,744)
Fund balances (deficit) at beginning of year	36,232	798,838	(184,348)	1,247,939
FUND BALANCES AT END OF YEAR	\$ 201,440	\$ 1,812,871	\$ 133,310	\$ 914,195

<u>FIDUCIARY FUND TYPES</u> <u>EXPENDABLE TRUST</u>	<u>TOTAL</u> <u>(MEMORANDUM ONLY)</u>
\$ 28,241	\$ 8,261,240
	524 466
22 664	1 859 189
	1 092 179
21,166	55 382
<u>118,805</u>	242 885
	<u>1,093,450</u>
190,876	13 128 791
81,424	1 496 073
49 008	3 004 737
	2 952,222
	1 849 059
	490 740
	698 039
	646 880
	126 398
	1,016,588
	<u>572,046</u>
<u>130,432</u>	<u>12,852,782</u>
60,444	276 009
	947,591
	787,299
	<u>(787,299)</u>
	<u>947,591</u>
60,444	1,223,600
<u>129,509</u>	<u>2,028,170</u>
<u>\$ 189,953</u>	<u>\$ 3,251 770</u>

See notes to financial statements.

POLK COUNTY, TEXAS

**COMBINED STATEMENT OF REVENUES AND EXPENDITURES- BUDGET AND ACTUAL -
(BUDGET BASIS) GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS**

For the year ended September 30, 1996

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL (BUDGET BASIS)</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes	\$ 4 610,000	\$ 4,774,369	\$ 164,369
Fines and forfeitures	588 000	831,278	243,278
Charges for services	400 000	382 130	(17,870)
Intergovernmental	93 760	133 156	39,396
Licenses and permits	68 000	55,382	(12,618)
Interest	65 000	78 022	13,022
Miscellaneous	174 034	311 904	137 870
TOTAL REVENUES	<u>5 998,794</u>	<u>6,566,241</u>	<u>567,447</u>
EXPENDITURES			
Current			
General government	1 124,357	1,096,402	27,955
Administration of justice	3 022 907	2,939 143	83 764
Roads and bridges			
Health and human services	612,378	693 452	(81,074)
Tax administration	514 421	490,740	23 681
General operating	756,208	698 039	58,169
Other unclassified	133,506	125,844	7,662
Debt service			
Principal			
Interest and fiscal charges			
TOTAL EXPENDITURES	<u>6,163 777</u>	<u>6,043,620</u>	<u>120,157</u>
REVENUES OVER (UNDER) EXPENDITURES	(164 983)	522 621	687,604
OTHER FINANCING SOURCES (USES)			
Operating transfers in		2,000	2 000
Operating transfers out	(411,347)	(376 624)	34 723
	<u>(411,347)</u>	<u>(374,624)</u>	<u>36 723</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (576,330)</u>	<u>\$ 147,997</u>	<u>\$ 724,327</u>

SPECIAL REVENUE FUND (BUDGETED FUNDS ONLY)			DEBT SERVICE FUND		
BUDGET	ACTUAL (BUDGET BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
2,129,100	2,253,358	\$ 124,258	\$ 1,177,350	\$ 1,233,513	\$ 56,163
75,000	114,095	39,095			
839,689	1,027,911	188,222			
344,413	625,370	280,957			
		0			
15,000	60,942	45,942	15,000	17,388	2,388
	654,076	654,076			
<u>3,403,202</u>	<u>4,735,752</u>	<u>1,332,550</u>	<u>1,192,350</u>	<u>1,250,901</u>	<u>58,551</u>
143,689	125,247	18,442			
26,000	13,468	12,532			
2,439,654	2,542,875	(103,221)			
1,089,385	1,108,306	(18,921)			
			1,003,272	1,016,588	(13,316)
			562,002	572,047	(10,045)
<u>3,698,728</u>	<u>3,789,896</u>	<u>(91,168)</u>	<u>1,565,274</u>	<u>1,588,635</u>	<u>(23,361)</u>
(295,526)	945,856	1,241,382	(372,924)	(337,734)	35,190
124,000	129,907	5,907	528,510	655,392	126,882
(180,751)	(197,981)	(17,230)			
(56,751)	(68,074)	(11,323)	<u>528,510</u>	<u>655,392</u>	<u>126,882</u>
<u>\$ (352,277)</u>	<u>\$ 877,782</u>	<u>\$ 1,230,059</u>	<u>\$ 155,586</u>	<u>\$ 317,658</u>	<u>\$ 162,072</u>

See notes to financial statements

POLK COUNTY, TEXAS

**STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - NONEXPENDABLE TRUST FUND**

Year ended September 30, 1996

	<u>FIDUCIARY FUND TYPE NONEXPENDABLE TRUST</u>
Operating revenues	
Royalties	\$ 17,688
	<u>17,688</u>
NET INCOME	17,688
Fund balance at beginning of year	<u>306,849</u>
FUND BALANCE AT END OF YEAR	\$ 324,537

See notes to financial statements.

POLK COUNTY, TEXAS

STATEMENTS OF CASH FLOWS - NONEXPENDABLE TRUST FUND

Year ended September 30, 1996

	<u>FIDUCIARY</u> <u>FUND TYPE</u> <u>NONEXPENDABLE</u> <u>TRUST</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 17,688
Adjustments to reconcile operating income to net cash provided by operating activities	
Increase in other liabilities	(15,414)
	<u>2,274</u>
Cash balance at beginning of year	<u>324,700</u>
CASH AT END OF YEAR	\$ <u>326,974</u>

See notes to financial statements.

POLK COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

September 30, 1996

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Polk County, Texas ("County") have been prepared in conformity with generally accepted accounting principles ("GAAP") for local governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

A. REPORTING ENTITY

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

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

The County is not affiliated with any legally separate entities meeting the component unit criteria as defined by GASB and appropriately none are included within these financial statements. In prior years the Juvenile Probation and Adult Probation operations of the 258th Judicial District were included in the reporting entity. Additional information regarding these related organizations is presented in footnote IV G.

B. FISCAL PERIOD

The County changed its fiscal year from a calendar year to a fiscal year that will coincide with the County's tax year. This change was made for the purposes of simplifying the budget process and determination of the tax rate. The first period subject to the new year end was the period ending September 30, 1996.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

The County's accounts are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

POLK COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

September 30, 1996

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (continued)

The County has the following fund types and account groups

Governmental funds are used to account for the government's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e. when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

Governmental funds include the following fund types

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

The *Special Revenue Funds* account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

The *Debt Service Fund* accounts for the servicing of general long-term debt.

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital facilities.

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement.

The *expendable trust funds* are accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent.

POLK COUNTY, TEXAS**NOTES TO FINANCIAL STATEMENTS**

September 30, 1996

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION
(continued)**

The *nonexpendable trust fund* are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. Nonexpendable trust funds account for assets of which the principal may not be spent.

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

The *General Fixed Assets Account Group* is used to account for fixed assets.

The *General Long-Term Debt Account Group* is used to account for general long-term debt and certain other liabilities.

D ASSETS, LIABILITIES AND EQUITY**1 DEPOSITS AND INVESTMENTS**

The County's cash and cash equivalent are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. Investments are stated at cost or amortized cost, except for investments in the deferred compensation agency fund which are reported at market value.

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

- (a) obligations of the United States or its agencies and instrumentalities,
- (b) direct obligations of the State of Texas or its agencies and instrumentalities,
- (c) collateral mortgage obligations although significantly limited,
- (d) other obligations, the principal and interest on which are unconditionally guaranteed or insured or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities,
- (e) obligations of state, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm of not less than A or its equivalent,

POLK COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

September 30, 1996

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND EQUITY (continued)

1. DEPOSITS AND INVESTMENTS (continued)

- (f) certificates of deposit issued by state and national banks or savings and loan domiciled in Texas which are
- (1) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or
 - (2) secured by obligations of paragraphs (a) to (e) above and that have a market value of not less than the principal amount of the certificates but excluding certain mortgage backed securities,
- (g) fully collateralized repurchase agreements, bankers acceptance, commercial paper, mutual funds, guaranteed investment contracts and investment pools all of which are required to meet certain restrictive criteria.

2. RECEIVABLES AND PAYABLES

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

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

All trade receivables are shown net of an allowance for uncollectibles

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

The property tax calendar dates are:

- a. Levy date - October 1
- b. Due date - October 1
- c. Collection dates - October 1 through January 31
- d. Lien date - February 1

POLK COUNTY, TEXAS**NOTES TO FINANCIAL STATEMENTS**

September 30, 1996

I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**D ASSETS, LIABILITIES AND EQUITY (continued)****2. RECEIVABLES AND PAYABLES (continued)**

The County bills and collects its own taxes and those for certain government entities within the County. Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the Tax Assessor's Agency Fund. Tax collections deposited for the County are distributed on a periodic basis to the General, Road and Bridge, and Debt Service Funds of the County. This distribution is based upon the tax rate established for each fund by order of the Commissioners Court for the tax year for which the collections are made.

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

3 INVENTORIES AND PREPAIDS

The costs of governmental fund-type inventories are recorded as expenditures when purchased. In addition, certain payments to vendors reflect costs applicable to future accounting periods and are also recorded as expenditures when purchased.

4 RESTRICTED ASSETS

Certain assets of the County are classified as restricted assets because their use is restricted by various agreements.

5. FIXED ASSETS

Property, plant and equipment are stated at historical cost or estimated historical cost. Donated fixed assets are recorded at the fair market value on the date donated. Costs incurred for the purchase or construction of general fixed assets are recorded as capital outlay expenditures in the General, Special Revenue and Capital Projects Funds. All such costs are capitalized in the General Fixed Assets Account Group.

POLK COUNTY, TEXAS**NOTES TO FINANCIAL STATEMENTS**

September 30, 1996

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**D. ASSETS, LIABILITIES AND EQUITY (continued)****5. FIXED ASSETS (continued)**

Public domain fixed assets (roads, bridges, curbs and gutters, streets and sidewalks, lighting systems and similar assets that are immovable and of value only to the County) are not capitalized.

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

6. COMPENSATED ABSENCES

It is the County's policy to permit employees to accumulate earned but unused vacation, compensated time and sick pay benefits. Additionally, Sheriff Department employees are allowed to accumulate holidays. No liability is reported for unpaid accumulated sick leave since it does not vest. Vacation, compensation time and holiday pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for the long term portion.

7. LONG-TERM OBLIGATIONS

The County reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

8. FUND EQUITY

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

POLK COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

September 30, 1996

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D ASSETS, LIABILITIES AND EQUITY (continued)

9 "MEMORANDUM ONLY" CAPTIONS

The "Memorandum Only" captions on the columns of the combined statements mean totals are presented for overview informational purposes only and they do not fairly present financial position or results of operations for the County as a whole in conformity with GAAP. "Memorandum Only" columns do not include eliminations for interfund activity, and consolidated financial information is not presented.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The original budget is adopted by the Commissioners Court prior to the beginning of the fiscal year. The legal level of control is the expenditure account line item. The final amended budget is used in this report. Appropriations lapse at the end of the year except in the Road and Bridge Special Revenue Fund. Budgets are adopted for all funds except the Grant and Historical-Special Revenue Funds, and all trust funds. Budgets are adopted on a GAAP basis for all funds except for the general fund and capital project funds. Project length budgets are adopted for capital project funds. Several supplemental budget appropriations were made for the year ended September 30, 1996.

Encumbrances represent the estimated amount of expenditures ultimately to result when unperformed contracts (in progress at year-end) are completed. Such encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities.

B. BUDGET BASIS RECONCILIATION

The following schedule reconciles the amounts on the Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual to the amounts on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances for the Special Revenue Funds

	GENERAL FUND	SPECIAL REVENUE
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 165,208	\$ 1,014,033
Proceeds of debt	(538,247)	(409,344)
Capital outlay from debt proceeds	521,036	409,344
Less operational results of unbudgeted funds	<u> </u>	<u>(136,251)</u>
BUDGET BASIS - REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ 147,997</u>	<u>\$ 877,782</u>

POLK COUNTY, TEXAS**NOTES TO FINANCIAL STATEMENTS**

September 30, 1996

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**C. DEFICIT FUND EQUITY**

The individual funds noted below had a deficit fund balance at September 30, 1996 as indicated.

County Records Management	\$ 18,602
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D. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 1996, expenditures exceeded appropriations as follows

General Fund	
Other commissioners court	\$ 9,680
Health and welfare	\$ 83,596
Road and Bridge	\$ 12,794
Aging	\$ 18,921
Hotel/Motel tax	\$ 5,858

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**A. DEPOSITS AND INVESTMENTS**

At year end, the carrying amount of the County's deposits was \$1,523,434 and the bank balance was \$1,438,728. The bank balance was covered by federal depository insurance and by collateral held in the pledging financial institutions' trust department in the County's name.

Cash temporarily idle during the year was invested in Texas Local Government Investment Pool (TexPool). TexPool was established as a Trust Company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments and activities of the Trust Company. This investment is not subject to categorization of credit risk since it is an investment pool managed by another government.

POLK COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

September 30, 1996

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS, (continued)

A. DEPOSITS AND INVESTMENTS, (continued)

At year end, the County's investment balances were as follows.

	<u>Categories</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Investments not subject to categorization					
TexPool				\$ 3,317,081	\$ 3,317,081
Deferred Compensation Mutual Fund				\$ 304,550	\$ 304,550

B. INTERFUND RECEIVABLE/PAYABLE

The following is a summary of interfund balances at September 30, 1996

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Payroll Clearing	\$ 3,033
General	Records Management	15,999
Available School	Permanent School	2,438
Lateral Road	Road & Bridge	47,538
	TOTAL	\$ 69,008

C. CHANGES IN FIXED ASSETS

The changes in general fixed assets during the year ended September 30, 1996 were summarized as follows

	<u>Balance Sept. 30, 1995</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Sept. 30, 1996</u>
Land	\$ 344,765			\$ 344,765
Buildings	2,539,007			2,539,007
Improvements	1,057,206			1,057,206
Equipment	4,236,423	1,532,011		5,768,434
TOTAL	\$ 8,177,401	\$ 1,532,011	\$ 0	\$ 9,709,412

POLK COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

September 30, 1996

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

D. LONG-TERM DEBT

A summary of the County's certificates of obligations, time warrants and notes payable debt service requirements, including interest are as follows

<u>FISCAL YEAR</u>	<u>CERTIFICATES OF OBLIGATION</u>	<u>TIME WARRANTS</u>	<u>NOTES</u>	<u>TOTAL</u>
1997	\$ 898,966	\$ 741,285	\$ 114,068	\$ 1,754,319
1998	890,425	504,482	99,541	1,494,448
1999	901,612	326,202	82,979	1,310,793
2000	894,415	119,576	81,746	1,095,737
2001	889,890	113,521	6,669	1,010,080
2002	905,570			905,570
2003	903,550			903,550
2004	895,275			895,275
2005	749,200			749,200
2006	507,750			507,750
2007	206,625			206,625
2008	222,000			222,000
2009	211,000			211,000
	<u>9,076,278</u>	<u>1,805,066</u>	<u>385,003</u>	<u>11,266,347</u>
Less amount representing interest	<u>2,466,278</u>	<u>214,228</u>	<u>37,927</u>	<u>2,718,433</u>
TOTAL	<u>\$ 6,610,000</u>	<u>\$ 1,590,838</u>	<u>\$ 347,076</u>	<u>\$ 8,547,914</u>

POLK COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

September 30, 1996

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

D LONG-TERM DEBT (continued)

The summary of all long-term debt of the County as of September 30, 1996 is as follows

	Interest Rates	Original Issue	Balance at Sept. 30, 1996
NOTES PAYABLE			
IBM equipment note	5 72-6 78	460,779	\$ 347,076
			TOTAL NOTES PAYABLE
			<u>\$ 347,076</u>
TIME WARRANTS			
Series 1988	9 36-9 5	n/a	\$ 88,630
Series 1989	7 15-9 5	n/a	412,235
Series 1991	7 -7 5	n/a	27,421
Series 1992	5 95	n/a	100,376
Series 1995	5 0-6 25	n/a	105,190
Series 1995	5 75-6 75	n/a	151,898
Series 1996	5 75-6 75	n/a	705,088
			TOTAL TIME WARRANTS
			<u>\$ 1,590,838</u>
CERTIFICATES OF OBLIGATION			
C O Series 1990	6 7-9 5	\$2,000,000	\$ 1,450,000
C O Series 1986	6 6-7 8	2,000,000	600,000
Tax and Solid Waste Revenue			
Series 1991	5 5-8 5	2,500,000	2,025,000
1995 Tax and Solid Waste Revenue			
System Surplus Revenue	5 62	2,050,000	1,950,000
C O Series 1995	5 16	625,000	585,000
			TOTAL CERTIFICATES OF OBLIGATION
			<u>\$ 6,610,000</u>

POLK COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

September 30, 1996

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

D. LONG-TERM DEBT (continued)

During the year ended September 30, 1996, the following changes occurred in liabilities reported in the general long-term account group

	Balance Jan. 1, 1996	Additions	Reductions	Balance Sept 30, 1996
Compensated absences	\$ 80,054		\$ 27,321	\$ 52,733
Notes payable	245,770	\$ 218,843	117,537	347,076
Time warrants	1,344,366	705,088	458,616	1,590,838
Certificates of Obligation	7,075,000		465,000	6,610,000
Landfill closure and post closure care costs liability	3,250,000	515,000		3,765,000
TOTAL	\$ 11,995,190	\$ 1,438,931	\$ 1,068,474	\$ 12,312,914

The County is not obligated in any manner for special assessment debt.

IV OTHER INFORMATION

A. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the county carries commercial insurance.

In addition, the County participates along with 338 other entities in the Texas Association of Counties Workers' Compensation Self-Insurance Fund created by the Texas Association of Counties in 1974 to insure the County for worker compensation related claims.

Liabilities are reported by the County when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The liability for claims and judgments is reported in the general long-term debt account group because it is not expected to be liquidated with expendable available financial resources. However, none are reported at September 30, 1996.

POLK COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

September 30, 1996

IV OTHER INFORMATION (continued)

B CONTINGENT LIABILITIES

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

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

C. LANDFILL CLOSURE AND POST CLOSURE CARE COST

Current regulations of the Texas Natural Resource Conservation Commission (TNRCC) and Environmental Protection Agency (EPA) require the County to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure costs will be paid only near or after the date that the landfill stops accepting waste, the County is required to recognize a portion of the landfill closure and post closure care liability each year. Recognition of the liability is based on the landfill capacity used to date. The operations of the landfill are presently recorded in the Environmental Service Fund, one of the special revenue funds used by the County. Only current expenditures are recognized in this fund type, therefore the long-term liability is recognized in the General Long Term Debt Account Group and has no effect on the current operating statements.

The County has estimated closure and post closure care costs in an application for a permit amendment submitted to the TNRCC during 1995. Prior to this date the County had not formally estimated closure and post closure costs based on new EPA regulations. In the documents submitted to the TNRCC the County estimated the cost of closure at \$200,000 assuming 2.75 acres of the landfill is uncovered at the time of closure and that the work is performed by a third party. The County estimated that the post closure care costs would be \$106,900 annually. Additionally the County estimated an annual contingency of \$50,000 for methane/groundwater remediation. Based on the subsequent discovery of methane gas it appears reasonably possible that the County will incur the additional costs related to methane remediation and monitoring. Using the data submitted by the County the estimated total cost of closure and post closure care under permits and regulations currently in effect is \$4,907,000.

POLK COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

September 30, 1996

IV OTHER INFORMATION (continued)

C. LANDFILL CLOSURE AND POST CLOSURE CARE COST (continued)

The \$3,765,000 reported as landfill closure and post closure care liability at September 30, 1996, is based on the use of 76% of the estimated capacity of the landfill. The estimated used capacity of the landfill at September 30, 1995 was 24% a reduction of 7%, resulting in an increase to the accrued liability of \$515,000. The County will recognize the remaining estimated cost of closure and post closure care of \$1,142,000 as the remaining estimated capacity is filled. Based on the current rate of materials deposited, the life of the landfill is 3.8 years.

The estimated costs are based on what it would cost to perform all closure and post closure care in 1995 and do not include provisions for inflation. Based on the current permit the County expects to close the landfill in 2000. Monitoring would begin on this date and would continue for the next thirty years. The County expects that future inflation costs will be paid from interest earnings on accumulated landfill earnings. However, if interest earnings are inadequate or additional post closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.

The County is not currently required to make contributions to a trust fund to finance closure and post closure costs. However, the County originally identified \$500,000 of the 1994 Tax and Solid Waste certificates of obligation for closure and post closure care costs. As of September 30, 1996 the County had not established a separate account for this money or for the accumulation of additional contributions to fund these costs. The County intends to fund the deficiency in amounts currently available and the total estimated costs with user charges over the remaining life of the current landfill and possible future landfills.

The County hopes to minimize the costs that would ultimately be incurred related to closure of the landfill by utilizing County personnel and equipment. If the County continues to operate a facility next to the existing landfill, it is possible that the County may be able to achieve efficiencies not included within the current cost estimates. The County is currently trying to amend the permit for the property adjacent to the landfill. Additionally, if the current permit is amended then the County would be able to delay monitoring and associated expenses until the end of the life of the new amended permitted landfill site.

The current effect of the increase in the landfill closure and post closure care costs on operations of the Waste Management Fund is as follows:

Total Waste Management (Special Revenue Fund)	
operating expenditures	\$ 622,005
Increase in landfill closure and post closure care costs	515,000
	<u>\$ 1,137,005</u>

POLK COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

September 30, 1996

IV OTHER INFORMATION (continued)

D DEFERRED COMPENSATION PLAN (continued)

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time County employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the participant or beneficiary) solely the property of the County subject only to the claims of the County's general creditors. Participant's rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the County's legal counsel that the County has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The County believes it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

E. EMPLOYEE RETIREMENT SYSTEM

Plan Description

The County provides pension, disability, and death benefits for all of its full-time employees through a nontraditional, joint contributory, defined contribution plan in the state-wide Texas County and District Retirement (TCDRS), one of over 450 administered by TCDRS, an agent multiple-employer public employee retirement system. It is the opinion of the TCDRS management that the plans in the TCDRS are substantially defined contribution plans, but they have elected to provide additional voluntary disclosure to help foster a better understanding of some of the nontraditional characteristics of the plan.

Under the state law governing TCDRS since 1991, the county has had the option of selecting the plan by benefits to provide in the future, while at the same time considering the level of the employer contribution rate required to adequately finance the plan. Effective January 1, 1995 the county adopted an annually determined contributed rate plan, for which the employer contribution rate is actuarially determined as a part of the annual actuarial valuation. The rate, applicable for a calendar year, consists of the normal cost contribution rate plus the rate required to amortize the unfunded actuarial liability over the remainder of the plan's 25-year amortization period which began January 1, 1995 using the entry age actuarial cost method. Monthly contributions by the employer are based on the covered payroll and the employer contribution rate in effect. The rate, 6.70% for 1995, may vary from year to year.

POLK COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

September 30, 1996

IV. OTHER INFORMATION (continued)

E. EMPLOYEE RETIREMENT SYSTEM (continued)

The plan provisions are adopted by the governing body of the county, within the options available in the state statutes governing TCDRS. Members can retire at ages 60 and above with 8 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 75 or more. A member is vested after 8 years but must leave his accumulated contributions in the plan. If a member withdraws his personal contributions in a lump-sum, he is not entitled to any amounts contributed by the employer.

The contribution rate payable by all employee members is 7% as adopted by the governing body of the county. Monthly contributions by each member are based on the member's covered compensation and the employee contribution rate. The member's contributions are credited with interest at a rate determined each December by the TCDRS Board of Trustees according to governing state law. Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and the employer-financed monetary credits, with interest. The level of these monetary credits is adopted by the governing body of the county. The county's current benefit plan provides for employer-financed monetary credits for service since the plan began of 220% of the employee's accumulated contributions and for employer-financed monetary credits for service before the plan began of 160% of a theoretical amount equal to twice what would have been contributed by the employee, with interest, prior to establishment of the plan. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions and the employer-financed monetary credits were used to purchase an annuity within TCDRS.

Payroll and Contribution Information

The County's total payroll in calendar year 1996 was \$4,457,182 and the County's contributions were based on a covered payroll of \$4,352,953. Employer and employee contributions for the year were made as required and are detailed below. Employee contributions may include the purchase of credits for military or legislative service or the buyback of previously forfeited service credit. There were no related-party transactions.

	Contribution Amounts (Rates)		
	Total	Normal Costs	Prior Service
Employee	\$ 284,909 (7%)	n/a	n/a
Employer	272,754 (6.7%)	\$ 269,090 (6.61%)	\$ 3,664 (0.9%)

POLK COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

September 30, 1996

IV OTHER INFORMATION (continued)

E. EMPLOYEE RETIREMENT SYSTEM (continued)

Voluntary Additional Disclosure

Even though the substance of the county's plan is not to provide a defined benefit in some form, some additional voluntary disclosure is appropriate due to the nontraditional (for a defined contribution plan) existence of an unfunded pension benefit obligation in earlier years and employer-financed monetary credits in excess of 100% of the employee's personal contribution. Part of the county's contribution is the normal cost, while the remaining portion is to amortize the unfunded actuarial liability.

Statement No. 5 of the Governmental Accounting Standards Board (GASB 5) defines pension benefit obligation as a standardized disclosure measure of the actuarial present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of public employee pension plans, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee pension plans.

The pension benefit obligation shown below is similar in nature to the standardized disclosure measure required by GASB 5 for defined benefit plans except that there is no need to project salary increases since the benefit credits earned for service to date are not dependent upon future salaries. The calculations were made as part of the annual actuarial valuation as of December 31, 1995. Significant actuarial assumptions used to compute the actuarially determined contribution requirements in that valuation are the same as those used to compute the pension benefit obligation. Because of the money-purchase nature of the plan, the interest rate assumptions, currently 9% and 7% per year with a weighted average of 8%, do not have as much impact on the results as for a defined benefit plan. An annual rate of 9% is used for calculating the actuarial liability and normal cost contribution rate. For accumulating existing monetary credits after the valuation date, an annual rate of 7% is assumed, 2% lower than the 9% assumption in recognition of the statutory interest allocation method. Market value assets is not determined separately for each plan, but the market value of assets for TCDRS as a whole was 111.0% of book value as of December 31, 1995.

<u>Pension Benefit Obligation</u>	
Annuitants currently receiving benefits	\$ 534,598
Terminated employees	1,451,419
Current employees	
Accumulated employee contributions including	
allocated invested earnings	2,047,173
Employer-financed vested	2,340,488
Employer-financed nonvested	<u>380,337</u>
Total Pension Benefit Obligation	6,754,015
Net Assets Available for Benefits, at Book Value	<u>8,293,109</u>
Assets in Excess of Pension Benefit Obligation	<u>\$ 1,539,094</u>

POLK COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

September 30, 1996

IV. OTHER INFORMATION (continued)

E. EMPLOYEE RETIREMENT SYSTEM (continued)

Trend Information

	NET ASSETS AVAILABLE FOR BENEFITS	PENSION BENEFIT OBLIGATION	PERCENTAGE FUNDED	UNDER (OVER) FUNDED PENSION BENEFIT OBLIGATION	ANNUAL COVERED PAYROLL	UNFUNDED PENSION BENEFIT OBLIGATION AS A PERCENTAGE OF COVERED PAYROLL
1986	\$ 2,249,235	\$ 2,526,339	89.03 %	\$ 277,104	A	A
1987	2,249,235	2,526,339	89.03 %	276,104	\$ 2,873,901	9.61 %
1988	2,975,756	3,266,741	91.09 %	290,985	2,685,672	10.83 %
1989	3,553,696	3,624,611	98.04 %	70,915	A	A
1990	4,100,780	3,475,136	118.00 %	(625,644)	2,938,140	(21.29) %
1991	4,988,672	4,200,334	118.77 %	(788,338)	3,252,101	(24.24) %
1992	5,698,351	4,707,315	121.05 %	(991,036)	A	A
1993	6,669,890	5,634,653	118.37 %	(1,035,237)	3,562,764	(29.06) %
1994	7,448,515	6,210,309	119.94 %	(1,238,206)	4,191,723	(25.84) %
1995	8,293,109	6,754,015	122.78 %	(1,539,094)	4,352,953	(35.36) %

A = Information not available

F. HOSPITAL LEASE

The County entered into a lease agreement and related agreements with Memorial Health Systems of East Texas for their subsidiary, Memorial Hospital of Polk County (MHPC) to lease the Polk County Memorial Hospital (the Hospital) effective July 1, 1995. Pursuant to such lease and related agreements, MHPC would repair, maintain, renovate, equip and operate the Hospital at a specified level of service and use its best efforts to build a new hospital.

As part of these agreements, MHPC would, among other things, lease the hospital and certain hospital equipment, acquire certain hospital contract rights, purchase the inventory and supplies on hand at the Hospital, have the option to purchase leased equipment and trade in old equipment for new equipment. In addition, MHPC would have to provide certain levels of inpatient and outpatient services, including services to medically indigent residents of the County.

POLK COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

September 30, 1996

IV OTHER INFORMATION (continued)

F HOSPITAL LEASE (continued)

The County assigned responsibility for the collections of accounts receivable for services provided prior to July 1, 1995 to MHPC. The receipts generated are restricted for use under the terms of the collection agreement. Funds available after paying certain contractual costs are to be used to satisfy the County's escrow account requirements for the Renovations Account, Physician Recruitment Account, Equipment Account and the New Facility Account. The County's escrow accounts are to be used to make repairs and improvements, develop and build the new hospital, purchase equipment and recruit additional physicians.

The lease of the hospital facility and related equipment is the form of an operating lease and capital lease, respectively, and calls for payments of \$1 per year for the term of the lease commencing July 1, 1994 through June 30, 1999.

G JOINTLY GOVERNED AND RELATED ORGANIZATIONS

The Adult Probation and Juvenile Probation divisions are operated as a combined department doing business as the 258th Community Supervision and Correction Department (C S C D). Each division is governed by a different board although the District Judges preside on both boards. The 258th C S C D services the counties of Polk, San Jacinto and Trinity. Each County is required to provide office space for the operations of the Department. Substantially all of the Department's funding is provided by the State. Approximately 10% of the Juvenile Probation division's budget is provided by the participating counties.

The Juvenile Probation Board consists of the Polk County Judge and the County Court-at-law Judge from Polk County, along with three District Judges and County Judges from San Jacinto and Trinity County. The Adult Probation Department's board consists of three District Judges and the County Court-at-law Judge from Polk County. The Polk County Auditor serves as Department's fiscal officer.

The Department and its divisions are considered to be legally separate from Polk County. In addition, Polk County is not able to appoint a voting majority to either of the division's boards or otherwise able to impose its will. The divisions are not fiscally dependent on Polk County since the County's approval's are ministerial in nature. While the Department's divisions are closely affiliated with Polk County, they are not considered to be part of the reporting entity, i.e., component units of Polk County.



**INDIVIDUAL FUND AND ACCOUNT
GROUP STATEMENTS AND
SCHEDULES**



GENERAL FUND

The *General Fund* is used to account for resources traditionally associated with the County, for which a separate fund has not been established.

POLK COUNTY, TEXAS

GENERAL FUND

STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(BUDGET BASIS)

For the year ended September 30, 1996

	1996		
	BUDGET	ACTUAL (BUDGET BASIS)	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ 4,610,000	\$ 4,774,369	\$ 164,369
Charges for services	588,000	831,278	243,278
Fines and forfeitures	400,000	382,130	(17,870)
Intergovernmental	93,760	133,156	39,396
Licenses and permits	68,000	55,382	(12,618)
Interest	65,000	78,022	13,022
Other	174,034	311,904	137,870
	<u>5,998,794</u>	<u>6,566,241</u>	<u>567,447</u>
EXPENDITURES			
General Government			
County Judge	95,095	93,765	1,330
Commissioners Court	134,599	144,279	(9,680)
County Clerk	175,399	173,762	1,637
County Treasurer	71,680	71,680	0
County Auditor	128,436	126,445	1,991
Data Processing	121,124	107,105	14,019
Personnel	34,206	31,247	2,959
Maintenance	174,941	165,952	8,989
Fire Department Support	94,652	93,001	1,651
Emergency Management	94,225	89,166	5,059
TOTAL GENERAL GOVERNMENT	<u>1,124,357</u>	<u>1,096,402</u>	<u>27,955</u>
Administration of Justice			
Judicial	108,760	101,371	7,389
Jury	261,856	261,856	0
County Court-at-Law	188,719	182,901	5,818
District Clerk	167,155	163,661	3,494
Justice of the Peace Pct. 1	53,916	53,063	853
Justice of the Peace Pct. 2	59,935	56,806	3,129
Justice of the Peace Pct. 3	67,586	66,820	766
Justice of the Peace Pct. 4	60,001	60,001	0
District Attorney	238,609	207,931	30,678
Sheriff	1,124,163	1,113,416	10,747
Jail	687,983	669,271	18,712
Constables	4,224	2,046	2,178
TOTAL ADMINISTRATION OF JUSTICE	<u>3,022,907</u>	<u>2,939,143</u>	<u>83,764</u>

POLK COUNTY, TEXAS

GENERAL FUND

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(BUDGET BASIS)**

For the year ended September 30, 1996

	1996		
	BUDGET	ACTUAL (BUDGET BASIS)	VARIANCE- FAVORABLE (UNFAVORABLE)
Health and Human Services			
Health & Welfare	\$ 464,734	\$ 548,330	\$ (83,596)
Library	19,854	19,854	0
Social Services	62,294	60,494	1,800
Veterans Services	23,828	23,106	722
County Extension	41,668	41,668	0
TOTAL HEALTH AND HUMAN SERVICES	612,378	693,452	(81,074)
Tax Administration			
Appraisal District	127,900	127,464	436
Tax Assessor Collector	386,521	363,276	23,245
TOTAL TAX ADMINISTRATION	514,421	490,740	23,681
General operating	756,208	698,039	58,169
Other unclassified	133,506	125,844	7,662
	889,714	823,883	65,831
TOTAL EXPENDITURES	6,163,777	6,043,620	120,157
REVENUES OVER (UNDER) EXPENDITURES	(164,983)	522,621	687,604
OTHER FINANCING SOURCES (USES)			
Operating transfer in		2,000	2,000
Operating transfer out	(411,347)	(376,624)	34,723
	(411,347)	(374,624)	36,723
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	\$ (576,330)	\$ 147,997	\$ 724,327



SPECIAL REVENUE FUNDS

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following is a brief discussion of the various types of Special Revenue Funds utilized by the Polk County:

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

Lateral Road Fund - Funds received from the State of Texas for the County's portion of the State's Lateral Road Fund are recorded in this fund, as well as the expenditure of such funds as restricted by the State.

Waste Management Fund - This fund has been established by the County to account for all revenues generated from the County's environmental related services. Revenues included fees collected for the disposal and storage of solid waste, permits and inspection fees, for items such as septic systems, as well as penalties assessed for instances of noncompliance. Expenses are limited to the cost of providing environmentally related services.

(continued)

Law Library Fund - This fund accounts for revenues and expenditures to maintain a county law library at the County seat. Commissioners court has established a fee for each civil case filed in the County or District Court. The Clerks of the respective courts are responsible for collecting such fees and expenditures from the fund are at the discretion of the Commissioner's Court.

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

County Records Management Fund - Fees collected by the District Clerk and County Clerk at Law as approved by the Texas Legislature are account for in this fund. The requests to expend funds collected are addressed to Commissioner's Court and are only used for specific records management and automation projects, with Commissioners Court approval.

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

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

Grant Fund - Various grants received by the County which are not reported in a separate fund are included in the grant fund.

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

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

POLK COUNTY, TEXAS

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

September 30, 1996

ASSETS	ROAD AND BRIDGE	LATERAL ROAD	WASTE MANAGE- MENT	COURT- HOUSE SECURITY	LAW LIBRARY	AGING
Cash and cash equivalents	\$ 625,948		\$ 793,991	\$ 44,834	\$ 15,826	\$ 73,456
Taxes receivable	178,796					
Accounts receivable						55,564
Due from other fund		\$ 47,538				
TOTAL ASSETS	\$ 804,744	\$ 47,538	\$ 793,991	\$ 44,834	\$ 15,826	\$ 129,020
LIABILITIES AND FUND						
Liabilities						
Accounts payable	\$ 111,975		\$ 33,832		\$ 3,542	\$ 31,210
Due to other fund	47,538					
Deferred tax revenue	178,796					
TOTAL LIABILITIES	338,309		33,832		3,542	31,210
Fund Balances (deficit)						
Reserved	466,435	\$ 47,538	760,159	\$ 44,834	12,284	97,810
TOTAL LIABILITIES AND AND FUND BALANCES	\$ 804,744	\$ 47,538	\$ 793,991	\$ 44,834	\$ 15,826	\$ 129,020

COUNTY RECORDS MANAGEMENT	COUNTY CLERK RECORDS PRESERVATION	GRANT	HOTEL/ MOTEL TAX	HISTORICAL COMMISSION	TOTAL
\$ 255	\$ 46,976	\$ 128,711	\$ 7,431	\$ 225,325	\$ 1,962,753
					178,796
					55,564
					47,538
<u>\$ 255</u>	<u>\$ 46,976</u>	<u>\$ 128,711</u>	<u>\$ 7,431</u>	<u>\$ 225,325</u>	<u>\$ 2,244,651</u>
\$ 2,858	\$ 5,085	\$ 945			\$ 189,447
15,999					63,537
					178,796
18,857	0	0	0	0	431,780
<u>(18,602)</u>	<u>41,891</u>	<u>\$ 127,766</u>	<u>7,431</u>	<u>\$ 225,325</u>	<u>1,812,871</u>
<u>\$ 255</u>	<u>\$ 41,891</u>	<u>\$ 127,766</u>	<u>\$ 7,431</u>	<u>\$ 225,325</u>	<u>\$ 2,244,651</u>

POLK COUNTY, TEXAS

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

Year ended September 30, 1996

	ROAD AND BRIDGE	LATERAL ROAD	WASTE MANAGE- MENT	COURT- HOUSE SECURITY	LAW LIBRARY	AGING
REVENUES						
Taxes	\$ 2,227,471					
Intergovernmental	175,650	\$ 43,329	\$ 9,652			\$ 396,739
Charges for services			944,613		\$ 11,880	
Fines and forfeitures	95,185			\$ 18,910		
Interest	28,170		30,296			
Other	640,981		6,840			5,505
TOTAL REVENUES	3,167,457	43,329	991,401	18,910	11,880	402,244
EXPENDITURES						
General government						
Administration of justice				2,487	10,982	
Roads and bridges	2,934,578	17,644				
Health and human services			622,005			486,303
TOTAL EXPENDITURES	2,934,578	17,644	622,005	2,487	10,982	486,303
REVENUES OVER (UNDER) EXPENDITURES	232,879	25,685	369,396	16,423	898	(84,059)
OTHER FINANCING SOURCES SOURCES (USES)						
Debt proceeds	409,344					
Operating transfers in						129,907
Operating transfers out	(197,981)					
	<u>211,363</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>129,907</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	444,242	25,685	369,396	16,423	898	45,848
Fund balances (deficit) at beginning of year	22,193	21,853	390,763	28,411	11,386	51,962
FUND BALANCES AT END OF YEAR (DEFICIT)	\$ 466,435	\$ 47,538	\$ 760,159	\$ 44,834	\$ 12,284	\$ 97,810

COUNTY RECORDS MGMT	COUNTY CLERK RECORDS PRESERVATION	GRANT	HOTEL/MOTEL TAX	HISTORICAL COMMISSION	TOTAL
		\$ 310,989	\$ 25,887		\$ 2,253,358
\$ 7,681	\$ 63,737				936,359
	2,476	3,147			1,027,911
			750	\$ 11,573	114,095
				8,665	75,662
<u>7,681</u>	<u>66,213</u>	<u>314,136</u>	<u>26,637</u>	<u>20,238</u>	<u>5,070,126</u>
15,701	78,689	192,999	30,858		318,247
				3,117	16,586
					2,952,222
					<u>1,108,308</u>
<u>15,701</u>	<u>78,689</u>	<u>192,999</u>	<u>30,858</u>	<u>3,117</u>	<u>4,395,363</u>
(8,020)	(12,476)	121,137	(4,221)	17,121	674,763
					409,344
					129,907
		(2,000)			(199,981)
<u>0</u>	<u>0</u>	<u>(2,000)</u>	<u>0</u>	<u>0</u>	<u>339,270</u>
(8,020)	(12,476)	119,137	(4,221)	17,121	1,014,033
<u>(10,582)</u>	<u>54,367</u>	<u>8,629</u>	<u>11,652</u>	<u>208,204</u>	<u>798,838</u>
<u>\$ (18,602)</u>	<u>\$ 41,891</u>	<u>\$ 127,766</u>	<u>\$ 7,431</u>	<u>\$ 225,325</u>	<u>\$ 1,812,871</u>

POLK COUNTY, TEXAS

ROAD AND BRIDGE SPECIAL REVENUE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

Year ended September 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes	\$ 2,104,100	\$ 2,227,471	\$ 123,371
Intergovernmental		175,650	175,650
Fines and forfeitures	75,000	95,185	20,185
Interest	15,000	28,170	13,170
Miscellaneous		640,981	640,981
		<u>3,167,457</u>	<u>973,357</u>
TOTAL REVENUES	2,194,100	3,167,457	973,357
EXPENDITURES			
Roads and bridges	2,512,440	2,525,234	(12,794)
		<u>2,525,234</u>	<u>(12,794)</u>
TOTAL EXPENDITURES	2,512,440	2,525,234	(12,794)
REVENUES OVER (UNDER) EXPENDITURES	(318,340)	642,223	986,151
OTHER FINANCING SOURCES SOURCES (USES)			
Operating transfers out	(180,751)	(197,981)	(17,230)
	<u>(180,751)</u>	<u>(197,981)</u>	<u>(17,230)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (499,091)</u>	444,242	<u>\$ 968,921</u>
Fund balance at beginning of year		<u>22,193</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 466,435</u>	

POLK COUNTY, TEXAS

LATERAL ROAD SPECIAL REVENUE FUND

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

Year ended September 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Intergovernmental	\$ 43,334	\$ 43,329	\$ (5)
TOTAL REVENUES	43,334	43,329	(5)
EXPENDITURES			
Roads and bridges	47,784	17,644	30,140
TOTAL EXPENDITURES	47,784	17,644	30,140
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (4,450)</u>	25,685	<u>\$ (30,145)</u>
Fund balance at beginning of year		<u>21,853</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 47,538</u>	

POLK COUNTY, TEXAS

WASTE MANAGEMENT SPECIAL REVENUE FUND

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

Year ended September 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Intergovernmental		\$ 9 652	\$ 9 652
Charges for services	\$ 750,000	944 613	194 613
Interest		30,296	30,296
Miscellaneous		6,840	6,840
		<u> </u>	<u> </u>
TOTAL REVENUES	750,000	991,401	241,401
EXPENDITURES			
Health and human services	<u>753,625</u>	<u>622,005</u>	<u>131,620</u>
TOTAL EXPENDITURES	<u>753,625</u>	<u>622,005</u>	<u>131,620</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (3,625)</u>	369,396	<u>\$ 373,021</u>
Fund balance at beginning of year		<u>390,763</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 760,159</u>	

POLK COUNTY, TEXAS

COURTHOUSE SECURITY SPECIAL REVENUE FUND

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

Year ended September 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Fines and forfeitures	<u>\$ 15,000</u>	<u>\$ 18,910</u>	<u>\$ 3,910</u>
TOTAL REVENUES	15,000	18,910	3,910
EXPENDITURES			
Administration of justice	<u>15,000</u>	<u>2,487</u>	<u>12,513</u>
TOTAL EXPENDITURES	<u>15,000</u>	<u>2,487</u>	<u>12,513</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 0</u>	16,423	<u>\$ 16,423</u>
Fund balance at beginning of year		<u>28,411</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 44,834</u>	

POLK COUNTY, TEXAS

LAW LIBRARY SPECIAL REVENUE FUND

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

Year ended September 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Charges for services	\$ 11,000	\$ 11,880	\$ 880
TOTAL REVENUES	11 000	11 880	880
EXPENDITURES			
Administration of justice	11,000	10,982	18
TOTAL EXPENDITURES	11,000	10,982	18
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 0</u>	898	<u>\$ 898</u>
Fund balance at beginning of year		<u>11,386</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 12,284</u>	

POLK COUNTY, TEXAS

AGING SPECIAL REVENUE FUND

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

Year ended September 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Intergovernmental	286,079	396,739	110,660
Miscellaneous		<u>5,505</u>	<u>5,505</u>
TOTAL REVENUES	286,079	402,244	116,165
EXPENDITURES			
Health and human services	<u>467,382</u>	<u>486,303</u>	<u>(18,921)</u>
TOTAL EXPENDITURES	<u>467,382</u>	<u>486,303</u>	<u>(18,921)</u>
REVENUES OVER (UNDER) EXPENDITURES	(181,303)	(84,059)	97,244
OTHER FINANCING SOURCES SOURCES (USES)			
Operating transfers in	<u>124,000</u>	<u>129,907</u>	<u>5,907</u>
	<u>124,000</u>	<u>129,907</u>	<u>5,907</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (57,303)</u>	45,848	<u>\$ 103,151</u>
Fund balance at beginning of year		<u>51,962</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 97,810</u>	

POLK COUNTY, TEXAS

COUNTY RECORDS MANAGEMENT SPECIAL REVENUE FUND

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

Year ended September 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Charges for services	\$ 40,000	\$ 7,681	\$ (32,319)
TOTAL REVENUES	40,000	7,681	(32,319)
EXPENDITURES			
General government	40,000	15,701	24,299
TOTAL EXPENDITURES	40,000	15,701	24,299
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 0</u>	(8,020)	<u>\$ 8,020</u>
Fund balance at beginning of year		<u>(10,582)</u>	
FUND BALANCE AT END OF YEAR		<u>\$ (18,602)</u>	

POLK COUNTY, TEXAS

COUNTY CLERK RECORDS PRESERVATION SPECIAL REVENUE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

Year ended September 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Charges for services	\$ 38,689	\$ 63,737	\$ 25,048
Interest		<u>2,476</u>	<u>2,476</u>
TOTAL REVENUES	38,689	66,213	27,524
EXPENDITURES			
General government	<u>78,689</u>	<u>78,689</u>	<u>0</u>
TOTAL EXPENDITURES	<u>78,689</u>	<u>78,689</u>	<u>0</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (40,000)</u>	(12,476)	<u>\$ 27,524</u>
Fund balance at beginning of year		<u>54,367</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 41,891</u>	

POLK COUNTY, TEXAS

HOTEL/MOTEL TAX SPECIAL REVENUE FUND

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

Year ended September 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes	\$ 25,000	\$ 25,887	\$ 887
Miscellaneous		750	750
	<u>25,000</u>	<u>26,637</u>	<u>1,637</u>
TOTAL REVENUES	25,000	26,637	1,637
EXPENDITURES			
General government	<u>25,000</u>	<u>30,858</u>	<u>(5,858)</u>
TOTAL EXPENDITURES	<u>25,000</u>	<u>30,858</u>	<u>(5,858)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 0</u>	<u>(4,221)</u>	<u>\$ (4,221)</u>
Fund balance at beginning of year		<u>11,652</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 7,431</u>	



CAPITAL PROJECTS FUND

These funds are used to account for financial resources to be used for the acquisition and construction of major capital facilities which are principally financed by grants, certificates of obligation and the bond proceeds.

Environmental Service C/O 94 Issue - This fund accounts for the proceeds of the 1996 Environmental Service Certificates of Obligation and related uses of funds.

Jail Renovation C/O 94 Issue - This fund accounts for the proceeds of the Jail Renovation Certificates of Obligation and related uses of funds.

Prison Construction Fund - This fund accounts for the proceeds of the Prison Construction Certificates of Obligation and related uses of funds.

Solid Waste C/O 91 Issue - This fund accounts for the proceeds of the 1991 Tax Revenue Solid Waste Certificates of Obligation and related uses of funds.

POLK COUNTY, TEXAS
CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET

September 30, 1996

	ENVIRONMENT SERVICE C/O 94 ISSUE	JAIL RENOVATION C/O 94 ISSUE	PRISON CONSTRUC- TION	SOLID WASTE C/O 91 ISSUE	TOTAL
ASSETS					
CASH - including cash equivalents	\$ 596,180	\$ 104,359	\$ 160,825	\$ 58,345	\$ 919,709
TOTAL ASSETS	\$ 596,180	\$ 104,359	\$ 160,825	\$ 58,345	\$ 919,709
LIABILITIES					
Accounts payable	\$ 2,811	\$ 2,703			\$ 5,514
FUND BALANCES					
Unreserved Designated for subsequent years expenditures	<u>593,369</u>	<u>101,656</u>	<u>\$ 160,825</u>	<u>\$ 58,345</u>	<u>914,195</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 596,180	\$ 104,359	\$ 160,825	\$ 58,345	\$ 919,709

POLK COUNTY, TEXAS

CAPITAL PROJECTS FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

For the year ended September 30, 1996

	ENVIRON- MENTAL SERVICE C/O 94 ISSUE	JAIL RENO- VATION C/O 94 FUND	PRISON CONSTRUC- TION FUND	SOLID WASTE C/O 91 ISSUE	TOTAL
REVENUES					
Interest	\$ 20,021	\$ 8,749	\$ 19,473	\$ 2,404	\$ 50,647
EXPENDITURES					
Other	47,299				47,299
Capital outlay	41,372	85,026			126,398
	<u>88,671</u>	<u>85,026</u>	<u>0</u>	<u>0</u>	<u>173,697</u>
REVENUES OVER (UNDER) EXPENDITURES	(68,650)	(76,277)	0	2,404	(142,523)
OTHER FINANCING SOURCES (USES)					
Operating transfer out			(210,694)		(210,694)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	(68,650)	(76,277)	(191,221)	2,404	(333,744)
Fund balances at beginning of year	662,019	177,933	352,046	55,941	1,247,939
FUND BALANCES AT END OF YEAR	<u>\$ 593,369</u>	<u>\$ 101,656</u>	<u>\$ 160,825</u>	<u>\$ 58,345</u>	<u>\$ 914,195</u>



TRUST AND AGENCY FUNDS

Trust Funds are used to account for assets held by the County in a trustee capacity

Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Funds

Available School Fund - This fund is used to accumulated investment earnings from the permanent school fund including lease payments received on properties owned by the County in Throckmorton and Baylor counties. Revenues received during the year are allocated to school districts within Polk County

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

District Attorney Special Fund - This fund is used to account additional monies received from the State for the purposes of defraying the salaries and expenses of the District Attorney's office.

Forfeiture Fund - Funds collected in connection with gambling and drug seizures and forfeitures for the use of the District Attorney and Sheriff are deposited into this fund. Depending on the nature of funds obtained, these monies can be used for either costs of special investigations conducted by the District Attorney or for investigations of alleged violations of criminal law by the Sheriff.

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

(continued)

Nonexpendable Trust Funds

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

Agency Funds

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

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

Tax Collector's Fund - Tax collections are deposited intact in the Tax Collector's agency accounts pending distribution to other County funds, the State and other taxing authorities, for which the County serves as their tax collector

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

Official Fee Account Fund - This fund is used to account for monies held in official fee bank accounts. County officials ((2) Justices of the Peace and County Clerk) have bank accounts into which they deposit their collections. From these accounts they disburse monies to the County

Payroll Clearing Fund - This fund is used as a clearing account for County payrolls.

Deferred Compensation Fund - This fund is used to account for monies collected from employees to make deferred compensation payments to the County's deferred compensation program.

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

District Clerk Bond & Fees - This fund is used to account for security bonds held by the District Clerk and fees collected.

POLK COUNTY, TEXAS
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET

September 30, 1996

ASSETS	EXPENDABLE TRUST	NON- EXPENDABLE TRUST	AGENCY	TOTAL
Cash and cash equivalents	\$ 208,029	\$ 326,975	\$ 726,613	\$ 1,261,617
Investments			304,550	304,550
Accounts receivable	457			457
Due from other fund	2,438			2,438
TOTAL ASSETS	\$ 210,924	\$ 326,975	\$ 1,031,163	\$ 1,569,062
 LIABILITIES				
Accounts payable	\$ 218			\$ 218
Other liabilities	2,179			2,179
Deferred revenue	18,574			18,574
Deferred compensation benefits plan			\$ 304,550	304,550
Due to other fund		\$ 2,438	2,560	4,998
Due to other units			724,053	724,053
TOTAL LIABILITIES	20,971	2,438	1,031,163	1,054,572
 FUND BALANCES				
Reserved for endowments/trust	189,953	324,537		514,490
TOTAL FUND BALANCES	189,953	324,537	0	514,490
TOTAL LIABILITIES AND FUND BALANCES	\$ 210,924	\$ 326,975	\$ 1,031,163	\$ 1,569,062

POLK COUNTY, TEXAS

EXPENDABLE TRUST FUNDS

COMBINING BALANCE SHEET

September 30, 1996

ASSETS	AVAILABLE SCHOOL	DISTRICT ATTORNEY COLLECTION	DISTRICT ATTORNEY SPECIAL	FORFEITURE
Cash and cash equivalents	\$ 108,949	\$ 29,596	\$ 5,797	\$ 43,548
Accounts receivable		457		
Due from other funds	2,438			
TOTAL ASSETS	\$ 111,387	\$ 30,053	\$ 5,797	\$ 43,548
 LIABILITIES				
Accounts payable		\$ 218		
Other liabilities			\$ 2,179	
Deferred revenue				\$ 18,574
TOTAL LIABILITIES	0	218	2,179	18,574
 FUND BALANCES				
Reserved for future years expenditures	\$ 111,387	29,835	3,618	\$ 24,974
TOTAL FUND BALANCES	111,387	29,835	3,618	24,974
TOTAL LIABILITIES AND FUND BALANCES	\$ 111,387	\$ 30,053	\$ 5,797	\$ 43,548

<u>DISTRICT CLERK TDCJ</u>	<u>TOTALS</u>
\$ 20,139	\$ 208,029
	457
	<u>2,438</u>
<u>\$ 20,139</u>	<u>\$ 210,924</u>
	\$ 218
	2,179
	<u>18,574</u>
0	20,971
<u>\$ 20,139</u>	<u>189,953</u>
<u>20,139</u>	<u>189,953</u>
<u>\$ 20,139</u>	<u>\$ 210,924</u>

POLK COUNTY, TEXAS

EXPENDABLE TRUST FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the year ended September 30, 1996

	<u>AVAILABLE SCHOOL</u>	<u>DISTRICT ATTORNEY COLLECTION</u>	<u>DISTRICT ATTORNEY SPECIAL</u>	<u>FORFEITURE</u>
REVENUES				
Intergovernmental			\$ 20,713	
Fines and forfeitures		\$ 27,557		\$ 684
Interest	\$ 19,469			1,697
Miscellaneous	118,805			
TOTAL REVENUES	138,274	27,557	20,713	2,381
EXPENDITURES				
General government	81,424			
Administration of justice		17,611	21,153	10,244
TOTAL EXPENDITURES	81,424	17,611	21,153	10,244
REVENUES OVER (UNDER) EXPENDITURES	56,850	9,946	(440)	(7,863)
Fund balances at beginning of year	54,537	19,889	4,058	32,837
FUND BALANCES AT END OF YEAR	\$ 111,387	\$ 29,835	\$ 3,618	\$ 24,974

<u>DISTRICT CLERK TDCJ</u>	<u>TOTALS</u>
\$ 1,951	\$ 22,664
	28,241
	21,166
	<u>118,805</u>
1,951	190,876
	81,424
	<u>49,008</u>
<u>0</u>	<u>130,432</u>
1,951	60,444
<u>18,188</u>	<u>129,509</u>
<u>\$ 20,139</u>	<u>\$ 189,953</u>

POLK COUNTY, TEXAS

AGENCY FUNDS

COMBINING BALANCE SHEET

September 30, 1996

	<u>COUNTY CLERK PROBATE TRUST</u>	<u>DISTRICT CLERK TRUST</u>	<u>TAX COLLECTORS</u>	<u>JUDICIARY</u>
ASSETS				
Cash and cash equivalents	\$ 11,186	\$ 514,414	\$ 114,456	\$ 66,313
Investments				
TOTAL ASSETS	<u>\$ 11,186</u>	<u>\$ 514,414</u>	<u>\$ 114,456</u>	<u>\$ 66,313</u>
LIABILITIES				
Deferred compensation benefits payable				
Due to other units	\$ 11,186	\$ 514,414	\$ 114,456	\$ 66,313
Due to other funds				
TOTAL LIABILITIES	<u>\$ 11,186</u>	<u>\$ 514,414</u>	<u>\$ 114,456</u>	<u>\$ 66,313</u>

<u>OFFICIAL FEE ACCOUNT</u>	<u>PAYROLL CLEARING</u>	<u>DEFERRED COMPENSATION</u>	<u>DISTRICT ATTORNEY CHECK RESTITUTION</u>	<u>DISTRICT CLERK BONDS & FEES</u>	<u>TOTALS</u>
\$ 5,351	\$ 2,560	\$ 304,550	\$ 10,443	\$ 1,890	\$ 726,613 304,550
<u>\$ 5,351</u>	<u>\$ 2,560</u>	<u>\$ 304,550</u>	<u>\$ 10,443</u>	<u>\$ 1,890</u>	<u>\$ 1,031,163</u>
\$ 5,351	\$ 2,560	304,550	\$ 10,443	\$ 1,890	\$ 304,550 724,053 2,560
<u>\$ 5,351</u>	<u>\$ 2,560</u>	<u>\$ 304,550</u>	<u>\$ 10,443</u>	<u>\$ 1,890</u>	<u>\$ 1,031,163</u>

POLK COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the year ended September 30, 1996

	Balance October 1, 1995	Additions	Deletions	Balance September 30, 1996
County Clerk Probate Trust Fund				
ASSETS				
Cash	\$ 9,118	\$ 7,948	\$ 5,880	\$ 11,186
LIABILITIES				
Due to other units	\$ 9,118	\$ 7,948	\$ 5,880	\$ 11,186
District Clerk Trust Fund				
ASSETS				
Cash	\$ 453,591	\$ 763,844	\$ 703,021	\$ 514,414
LIABILITIES				
Due to other units	\$ 453,591	\$ 763,844	\$ 703,021	\$ 514,414
Tax Collector's Fund				
ASSETS				
Cash	\$ 99,649	\$ 35,778,463	\$ 35,763,646	\$ 114,466
LIABILITIES				
Due to other units	\$ 99,649	\$ 35,778,453	\$ 35,763,646	\$ 114,456
Judiciary Fund				
ASSETS				
Cash	\$ 79,964	\$ 285,388	\$ 299,039	\$ 66,313
LIABILITIES				
Due to other units	\$ 79,964	\$ 285,388	\$ 299,039	\$ 66,313
Official Fee Account Fund				
ASSETS				
Cash	\$ 11,090	\$ 539,884	\$ 545,623	\$ 5,351
LIABILITIES				
Due to other units	\$ 11,090	\$ 539,884	\$ 545,623	\$ 5,351
Payroll Clearing Fund				
ASSETS				
Cash	\$ 3,033	\$ 3,532,295	\$ 3,532,768	\$ 2,560
LIABILITIES				
Due to other units	\$ 3,033	\$ 3,532,295	\$ 3,532,768	\$ 2,560

POLK COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the year ended September 30, 1996

	Balance October 1, 1995	Additions	Deletions	Balance September 30, 1996
Deferred Compensation Fund				
ASSETS				
Cash	\$ 269 088	\$ 39 628	\$ 4 166	\$ 304 550
LIABILITIES				
Deferred compensation benefits payable	\$ 269 088	\$ 39 628	\$ 4 166	\$ 304 550
District Attorney Check Restitution				
ASSETS				
Cash	\$ 8,319	\$ 107,409	\$ 105,285	\$ 10,443
LIABILITIES				
Due to other units	\$ 8,319	\$ 107,409	\$ 105,285	\$ 10,443
District Clerk Bonds & Fees				
ASSETS				
Cash	\$ 1,564	\$ 68,244	\$ 67,918	\$ 1,890
LIABILITIES				
Due to other funds	\$ 1,564	\$ 68,244	\$ 67,918	\$ 1,890



GENERAL FIXED ASSETS

POLK COUNTY, TEXAS

GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS - BY SOURCES

September 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
General Fixed Assets		
Land	\$ 344,765	\$ 344,765
Buildings	2,539,007	2,539,007
Improvements	1,057,206	1,057,206
Equipment	<u>5,768,434</u>	<u>4,236,423</u>
TOTAL	\$ <u>9,709,412</u>	\$ <u>8,177,401</u>
Investment in General Fixed Assets financed by Assets acquired prior to 1997		
	<u>9,709,412</u>	<u>8,177,401</u>
TOTAL	\$ <u>9,709,412</u>	\$ <u>8,177,401</u>

POLK COUNTY, TEXAS

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY

September 30, 1996

FUNCTION AND ACTIVITY	LAND	BUILDINGS IMPROVEMENTS	EQUIPMENT	TOTAL
General Government				
County Judge			\$ 25,500	\$ 25,500
Commissioners Court			16,878	16,878
County Clerk			184,108	184,108
County Treasurer			14,260	14,260
County Auditor			59,587	59,587
Data Processing			294,321	294,321
Personnel			9,045	9,045
Maintenance			66,887	66,887
Emergency Management			64,090	64,090
	<u>0</u>	<u>0</u>	<u>734,676</u>	<u>734,676</u>
Administration of Justice				
Jury			2,689	2,689
County Court-at-Law			23,372	23,372
District Clerk			50,446	50,446
District Judges			14,818	14,818
Justice of the Peace Pct. 1			5,555	5,555
Justice of the Peace Pct. 2			36,614	36,614
Justice of the Peace Pct. 3			19,231	19,231
Justice of the Peace Pct. 4			17,370	17,370
District Attorney			84,395	84,395
Law Library			9,699	9,699
Sheriff	\$ 19,118	\$ 1,250,000	\$ 389,672	614,532
Jail			78,905	78,905
Constables			2,895	2,895
Probation			26,707	26,707
DPS			22,592	22,592
Texas Rangers			3,147	3,147
	<u>19,118</u>	<u>1,250,000</u>	<u>389,672</u>	<u>1,012,967</u>
				<u>2,671,757</u>
Health and Human Services				
Red Cross			3,450	3,450
Health & Welfare	42,127	156,736		198,863
Social Services	2,100	47,270	92,264	141,634
Veterans Services			6,374	6,374
Dunbar Complex	2,774	120,586		123,360
County Extension			8,444	8,444
Waste Management	179,502	351,395	87,424	971,317
Aging			13,593	13,593
Historical	3,105	35,395		38,500
	<u>229,608</u>	<u>711,382</u>	<u>87,424</u>	<u>1,095,442</u>
				<u>2,123,856</u>

POLK COUNTY, TEXAS

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY

September 30, 1996

<u>FUNCTION AND ACTIVITY</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>IMPROVEMENTS</u>	<u>EQUIPMENT</u>	<u>TOTAL</u>
Tax Administration					
Tax Assessor Collector	\$ 32,592	\$ 117,408		\$ 123,168	\$ 273,168
	32,592	117,408	0	123,168	273,168
Roads and Bridges					
Administration				39,315	39,315
Precinct 1	5,861	18,245		591,586	615,692
Precinct 2		1,250		702,877	704,127
Precinct 3	18,750	43,750		803,834	866,334
Precinct 4	14,543	11,186		652,612	678,341
	39,154	74,431	0	2,790,224	2,903,809
General Operating					
Other	3,256				3,256
County Courthouse	5,883	132,097	\$ 412,775	11,957	562,712
Onalaska Courthouse	10,315	122,355	67,335		200,005
Corrigan Courthouse	4,839	131,334	100,000		236,173
	24,293	385,786	580,110	11,957	1,002,146
	<u>\$ 344,765</u>	<u>\$ 2,539,007</u>	<u>\$ 1,057,206</u>	<u>\$ 5,768,434</u>	<u>\$ 9,709,412</u>

POLK COUNTY, TEXAS

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY DEPARTMENT

September 30, 1996

FUNCTION AND ACTIVITY	BALANCE AT OCTOBER 1, 1995	ADDITIONS	RETIREMENTS AND RECLASSI- FICATIONS	TOTAL
General Government				
County Judge	\$ 24,507	\$ 993		\$ 25,500
Commissioners Court	16,878			16,878
County Clerk	75,150	108,958		184,108
County Treasurer	11,691	2,569		14,260
County Auditor	40,837	18,750		59,587
Data Processing	88,219	206,102		294,321
Personnel	8,990	55		9,045
Maintenance	49,813	17,074		66,887
Emergency Management	61,560	2,530		64,090
	<u>377,645</u>	<u>357,031</u>	<u>0</u>	<u>734,676</u>
Administration of Justice				
Jury	2,689			2,689
County Court-at-Law	18,869	4,503		23,372
District Clerk	41,019	9,427		50,446
District Judges	12,391	2,427		14,818
Justice of the Peace Pct. 1	5,035	520		5,555
Justice of the Peace Pct. 2	32,660	3,954		36,614
Justice of the Peace Pct. 3	17,814	1,417		19,231
Justice of the Peace Pct. 4	16,635	735		17,370
District Attorney	70,252	14,143		84,395
Law Library	9,699			9,699
Sheriff	1,987,532	285,790		2,273,322
Jail	66,410	12,495		78,905
Constables	1,341	1,554		2,895
Probation	26,707			26,707
DPS	22,592			22,592
Texas Rangers		3,147		3,147
	<u>2,331,645</u>	<u>340,112</u>	<u>0</u>	<u>2,671,757</u>
Health and Human Services				
Red Cross	3,450			3,450
Health & Welfare	198,863			198,863
Social Services	136,515	5,119		141,634
Veterans Services	5,741	633		6,374
Dunbar Complex	123,360			123,360
County Extension	8,340	104		8,444
Waste Management	1,512,774	76,864		1,589,638
Aging	13,593			13,593
Historical	38,500			38,500
	<u>2,041,136</u>	<u>82,720</u>	<u>0</u>	<u>2,123,856</u>

POLK COUNTY, TEXAS

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY DEPARTMENT

September 30, 1996

FUNCTION AND ACTIVITY	BALANCE AT OCTOBER 1, 1995	ADDITIONS	RETIREMENTS AND RECLASSI- FICATIONS	TOTAL
Tax Administration				
Tax Assessor Collector	273,168			\$ 273,168
	273,168	0	0	273,168
Roads and Bridges				
Administration	\$ 39,315			\$ 39,315
Precinct 1	613,141	\$ 2,551		615,692
Precinct 2	376,895	327,232		704,127
Precinct 3	463,703	402,631		866,334
Precinct 4	665,385	12,956		678,341
	2,158,439	745,370	0	2,903,809
General Operating				
Other	3,256			3,256
County Courthouse	555,934	6,778		562,712
Onalaska Courthouse	200,005			200,005
Corrigan Courthouse	236,173			236,173
	995,368	6,778	0	1,002,146
	<u>\$ 8,177,401</u>	<u>\$ 1,532,011</u>	<u>\$ 0</u>	<u>\$ 9,709,412</u>



STATISTICAL SECTION

POLK COUNTY, TEXAS

GENERAL GOVERNMENTAL EXPENDITURES - BY FUNCTION

Last ten fiscal years

	1996	1995(A)	1994(B)(C)	1993	1992
Current					
General Government	\$ 1,498,073	\$ 991,483	\$ 1,258,828		
Administration of Justice	3,004,737	1,979,679	3,249,615		
Roads and bridges	2,952,222	2,008,790	2,160,478		
Health and human services	1,849,059	1,425,595	1,652,191		
Tax administration	490,740	366,919	286,834		
General operating	698,039	618,490			
Other	646,880	189,396	1,065,832		
Total Current	11,139,750	7,580,352	9,673,778	\$ 8,865,664	\$ 7,988,394
Capital outlay	126,398	289,193	1,474,883	2,267,839	2,807,018
Debt Service	1,588,635	1,488,420	1,930,126	1,328,201	1,459,160
TOTAL	\$ 12,854,783	\$ 9,357,965	\$13,078,787	\$12,461,704	\$12,254,572

This schedule includes expenditures of the General, Special Revenue, Debt Service, Capital Projects and Expendable Trust Funds

- A - In 1995 the County's fiscal year was changed from December 31, to September 30 resulting in a nine month year
- B- In 1994 the County changed from the cash basis of accounting to the modified accrual basis of accounting, as well as making significant changes to the structure of funds and the classification of revenues and expenditures between line items. All financial data presented prior to 1994 was prepared using the cash basis of accounting.
- C - Prior to 1995 the 258th Community Supervision and Corrections Department was considered part of the reporting entity and its operations were included in the aggregation of data reported above.
- D - Capital outlays made in the General and Special Revenue funds prior to 1994 are classified as capital outlays. Starting in 1994 capital outlays made in the General, Special Revenue and Expendable Trust funds are classified in one of the functional categories within "current" character classification.
- E - Classification by function is not available prior to 1994

<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>
<u>\$ 7,472,179</u>	<u>\$ 6,564,382</u>	<u>\$ 6,342,507</u>	<u>\$ 6,849,457</u>	<u>\$ 5,862,812</u>
786,350	957,394	986,969	1,808,553	2,705,793
1,251,087	1,172,865	1,656,044	1,677,149	553,923
<u>\$ 9,509,616</u>	<u>\$ 8,694,641</u>	<u>\$ 8,985,520</u>	<u>\$ 10,335,159</u>	<u>\$ 9,122,528</u>

POLK COUNTY, TEXAS

GENERAL GOVERNMENTAL REVENUES - BY SOURCE

Last ten fiscal years

	1996	1995(A)	1994(B)(C)	1993	1992
Ad Valorem tax and penalties	\$ 6,431,685	\$ 5,608,121	\$ 5,426,152		
Sales tax	926,996	707,923	885,598		
License tax and auto registration	881,683	786,415	796,941		
Other tax	20,876	7,108	21,425		
Total taxes	8,261,240	7,109,567	7,130,116	\$ 6,352,042	\$ 6,101,535
Fines and forfeitures	524,466	442,001	453,708	97,481	77,419
Charges for services	1,859,189	1,148,043	1,875,283	1,526,939	1,826,450
Intergovernmental	1,092,179	929,542	1,361,744	1,173,155	1,536,598
Licenses and permits	55,382	34,272	43,230	921,905	764,879
Interest	242,885	202,989	187,218	119,744	251,412
Miscellaneous	1,093,450	316,712	484,657	147,086	140,373
TOTAL	\$13,128,791	\$ 10,183,126	\$ 11,535,956	\$10,338,352	\$10,698,666

This schedule includes revenues of the General, Special Revenue, Debt Service, Capital Projects and Expendable Trust Funds

- A - In 1995 the County's fiscal year was changed from December 31, to September 30 resulting in a nine month year
- B- In 1994 the County changed from the cash basis of accounting to the modified accrual basis of accounting, as well as making significant changes to the structure of funds and the classification of revenues and expenditures between line items. All financial data presented prior to 1994 was prepared using the cash basis of accounting.
- C - Prior to 1995 the 258th Community Supervision and Corrections Department was considered part of the reporting entity and its operations were included in the aggregation of data reported above
- D - Classification of taxes is not available prior to 1994

1991	1990	1989	1988	1988
\$ 5,519,412	\$ 4,876,903	\$ 4,258,664	\$ 4,431,934	\$ 3,311,339
94,528	96,328	112,131	101,918	84,262
1,875,615	1,767,259	1,564,473	1,426,118	1,518,799
686,412	623,946	548,292	478,420	653,884
542,019	513,290	497,318	496,417	498,719
264,922	143,263	151,832	204,637	174,268
135,601	51,462	36,179	338,714	139,258
<u>\$ 9,118,509</u>	<u>\$ 8,072,451</u>	<u>\$ 7,168,889</u>	<u>\$ 7,478,158</u>	<u>\$ 6,380,529</u>

POLK COUNTY, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

Last ten fiscal years

	1996	1995
Tax levy	\$ 6,196,382	\$ 5,639,409
Current tax collections	\$ 5,905,280	n/a
Percent of current taxes collected	95.30%	n/a
Delinquent tax collections	\$ 297,858	n/a
Total tax collections	\$ 6,203,138	n/a
Total collections as a percentage of current levy	100.11%	n/a
Outstanding delinquent taxes	\$ 1,065,566	\$ 1,106,569
Outstanding delinquent taxes as percentage of current levy	17.20%	n/a

Information prior to 1995 is not available.

POLK COUNTY, TEXAS

**ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY**

Last ten fiscal years

FISCAL YEAR	TAX YEAR	NET TAXABLE ASSESSED VALUE			TOTAL ASSESSED VALUE
		REAL PROPERTY	PERSONAL PROPERTY	MINERAL	
1988	1987	\$ 650 765 894	\$ 47,559,249	\$ 194 988,400	\$ 893,313,543
1989	1988	672,490 085	43,599,921	195,176,490	911,266,496
1990	1989	685,813,592	42,858,195	190,462,576	919,134,363
1991	1990	701 977 187	47 089 106	215,959 684	965,025,977
1992	1991	710 139,630	49,290 979	242,442,050	1,001,872,659
1993	1992	710 840 478	44 006 152	225,540,170	980,386,800
1994	1993	760 919 642	45 935 889	224 887,570	1 031,743,101
1995	1994	760,123 496	54,123 496	232,607 940	1,046,854 932
1996	1995	794 841,254	59,375,124	297,866,570	1,152,082,948

Source - Polk County Tax Assessor Collector

Assessed value is 100% of the estimated actual value.

POLK COUNTY, TEXAS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last ten tax years

	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
Polk County										
General Fund	0.3106	0.3241	0.3123	0.2700	0.3355	0.2186	0.3790	0.3734	0.3546	0.3500
Road and Bridge Fund	0.0979	0.1120	0.1106	0.1009	0.1030	0.1801				
Debt Service Fund	0.1300	0.1024	0.1156	0.1676	0.1000	0.1103	0.1300	0.0991	0.0489	0.0700
Total Polk County	0.5385	0.5385	0.5385	0.5385	0.5385	0.5090	0.5090	0.4725	0.4035	0.4200
Cities:										
Livingston	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.1442
Onalaska	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.1070
Corrigan	0.5960	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
Goodrich	0.7830	0.7830	0.8952	0.9482	0.9482	0.9900	0.5160	0.7778	0.8303	0.8300
School Districts:										
Livingston ISD	1.4700	1.4353	1.4448	1.4448	0.4884	0.5130	1.2800	1.0366	0.9280	0.9280
Big Sandy ISD	1.3300	1.1750	1.2169	1.1613	0.1248	0.1353	0.8213	0.9292	0.8887	0.7810
Goodrich ISD	1.4861	1.4900	1.4900	1.2300	0.3835	0.2336	0.8070	0.7800	0.7955	0.8800
Leggett ISD	1.4961	1.4375	1.3950	1.3278	0.5200	0.5120	1.2000	1.1357	1.0430	0.9500
Onalaska ISD	1.5082	1.4782	1.4782	1.4041	0.4800	0.4000	0.9400	0.8773	0.8773	0.8700
Corrigan Camden ISD	1.4832	1.1607	0.3720	0.3720	1.2700	1.3640	1.3640	1.1267	1.1100	1.0800
Utility Districts:										
Polk County Freshwater	0.4912	0.4912	0.4912	0.4773	0.4780	0.4820	0.4820	0.4820	0.4820	0.4820
Memorial Point	0.9900	1.1200	1.1600	1.1800	1.1200	1.1600	1.2200	1.2400	1.2400	1.1200
Other Districts:										
Livingston Hospital	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.3340
Corrigan Hospital	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.3310

Tax rates are per \$100 of assessed valuation.
Source - Polk County Tax Assessor Collector

POLK COUNTY, TEXAS

PRINCIPAL TAXPAYERS

September 30, 1996

TAXPAYER	TYPE OF BUSINESS	OCTOBER 1, 1995 ASSESSED VALUE OF PROPERTY-A	PERCENT OF TOTAL ASSESSED VALUATION
1 Champion International	Timber	\$ 85,958,140	7.46 %
2 Black Stone Oil Company	Oil	78,396,140	6.80
3 Champion International Corp	Timber	45,434,975	3.94
4 Louisiana Pacific Corp	Timber	24,994,993	2.17
5 Carter W T & Brothers	Timber	19,592,930	1.70
6 Mitchell Energy Corporation	Oil	13,129,790	1.14
7 Eastex Telephone Coop	Telephone Utility	12,594,230	1.09
8 Sam Houston Electric Coop Inc.	Electric Utility	12,254,317	1.06
9 Wal-Mart	Retail	8,598,529	0.75
10 Midcon Texas Pipeline Corp	Oil	8,566,490	0.74
	TOP TEN TOTAL	309,520,534	26.87
Other		842,562,414	73.13
		\$1,152,082,948	100.00 %

Amounts shown for these taxpayers do not include assessed valuations, which may be substantial, attributable to certain subsidiaries and affiliates which are not grouped on the tax rolls with the taxpayers shown or listed using a different name

Note A - Total assessed valuation is net of exemptions

Source - Polk County Appraisal District

POLK COUNTY, TEXAS

**RATIO OF NET BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA**

Last ten fiscal years

FISCAL YEAR	POPULATION - (A)	ASSESSED VALUE	GROSS BONDED DEBT- (B)	LESS DEBT SERVICE FUNDS - (C)
1987	29,835	\$ 894,616,521	\$ 3,347,165	\$ 553,683
1988	29,661	893,313,543	3,704,266	632,318
1989	30,069	911,266,496	4,481,153	466,836
1990	30,687	919,134,363	5,818,076	544,717
1991	31,644	965,025,977	8,181,047	571,663
1992	32,274	1,001,872,659	7,742,408	374,587
1993	32,577	980,386,800	7,539,634	135,763
1994	36,067	1,031,743,101	9,237,714	0
1995	39,756	1,046,854,932	8,565,150	0
1996	39,756	1,152,082,948	8,547,914	133,311

General bond debt refers to all tax support debt including bonds, certificates of obligations, notes and time warrants.

A - Source U S Bureau of the Census 1987-1990; Texas State Data Center at Texas A&M 1991-1994, Texas Comptroller 1995

B - Bonded debt includes certificates of obligation, notes payable and time warrants.

C - In 1994 the County changed from the cash basis of accounting to the modified accrual basis of accounting.

<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
\$ 2,793,482	0 31 %	\$ 94
3,071,948	0 34	104
4,014,317	0 44	134
5,273,359	0 57	172
7,609,384	0 79	240
7,367,821	0 74	228
7,403 871	0 76	227
9,237,714	0 90	256
8,565,150	0 82	215
8,414 603	0 73	212

POLK COUNTY, TEXAS

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
LONG-TERM DEBT TO TOTAL GENERAL EXPENDITURES**

Last ten fiscal years

FISCAL YEAR	PRINCIPAL	INTEREST AND FISCAL CHARGES	TOTAL DEBT SERVICE	TOTAL GENERAL EXPENDITURES	PERCENT OF DEBT SERVICE TO GENERAL EXPENDITURES
1987	\$ 350,507	\$ 203,416	\$ 553,923	\$ 9,122,528	6.07%
1988	1,677,149	273,359	1,950,508	10,335,159	18.87
1989	1,530,858	125,186	1,656,044	8,985,520	18.43
1990	835,404	337,461	1,172,865	8,694,641	13.49
1991	790,382	460,705	1,251,087	9,509,616	13.16
1992	886,350	572,810	1,459,160	12,254,572	11.91
1993	852,891	475,310	1,328,201	12,461,704	10.66
1994	1,420,029	510,097	1,930,126	13,078,787	14.76
1995	894,355	594,065	1,488,420	9,357,965	15.91
1996	1,016,588	572,047	1,588,635	12,854,782	12.35

POLK COUNTY, TEXAS

ESTIMATED DIRECT AND CONSOLIDATED OVERLAPPING FUNDED DEBT PAYABLE FROM AD VALOREM TAXES

September 30, 1996

	<u>Total G.O. Tax Debt</u>	<u>Estimated % Applicable</u>	<u>County's Overlapping G.O. Tax Debt</u>
Polk County	\$ 8,991,783	100%	8,547,914
Special Districts:			
Memorial Point Utility District	\$ 1,354,212	100%	1,354,212
Polk County Fresh Water Supply Dist.	2,620,000	100%	<u>2,620,000</u>
Total Special Districts			3,974,212
Cities:			
Corrgan	\$ 340,000	100%	340,000
Goodrich	415,512	100%	415,512
Livingston	3,030,000	100%	3,030,000
Onalaska	40,000	100%	<u>40,000</u>
Total Cities			3,825,512
School Districts:			
Big Sandy ISD	\$ 0	100%	0
Corrgan-Camden ISD	5,609,929	100%	5,609,929
Goodrich ISD	75,000	100%	75,000
Leggett ISD	0	100%	0
Livingston ISD	905,000	100%	905,000
Onalaska ISD	1,895,000	100%	<u>1,895,000</u>
Total School Districts			8,484,929
County-Line School Districts:			
Chester ISD	\$ 100,000	41.92%	41,920
Woodville ISD	1,920,000	5.52%	<u>105,984</u>
Total County-Line Districts			147,904
Total Direct and Consolidated Overlapping G O Tax Debt			<u>\$ 24,980,471</u>
1995/96 Net Taxable Assessed Valuation		\$ 1,152,082,948	
Ratio of Direct and Consolidated Overlapping G O Tax Debt To Taxable Assessed Valuation			2.21%
Per Capita Consolidated Overlapping G O Tax Debt			\$ 640

POLK COUNTY, TEXAS

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

Last ten fiscal years

<u>FISCAL YEAR</u>	<u>PROPERTY VALUE</u>	<u>BANK DEPOSITS (IN THOUSANDS)</u>
1987	n/a	n/a
1988	n/a	n/a
1989	n/a	n/a
1990	n/a	n/a
1991	n/a	n/a
1992	n/a	\$ 304,081,000
1993	n/a	294,794,000
1994	n/a	314,145,000
1995	n/a	328,076,000
1996	n/a	325,502,000

Source: Bank Deposits FDIC

POLK COUNTY, TEXAS

DEMOGRAPHIC STATISTICS

September 30, 1996

	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
County population	39,756	39,756	36,067	32,577	32,274	31,644	30,687	30,069	29,661	29,835
School enrollment:										
Big Sandy ISD	361	386	402	388	373	373	337	346	362	394
Goodrich ISD	290	301	278	276	291	291	302	291	305	333
Corrigan Camden ISD	1,182	1,210	1,188	1,166	1,210	1,210	1,183	1,183	1,212	1,168
Leggett ISD	221	206	207	217	196	196	171	182	185	188
Livingston ISD	3,574	3,769	3,596	3,509	3,246	3,246	3,052	3,051	3,085	3,126
Onalaska ISD	546	493	447	475	388	388	365	316	280	294
Total County Enrollment	6,174	6,365	6,118	6,031	5,704	5,704	5,410	5,369	5,429	5,503
Jobs by industry sector										
Agriculture forestry etc.	31	32	22	22	23	20	26	28	31	37
Mining	195	175	153	244	209	219	169	174	208	172
Construction	222	206	170	225	360	121	111	124	136	154
Manufacturing	1,902	1,873	1,678	1,616	1,548	1,477	1,499	1,532	1,601	1,524
Public utilities	361	340	336	347	343	344	327	337	377	361
Wholesale trade	222	225	230	313	311	337	357	341	363	321
Retail trade	2,147	2,084	1,980	1,890	1,622	1,522	1,420	1,493	1,511	1,435
Finance, insurance, real est.	287	281	293	288	283	268	284	318	335	287
Services	1,578	1,542	1,258	1,366	1,253	1,373	1,214	1,141	1,124	1,062
Government	2,398	2,436	2,563	1,764	1,666	1,599	1,542	1,511	1,416	1,304
Total County Jobs	9,343	9,194	8,683	8,075	7,618	7,280	6,949	6,999	7,102	6,657
Per Capita Income		\$15,945	\$14,998	\$14,883	\$14,102	\$13,771	\$12,906	\$11,679	\$10,870	\$11,001
Unemployment rate (yr avg.)	6.5%	6.1%	7.7%	8.4%	8.7%	7.0%	6.0%			

Data not presented is unavailable.

Source - School enrollments - TEA

Source - Unemployment rates and jobs - Texas Workforce Commission

Source - Per capita income - U S Bureau of Economic Analysis

Source - Population - U S Census Bureau - Texas State Data Center at Texas A&M University (estimates)

POLK COUNTY, TEXAS

MISCELLANEOUS STATISTICAL DATA

September 30, 1995

Date of Organization 1846
 Form of Government A political subdivision of the State of Texas
 Altitude 60 feet to 485 feet

	Pct. 1	Pct. 2	Pct. 3	Pct. 4	Total
Square miles	194	160	469	272	1 095
Total road miles	370	306	469	409	1 554
County Roads:					
Dirt	100 9	107 5	197 0	232 0	637 4
Paved	48 8		30 0	27 0	105 8
Rock		34 0			34 0
Asphalt		40 1			40 1
Total County roads	149 7	181 6	227 0	259 0	817 3
County culverts	650	586	146	583	1 965
County bridges	5	28	17	44	94

Data presented for County roads and bridges is presented based on precinct districts prior to the 1990 redistricting. This data is currently being revised in conjunction with the County's rural addressing/911 project. Square miles and total road miles are based on the new district boundaries.

Population per census.

1900	14 447	1950	16 194
1910	17,459	1960	13 861
1920	16,784	1970	14,457
1930	17,555	1980	24,407
1940	20,635	1990	30 687

Volunteer Fire Department

11

Garbage

Number of landfills 1
 Cubic yards of garbage received 150,761
 Citizen collection stations 5

County Employees

Elected officials 20
 Full Time 196
 Part Time 43
 Labor Pool 23
 282

Vehicle Registrations

	1996	1995	1994	1993	1992	1991
Cars	n/a	15 872	13 911	15,678	15,712	15 078
Trucks	n/a	11,701	10,084	11,121	11,083	10,611
Total Vehicles Registered	32,257	27,573	28,995	26,799	26,795	25,689



#7

ROAD USE AGREEMENT

by and between POLK COUNTY
and
[COMPANY]

Whereas, [Company], intends to perform activities in Polk County, Texas, [Location (Well #, if oil)] which will include the use of super heavy vehicles (over 84,000 lbs) on certain county roads, and

Whereas, the proposed activities will require super heavy vehicular traffic on a route which will include travel over county roads & bridges, as follows, [County Roads], and

Whereas, the proposed traffic will exceed the weight capacity of the aforementioned county roads and bridges and may cause or significantly contribute to substantial damage on said roads and bridges, and

Whereas, [Company] and Polk County agree that the aforementioned traffic of super heavy vehicles on county roads and bridges is necessary for the proposed activity and that Polk County should be compensated for any damages or additional maintenance costs incurred as a result of said traffic,

Therefore, [Company] and Polk County, Texas hereby agree and contract as follows

ASSURANCES.

[COMPANY] SHALL,

- 1 Pay to Polk County, Texas its actual costs, including labor, equipment useage and materials for all repairs, replacement or maintenance incurred as a result of the aforementioned traffic of super heavy vehicles on the county roads and bridges stated herein, above, during the period of [From] to [To]
- 2 [Company] shall provide surety to Polk County in the form of a [Surety] in the amount of [Amount] Said surety shall be presented to the County Judge upon execution of this agreement and shall be deposited with the County Treasurer of Polk County The aforementioned surety shall provide for the prompt payment upon demand by Polk County for the repairs, replacement and maintenance costs incurred. However, the liability of [Company] shall not be limited to the stated amount of said surety and [Company] hereby agrees to pay any additional sums as may be required for said repairs, replacement and maintenance upon demand.
- 3 [Company] agrees to provide 48 hours notice to Polk County before transporting or operating any equipment or commencing any super heavy vehicular traffic on the approved county roads and/or bridges which may interrupt the nromal flow of traffic on said roads and/or bridges
- 4 Special Requirements agreed to be performed by [Company] [Special Req]

ROAD USE AGREEMENT
PAGE 2

POLK COUNTY SHALL,

- 1 Allow [Company] to utilize [County Roads] for the transport of all necessary equipment and traffic of super heavy vehicles involved in the proposed activity, without weight limitations from [From] to [To]
2. Make a physical inspection/s of the subject site during the period agreed upon herein. Upon expiration of said period and the associated halting of the approved unlimited weight traffic, the County shall release any portion of the surety which has not been required for costs incurred or expected to be incurred, or may notify [Company] of any costs incurred which are in excess of the surety provided and may demand payment of those costs.

Executed by [Company]

Authorized Signature

(DATE)

STATE OF TEXAS §
 §
COUNTY OF _____ §

I, _____, a notary public, do hereby certify that on this the _____ day of _____, 199__, personally appeared before me _____, being first duly sworn, declared that he/she is the person whose signature is affixed hereto and that he/she is duly authorized to execute the foregoing document on behalf of [Company]

SWORN AND SUBSCRIBED before me this _____, day of _____, 199__

Notary Public in and for the State of Texas
Printed Name _____

Approved this [Date of Agreement]

John P Thompson, County Judge
Polk County, Texas
Livingston, Texas 77351

COPY

Polk County
CSJ 0911-04-021
Highway VA
Limits Polk County Courthouse &
Polk County Courthouse Annex

THE STATE OF TEXAS**

THE COUNTY OF TRAVIS**

AMENDMENT No 1

AGREEMENT FOR SURFACE TRANSPORTATION PROGRAM

TRANSPORTATION ENHANCEMENT

THIS AMENDMENT is made by and between the State of Texas, acting by and through the Texas Department of Transportation, hereinafter called the State and The County of Polk, Texas, hereinafter called the "County", and becomes effective when fully executed by both parties

WITNESSETH

WHEREAS, the State and the County executed an agreement on the 28 th day of December, 1994 to effectuate their agreement to authorize the rehabilitation of the Polk County Courthouse and Courthouse Annex and to designate the County's participation in project development as providing the non-federal funding, and WHEREAS, the County requested to inspect the construction and WHEREAS, the State has agreed for the County to inspect the project under State oversight, and WHEREAS, it has become necessary and desirable to amend the agreement to reflect the County's revised role in the project's development and implementation,

AGREEMENT

NOW, THEREFORE, premises considered, the State and the County do agree that the contract is amended as follows

Article 6 CONSTRUCTION RESPONSIBILITIES

C The County will provide or cause to be provided the inspection services as may be required to ensure that the construction of the Project is accomplished in accordance with the approved construction plans The State may enter the Project site to perform periodic reviews during construction

IN WITNESS WHEREOF, the parties to this amendment have signed duplicate counterparts

THE COUNTY OF POLK, TEXAS

By John P. Thompson

John P. Thompson, County Judge

Typed or Printed Name and Title

May 12, 1997

Date

ATTEST Barbara Middleton

County Clerk

THE STATE OF TEXAS

Executed for the Executive Director and approved by the Texas Transportation Commission under the authority of Minute Order 100002 and the Stand Alone Manual Notice 95-4, for the purpose and effect of activating and carrying out the orders, established policies or work programs heretofore approved by the Texas Transportation Commission.

By _____

David L Justice, P.E

District Engineer

Lufkin District

Date

Local Emergency Planning Committee Membership Update Form

INSTRUCTIONS When submitting this form to the State Emergency Response Commission (SERC) always complete BOX A. Complete BOX 1 if you are submitting a change for the LEPC Chairperson or BOX 2 if you are submitting a change for the Vice Chairperson, if you have one. Complete BOX A & the next page(s) to add a new member or members or to update information for an existing member or members of your LEPC. To obtain a copy of this form on diskette in MS Word 6.0 format, call 512/424-2428. Completed forms should be returned to

State Emergency Response Commission
c/o Texas Department of Public Safety
ATTN: DEM - Technological Hazards Section
P.O. Box 4087
Austin TX 78773-0001

BOX A	
County <u>Polk</u>	Date <u>4/18/97</u>
Area (if applicable)	Is This Your Entire LEPC Membership Listing? Yes/No
County Judge (print name) <u>John P. Thompson</u>	
County Judge Approval (signature)	

LEPC MEMBERSHIP CATEGORIES

(In accordance with Public Law 99-499 Section 301 (c))

NOTE: A single person may represent more than one category and a category may be represented by more than one member

State/Local Official
Law Enforcement **
Fire-fighting
Emergency Management
Emergency Medical Service

Health
Hospital
Broadcast Media
Print Media
Transportation Personnel

Local Environmental Group
Community Group
Facility Owners/Operators
(subject to SARA Title III)
Other

** ADVISORY NOTICE TO LAW ENFORCEMENT OFFICERS This information may be made available to the public under the Texas Open Records Act. DO NOT include your home address or telephone number(s)

BOX 1 CHAIRPERSON UPDATE

Name <u>John E. McDowell</u>	Title <u>EM Coordinator</u>
Employer <u>Polk County Emer. Mgt</u>	Address <u>207 W Mill St</u>
City, ST Zip+4 <u>Livingston, Texas 77351</u>	Telephone Number <u>(409)327-6826</u>
Membership Category (see above): <u>Emergency Management</u>	

BOX 2: VICE CHAIRPERSON UPDATE (if appropriate)

Name <u>Richard Gilbert</u>	Title <u>Owner</u>
Employer <u>Gilbert Gas / Livingston VED</u>	Address <u>810 W. Church</u>
City, ST Zip+4 <u>Livingston, Texas 77351</u>	Telephone Number <u>(409)327-8222</u>
Did this person replace a previous member If so WHO?	Is this person a NEW MEMBER on your LEPC? <u>No</u>
Membership Category (see above): <u>Hazardous Materials</u>	

General Membership Updates: see next page(s)

MEMBER UPDATES

Complete BOX A when submitting this page
 Reproduce this page if there are more than seven memberships to be updated.

Name	Patrick Brennan	Title	EMS Supervisor
Employer	Rural/ Metro Ambulance Service	Telephone Number	(409)327-2300
Did this person replace a previous member	If so WHO?	Is this person a NEW MEMBER on your LEPC?	
No		Yes	
Membership Category (see above)			
Emergency Medical Service			

Name	Dick Cooley	Title	Executive Director
Employer	American Red Cross	Telephone Number	(409)327-6867
Did this person replace a previous member	If so WHO?	Is this person a NEW MEMBER on your LEPC?	
No		No	
Membership Category (see above)			
Emergency Management/Community Group			

Name	Kenneth Harrelson	Title	
Employer	Champion International Corp	Telephone Number	(409)967-4461
Did this person replace a previous member	If so WHO?	Is this person a NEW MEMBER on your LEPC?	
No		Yes	
Membership Category (see above)			
Facility Owners/Operators			

Name	Gina Lee	Title	Environmentalist
Employer	Champion International Corp.	Telephone Number	
Did this person replace a previous member	If so WHO?	Is this person a NEW MEMBER on your LEPC?	
Yes, David Arnold		Yes.	
Membership Category (see above)			
Facility Owners/Operators			

Name	James Riley	Title	Chief of Police
Employer	Corrigan Police Dept.	Telephone Number	(409)398-2551
Did this person replace a previous member	If so WHO?	Is this person a NEW MEMBER on your LEPC?	
No		No	
Membership Category (see above).			
Law Enforcement			

Name	Mary Kay Hicks	Title	District Forester
Employer	Texas Forest Service	Telephone Number	(409)327-4832
Did this person replace a previous member	If so WHO?	Is this person a NEW MEMBER on your LEPC?	
No		No	
Membership Category (see above)			
Local Environmental Group			

Name	Kenneth Hambrick	Title	Fire Chief
Employer	Goodrich VFD	Telephone Number	(409)365-2121
Did this person replace a previous member	If so WHO?	Is this person a NEW MEMBER on your LEPC?	
No		No	
Membership Category (see above)			
Fire-fighting			

MEMBER UPDATES

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Complete BOX A when submitting this page
 Reproduce this page if there are more than seven memberships to be updated.

Name	John Haynes	Title	Training Officer
Employer	Livingston VFD	Telephone Number	(409)327-3121
Did this person replace a previous member	If so WHO?	Is this person a NEW MEMBER on your LEPC?	
No		No	
Membership Category (see above)			
Fire-fighting			

Name	Janet Morris	Title	Superintendent
Employer	Livingston ISD	Telephone Number	(409)328-2100
Did this person replace a previous member	If so WHO?	Is this person a NEW MEMBER on your LEPC?	
No		Yes	
Membership Category (see above)			
Community Group			

Name	Corky Cochran	Title	Fire Chief
Employer	Livingston VFD	Telephone Number	(409) 327-8655
Did this person replace a previous member	If so WHO?	Is this person a NEW MEMBER on your LEPC?	
No		No	
Membership Category (see above)			
Fire-fighting			

Name	Jay Dickson	Title	Administrator
Employer	Memorial Medical Center	Telephone Number	(409)327-4381
Did this person replace a previous member	If so WHO?	Is this person a NEW MEMBER on your LEPC?	
No		No	
Membership Category (see above)			
Medical Services			

Name	Bobby Smith	Title	Fire Chief/County Commissioner
Employer	Onalaska VFD	Telephone Number	(409)327-5929
Did this person replace a previous member	If so WHO?	Is this person a NEW MEMBER on your LEPC?	
No		No	
Membership Category (see above).			
State/Local Official - Fire-fighter			

Name	Emily Banks	Title	Reporter
Employer	Polk County Enterprise	Telephone Number	(409)327-4357
Did this person replace a previous member	If so WHO?	Is this person a NEW MEMBER on your LEPC?	
No		Yes	
Membership Category (see above).			
Broadcast Media			

Name	Marcia Cook	Title	Administrative Assistant
Employer	Polk County Judge	Telephone Number	(409)327-6813
Did this person replace a previous member	If so WHO?	Is this person a NEW MEMBER on your LEPC?	
No		No	
Membership Category (see above).			
Community Group			

MEMBER UPDATES

Complete BOX A when submitting this page
 Reproduce this page if there are more than seven memberships to be updated.

Name	Billy Ray Nelson	Title	Sheriff
Employer	Polk County Sheriff's Office	Telephone Number	(409)327-6810
Did this person replace a previous member If so WHO?	No	Is this person a NEW MEMBER on your LEPC?	No
Membership Category (see above). Law Enforcement			

Name	Jay Barbee	Title	Enforcement Officer
Employer	Polk County Waste Management	Telephone Number	(409)327-6829
Did this person replace a previous member If so WHO?	Yes, Jim McAlister	Is this person a NEW MEMBER on your LEPC?	Yes
Membership Category (see above) Enforcement Officer			

Name	Ricky Thigpen	Title	DPS Officer
Employer	Texas Dept. of Public Safety	Telephone Number	(409)327-6858
Did this person replace a previous member If so WHO?	No	Is this person a NEW MEMBER on your LEPC?	Yes
Membership Category (see above) Law Enforcement			

Name	Jana Sensat	Title	Biologist
Employer	Trinity River Authority	Telephone Number	(409)327-2292
Did this person replace a previous member If so WHO?	No	Is this person a NEW MEMBER on your LEPC?	Yes
Membership Category (see above) Local Environmental Group			

Name	Spencer Karr	Title	Emergency Coordinator
Employer	Trinity River Authority	Telephone Number	(409)327-2292
Did this person replace a previous member If so WHO?	No	Is this person a NEW MEMBER on your LEPC?	Yes
Membership Category (see above) Emergency Management			

Name	Bubba Haley	Title	Program Director
Employer	KETX Radio/TV	Telephone Number	(409)327-8916
Did this person replace a previous member If so WHO?	No	Is this person a NEW MEMBER on your LEPC?	No
Membership Category (see above). Broadcast Media			

Name		Title	
Employer		Telephone Number	
Did this person replace a previous member If so WHO?		Is this person a NEW MEMBER on your LEPC?	
Membership Category (see above)			

Revised

POLK COUNTY - BUDGET AMENDMENT
 REQUEST #97-09
 REQUESTED 5/12/97
 REQUESTED BY Karen Rembert, County Auditor

	INCREASE	DECREASE	COMMENTS
015-621-456	3 488.38		To cover expenditures for April and May 1997
015-621-490		3 488.38	Move money to cover expenditures per Commissioner Speights
010-497-427	87 00		To cover expenditures for June, 1997
010-497-572		87 00	Move money to cover expenditures per Cheryl Tamez
010-497-427	200 00		To cover Treasurer travel expenses for remaining fiscal year
010-499-427		200 00	Move money to cover Treasurer's travel expenses per Bid Smith
015-622-423	1,000 00		To cover mobil phone expenditures for remaining fiscal year
015-622-490		1,000 00	Move money to cover expenditures per Bobby Smith
032 595-572 ⁽⁹⁾	2,500 00		Purchase of computer to replace Jim McAulster's old computer
032-595-491		2,500 00	Move money to cover expenditures per James Richardson
	<u>7,275.38</u>	<u>7,275.38</u>	

Date Approved: 5/12/97

Approved By: 

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43 PAGE 482

Item #11



POLK COUNTY
LIVINGSTON TEXAS

**REPORT ON
AUDIT OF COUNTY JAIL COMMISSARY
SEPTEMBER 1996**

COUNTY AUDITOR

REPORT ON
AUDIT OF COUNTY JAIL COMMISSARY
SEPTEMBER 1996

POLK COUNTY

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REPORT TO MANAGEMENT ON
AUDIT OF COUNTY JAIL COMMISSARY

POLK COUNTY, TEXAS

FIELD DATE: April 28, 1997

Copies of this report have been submitted to the following:

District Judges

Honorable Judge Joe Ned Dean, 258th Judicial District
Honorable Judge Robert Hill Trapp, 411th Judicial District

County Judge

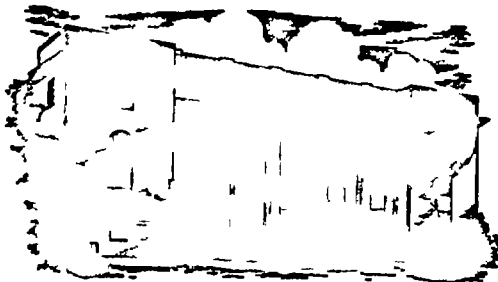
Honorable Judge John Thompson

Law Enforcement Facility

Honorable Sheriff Billy R. Nelson
Jail Administrator, Steve Chalender

County Commissioners

Honorable Bernice E. 'Slim' Speights, Precinct 1
Honorable Jack Bob 'Bobby' Smith, Precinct 2
Honorable James J. 'Buddy' Purvis, Precinct 3
Honorable R.R. 'Dick' Hubert, Precinct 4



KAREN REMMERT
County Auditor

POLK COUNTY

LIVINGSTON TEXAS

Honorable District Judges
Honorable Members of Commissioners Court
Honorable Polk County Sheriff

INTRODUCTION

The sheriff of a county, according to House Bill 669, may operate or contract out with another person to operate, a commissary for the use of prisoners committed to the county jail.

The jail commissary is considered a specialized retail store because of its location. The commissary's clientele is limited and exclusive in that to use a jail commissary; one must be a prisoner committed to a county jail.

The commissary must be operated in accordance with rules adopted by the Commission on Jail Standards. In this regard, the sheriff has exclusive control of the commissary funds and only selected items can be purchased and sold.

SCOPE

The scope of this audit of the county jail commissary is to determine the timeliness, accuracy, completeness, relevance, and reliability of information disclosed in the jail commissary reports associated with the operations of the commissary which is utilized by management and Commission on Jail Standards.

The Commission on Jail Standards requires an audit report from the County Auditor according to Government Code, Chapter 511, Section 511.016 reporting on the commissary operations. The fourth quarter of the fiscal year 1996 was examined in this audit.

RESULTS

We examined the commissary report book, bank reconciliations, bank account, sundry receipt books and supporting documentation for the period of July 1, 1996 to September 30, 1996.

After considering all aspects of the audit, we found nothing that would lead us to conclude that the balances and collections for the county jail commissary for the period audited were not in all material respects appropriately charged, collected, remitted and reported.

CONCLUDING REMARKS

We appreciate the assistance provided to the county auditor's office by the Polk County Sheriff, Jail Administrator, and staff.

This report is intended for the information of management, Commission on Jail Standards and applicable regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

Karen Remmert

Karen Remmert
Polk County Auditor

April 28, 1997

SUMMARY OF FINDINGS AND RECOMMENDATIONS

SUMMARY OF FINDINGS AND RECOMMENDATIONS

JAIL COMMISSARY OPERATIONS

Commissary operations are a one day per week event, usually on Thursdays. Inmates must have their money in by 8:00 a.m. that Thursday morning before commissary shopping commences at 1:00 p.m. The Correction officer is given a list of inmates with money in their commissary accounts. Each inmate on the list is called by their name in each holding tank and told how much they have to spend.

Two inmates at a time are escorted to the multi purpose room located in the law enforcement facility. Inmates shop and place items in trays for purchasing.

The outside commissary vendor's personnel process inmate payment sheets and each inmate must acknowledge the items purchased, prices charged, and signed the log sheet allowing the deduction to their inmate account.

After completion of commissary day, signed purchase sheets are given to the jail administration for processing into the commissary accounts. Jail administration personnel processes a check for payment of the total purchase for commissary personnel. Each inmate's purchase is updated in the computer accounting system.

The commissary must be operated in accordance with rules adopted by the Commission on Jail Standards. In this regard, the sheriff has exclusive control of the commissary funds and only selected items can be purchased and sold. The legislature has given the sheriff express authority to enter into a contract for the operation of a jail commissary.

The commissioners' court has no authority to control the sheriff's exercise of discretion in this regard.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

The sheriff may use commissary proceeds *only* to:

fund, staff, and equip a program addressing the social needs of the county prisoners, including an educational or recreational program and religious or rehabilitative counseling;

supply county prisoners with clothing, writing materials, and hygiene supplies;

establish, staff, and equip a library for the educational use of county prisoners.

Commissary purchases made from proceeds realized by the county from the jail commissary operation are subject to the competitive bidding statutes. The sheriff should accept new bids to renew contracts of commissary suppliers every five years.

Space appropriate to capacity of the jail should be provided for an inmate commissary or a written program should be established for inmates to obtain supplies from nearby sources.

The sheriff of the county jail contracts with an outside supplier to deliver the inmates' items on a weekly basis.

Commissaries must collect the state sales tax as levied by the Limited Sales, Excise, and Use Tax Act on all items sold in the commissary except food items, soft drinks and candy. If the facility is located within a city imposing a local sales tax then local tax is due as well.

RECOMMENDATION

The sheriff needs to comply with the competitive bidding statutes and accept new bids to renew the outside commissary supplier every five years.

The sheriff contracts with an outside commissary supplier that fills and delivers the inmates' orders to the jail. With this type of commissary there is no need for a collection of sales tax or tax report filing.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

COMMISSARY PRIVILEGES PLAN

The commissary must be operated in accordance with rules adopted by the Commission on Jail Standards. One such rule requires a plan providing for commissary privileges. The plan should include a schedule telling the prisoners:

- when the commissary services are available;
- the procedures for purchasing the commissary items;
- what items are available; and
- the current prices of the items.

The commissary is open one day a week and an outside supplier brings items to the law enforcement center. The inmates are escorted two at a time for shopping in the multi purpose room. The inmates shop and the commissary personnel processes the payment sheet for the inmates to sign. The jail staff inventories the items before distribution to the inmates.

The inmate commissary payment sheet includes the items purchased and prices for these articles. The inmate is required to sign the order sheet allowing the jail staff to draw money from the inmate's account for purchase of the items.

The payment sheets are processed for payment to the outside commissary vendor at the end of each commissary day.

FINDING

Signed jail commissary payment sheet totals were not accurate. The discrepancies found were minimal in nature, but over the five-year period could amount to a substantial shortage in profits for the commissary bank account. The commissary account receives a 5% mark up on all items purchased by the inmates.

With the minimal finding mentioned in the above paragraph, the commissary account could have a shortage of approximately \$780.

SUMMARY OF FINDINGS AND RECOMMENDATIONS**RECOMMENDATION**

Jail administration should verify the amount total (IE. attach calculator tape to payment log sheets) each inmate purchased for accuracy before processing check for payments of goods to the outside commissary vendor.

RESTRICTED AMOUNT OF ITEMS PURCHASED

Procedures should also restrict the amount of items that may be retained in the inmate's living area to minimize food stuffs that could create a vermin, fire or security hazard or surpluses that could be used in gambling. The inmates' commissary order sheet does have a limitation on items.

RECOMMENDATION

No further recommendation needed.

INDIGENT PRISONERS

Indigent prisoners, if they ask, are to be supplied with paper, pencils, envelopes, and stamps, without charge.

Polk County inmates that are indigent are supplied with the above items as needed within a limited time space. Personal hygiene supplies are also supplied to these prisoners.

RECOMMENDATION

No further recommendation needed.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

COMMISSARY ACCOUNT MAINTENANCE

The sheriff should maintain commissary accounts showing the amount of proceeds from the commissary operation and the amount and purpose of disbursements made from the proceeds. The county jail may maintain a jail store and operate it at a profit, provided all profits are spent for the benefit, education, and welfare of jail inmates.

At least once each quarter of a county's fiscal year, the county auditor shall, without advance notice, fully examine the jail commissary accounts. The auditor shall verify the correctness of the accounts and report the findings of the examination to the commissioners court of the county. The county auditor is authorized to review commissary accounts, even if the accounts are actually maintained by the operator of the commissary.

FINDING

The county auditor verified the bank account through bank reconciliations and inmate ledger sheets to verify that all monies were properly deposited into the individual inmate accounts and the inmate trust fund bank account. All voided checks were not found in the check book.

Reviewed a sample of sundry receipts and traced the amounts received to insure that those monies were properly recorded on the ledger account sheets of each inmate. Verified the amount posted and checked for correct calculations. Copies of voided receipts were not found.

As to the disclosability of financial records relating to inmate trust accounts, the names of inmates, the sums deposited to their trust accounts and their financial transactions with the commissary are excepted from disclosure under the Open Records Act by a common law right of privacy.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

RECOMMENDATION

All voided checks should be attached to the corresponding check stubs in the check book. This additional procedure will provide an audit trail and assist in the preparation of the bank reconciliation.

Copies of all voided receipts should be attached in the receipt books. This additional procedure will assure that all monies receipted are deposited into the commissary bank account.

Monthly inmate commissary balance reports should be submitted with the bank account reconciliation reports to the county auditor's office.

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SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
028 POLK COUNTY HISTORICAL COMM	2 306 57
TOTAL OF ALL FUNDS	<u>2 306 57</u>

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT
DATE 4 29 97 APPROVED BY Kevin Bennett
County Auditor
John P. O'Keefe

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	98 251 71
015 ROAD & BRIDGE ADH	18 284 95
032 ENVIRONMENTAL SERVICES	4 440 33
041 ASING DEPT	1 916 05
041 DEBT SERVICE FUND	10 868 91
101 ADULT SUPERVISION	10 177 75
104 DTP - CSR	421 13
107 CCP CORRIGAN OFFICE	519 21
108 CCP - SURVEILLANCE	1 230 29
184 JUVENILE PROBATION	1 208 69
185 CCAP - JUVENILE PROBATION	3 259 30
TOTAL OF ALL FUNDS	150 578 32

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

DATE 4-29-97

APPROVED BY *John Bennett*

John P. O'Connell

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION

010 GENERAL FUND

DISBURSEMENTS

971 37

TOTAL OF ALL FUNDS

971 37

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

DATE 5-2-91

APPROVED BY

Kara Stewart

John P. Stamps

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	101 829 51
015 ROAD & BRIDGE ADH	32 937 41
032 ENVIRONMENTAL SERVICES	9 580 94
051 ASING DEPT	8 148 50
101 ADULT SUPERVISION	18 913 97
104 DTP - CSR	834 10
107 CCP CORRIGAN OFFICE	1 280 97
108 CCP - SURVEILLANCE	1 915 55
184 JUVENILE PROBATION	2 877 45
185 CCAP - JUVENILE PROBATION	4 009 46
TOTAL OF ALL FUNDS	185 428 06

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

DATE 5-2-92

APPROVED BY

Karen Bennett
John J. Dwyer

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	1 156 00
032 ENVIRONMENTAL SERVICES	5 500 00
070 ENV SERVICE - 94 CD ISSUE	5 965 00
TOTAL OF ALL FUNDS	12 621 00

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

DATE 5-5-97

APPROVED BY Robert Bennett

County Auditor
John P. Simpson

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	20 258 75
015 ROAD & BRIDGE ADM	255 83
027 SECURITY FUND	20 00
032 ENVIRONMENTAL SERVICES	414 24
024 FEMA DISASTER FUNDS	96 90
081 ASINS DEPT	807 81
088 JUDICIARY FUND	229 80
093 CO CLERK RECORDS MGMT FUND	3 000 90
TOTAL OF ALL FUNDS	25 184 23

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

DATE May 6, 1997

APPROVED BY John S. Bennett

County Auditor

John P. Dwyer

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	57 070 89
015 ROAD & BRIDGE ADM	52 581 23
032 ENVIRONMENTAL SERVICES	6 145 18
051 AGING DEPT	15 237 64
070 ENV SERVICE - 94 CO ISSUE	16 301 95
073 1994 C/O JAIL/BLDG RENOV ISSUE	1 447 15
TOTAL OF ALL FUNDS	149 784 04

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

DATE 5-1-97

APPROVED BY

John J. [Signature]

John P. Stamp

CHECK # 123117

BANK ACCT HAIN
04/29/97
5250 00
*** VOID *** VOID *** VOID *** VOID *** VOID *** VOID ***
*** VOID *** VOID *** VOID *** VOID *** VOID *** VOID ***

*****250 00

N H C
864 EAST PARK AVENUE
TALLAHASSEE FL 32301

CHECK # 123117

010 695 427 GENERAL FUND

J MCDD

250 00

*** VOID *** VOID *** VOID *** VOID *** VOID *** VOID ***
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CHECK # 123116

*** VOID *** BANK ACCT MAIN 04/29/97 \$100 00
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*** VOID *** VOID *** VOID *** VOID *** VOID *** VOID ***

*****100 00

MCDOWELL/JOHN



CHECK # 123116

010-695-427 GENERAL FUND

HOUSTD 100 00

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*** VOID *** VOID *** VOID *** VOID *** VOID *** VOID ***

CHECK # 122721

BANK ACCT MAIN 04/29/97 56 00
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VOID ### VOID ### VOID ### VOID ### VOID ### VOID ### VOID ### VOID

*****6 00

CONNIE ACKER

PO BOX 542
DNALASKA TX 77360

CHECK # 122721

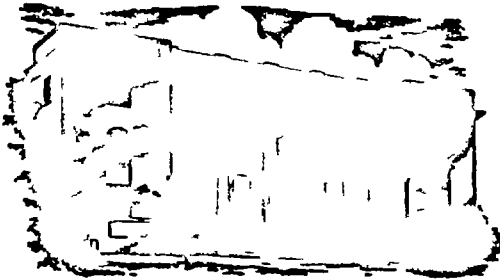
010-435-485 GENERAL FUND

3/20/9

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John P. Thompson



KAREN REMMERT
County Auditor

POLK COUNTY

LIVINGSTON, TEXAS
May 12, 1997

Addendum to Schedule of Bills for Commissioners Court

Harrison Body Shop - Road & Bridge, Pct 1 (Pending Budget Amendment)	\$ 10 50
A-1 Truck Parts & Equipment - Road & Bridge, Pct 1 (Pending Budget Amendment)	100 00
Chuck's Dielsel - Road & Bridge, Pct 1 (Pending Budget Amendment)	786 00
G & G Welding - Road & Bridge, Pct 1 (Pending Budget Amendment)	90 00
Eastex Communications - Road & Bridge, Pct 1 (Pending Budget Amendment)	6 25
Automotive Parts & Service - Road & Bridge, Pct 1 (Pending Budget Amendment)	38 78
Peter's Tractor - Road & Bridge, Pct 1 (Pending Budget Amendment)	77 88
Putt Watson - Road & Bridge, Pct 1 (Pending Budget Amendment)	165 18
CTAT Conference - County Treasurer (Pending Budget Amendments)	110 00
Hubert Auction Company (Auctioneer Services)	2810 55
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Total of Addendum	\$4195 14

John P. Thompson

DATE. APRIL 29, 1997 THROUGH MAY 09, 1997

NO	NAME	DEPT	JOB CLASSIFICATION	TYPE OF EMPLOYEE	SALARY GROUP	ACTION TAKEN
(1)	RANDAL V BRIDGES	SHERIFF	#1037 DEPUTY SHERIFF PATROL	REGULAR FULL TIME	1471 \$18,694.32	NEW-HIRE EFFECTIVE 05-09-97
(2)	RUSSELL CRAWLEY	ROAD & BRIDGE PRECINCT #1	#114 LABORER	LABOR POOL	54 96.00	NEW-HIRE EFFECTIVE 05-12-97
(3)	CREATHY GRAY	WASTE MANAGEMENT	#903 LANDFILL CLERK	REGULAR FULL TIME	671 \$13,698.51	DISMISSAL EFFECTIVE 05-01-97
(4)	ROBIN CRAWFORD	WASTE MANAGEMENT	#904 COLLECTION STATION ATTN	SUSPENDED WITHOUT PAY	UNCLASSIFIED \$4.75	RELEASE FROM SUSPENSION TO LABOR POOL EFFECTIVE 05-01-97
(5)	MELENDIA L COLE	JAIL	#1054 MEDICAL OFFICER	REGULAR FULL TIME	1303 \$18,694.32	NEW-HIRE EFFECTIVE 05-14-97
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