

Polk County, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2017



*COMPREHENSIVE
ANNUAL FINANCIAL REPORT*

of

POLK COUNTY, TEXAS

For the Year Ended
September 30, 2017

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

**Louis Ploth
County Auditor**

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POLK COUNTY, TEXAS

TABLE OF CONTENTS

September 30, 2017

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	3
Certificate of Achievement for Excellence in Financial Reporting	7
List of Elected and Appointed Officials	9
Organizational Chart	11
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	15
Management's Discussion and Analysis (Required Supplementary Information)	21
<u>BASIC FINANCIAL STATEMENTS</u>	
Government-Wide Financial Statements	
Statement of Net Position	31
Statement of Activities	32
Governmental Funds Financial Statements	
Balance Sheet – Governmental Funds	34
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	37
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	38
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	41
Fiduciary Funds Financial Statements	
Statement of Fiduciary Net Position – Fiduciary Funds	43
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	45
Notes to Financial Statements	47
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	77
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Road and Bridge Fund	79
Schedule of Changes in Net Pension Liability and Related Ratios – Texas County and District Retirement System	81
Schedule of Contributions – Texas County and District Retirement System	83
Schedule of Funding Progress – Post Employment Healthcare Benefits	85
<u>COMBINING STATEMENTS AND SCHEDULES</u>	
Combining Balance Sheet – Nonmajor Governmental Funds	90

POLK COUNTY, TEXAS

TABLE OF CONTENTS (Continued)

September 30, 2017

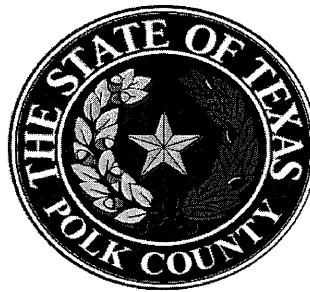
	<u>Page</u>
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	96
Combining Balance Sheet – Road and Bridge Funds	102
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Road and Bridge Funds	104
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	107
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Road and Bridge Fund – Precincts One through Four and Debt Activity	109
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Other Funds	115
Combining Statement of Net Position – Agency Funds	125
Statement of Changes in Assets and Liabilities – Agency Funds	127

STATISTICAL SECTION

Net Position by Component	130
Changes in Net Position	132
Fund Balances, Governmental Funds	134
Changes in Fund Balances, Governmental Funds	136
Tax Revenues by Source, Governmental Activities	138
Assessed Value and Estimated Actual Value of Taxable Property	140
Property Tax Rates – Direct and Overlapping Governments	142
Principal Property Taxpayers	145
Property Tax Levies and Collections	146
Ratio of General Bonded Debt Outstanding	148
Ratio of Outstanding Debt by Type	150
Direct and Overlapping Governmental Activities Debt	153
Legal Debt Margin Information	154
Demographic and Economic Statistics	156
Principal Employers	159
County Employees	161
Operating Indicators by Function	162
Capital Asset Statistics by Function	164

INTRODUCTORY SECTION

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Polk County
Livingston, Texas

March 29, 2018

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

State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2017.

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

Belt Harris Pechacek, LLLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on Polk County's (the "County") financial statements for the year ended September 30, 2017. The independent auditors' report is the first item in the financial section of this report.

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

Profile of Polk County

Polk County was formed in 1846 as a political subdivision of the Republic of Texas. The County was named in honor of James K. Polk, then President of the United States. The County is located in the tall pine forests of deep east Texas, about 70 miles north of Houston. It occupies a total of 1,095 square miles and serves an estimated population of 49,162. The County is empowered to levy a property tax on real property located within its boundaries.

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

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

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

Local Economy

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

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

Per the U.S. Census Bureau, the Polk County unemployment rate was 7.4% in January 2017 and decreased to 5.2% in December 2017. The most recent unemployment data has Polk County with an unemployment rate at 6.0% in January 2018. During the past ten years, the unemployment rate has varied from a low of 5.2% in the year 2007, to a peak high of 10.5% in the year 2010. Although unemployment rates have essentially decreased nationwide over the last year, the County continues to experience an unemployment rate above the national average. The County's unemployment rate is affected by changes in prices associated with both the oil and gas industries.

Median household incomes within the County are lower than the state as a whole. According to the U.S. Census Bureau (the most recent data in 2016 dollars), Polk County's median household income was \$40,864; with the median income in Texas at \$54,727; while the median income in the United States was at \$55,322. The County's population has increased slightly from the 2010 census from 45,413 to an estimated 49,162 as of July 1, 2017. It is possible that people have started moving back due to the decrease in fuel costs. According to the latest information available (stated in 2016 dollars), the U.S. housing market has increased to a median price of \$184,700 for a single family home and increased to \$84,600 in Polk

Polk County, Texas
Letter of Transmittal

County. Over the past ten plus years, the County has experienced a period of significant economic growth and investment.

The County currently has A+ Stable bond ratings by Standard & Poor's. In June 2017, Moody's Investor Service revised the outlook from negative to stable. This upgrade is related to the improved outlook for the IAH detention facility payments to Polk County. The County continues to work with its financial advisors and bond counsel to manage debt service to offset any new debt issued, with older debt and limiting the impact to the budget.

Through tax abatement incentives and additional support in applications for the Texas Enterprise Zone and Texas Capital Fund programs, the County will experience the positive impact of major projects currently underway - the East Texas Hydroelectric Plant at the Lake Livingston dam, Roy O. Martin's construction of the Corrigan OSB Plant, and expansion of the Georgia Pacific plant in Camden. The Roy O. Martin Corrigan OSB plant started operations in 2017 and added 165 new jobs to Polk County. Efforts to retain existing business and attract new business and industry to the area serve to increase employment opportunities and strengthen the County's tax base.

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

During FY2017, the County began and completed a substantial amount of construction on a Polk County Senior Center which was funded by a grant from the U.S. Department of Housing and Urban Development in the amount of \$275,000 and matching County funds of \$125,000. The Senior Center's Grand Opening was held on February 14, 2018. The center is licensed to accommodate 96 individuals and provides lunch and space for seniors to socialize.

The County's expenditures related to employee health insurance premiums continue to rise over the past ten years. In 2017, the County has continued to fund the full cost of employee health insurance premiums, unlike many counties and other employers responding to rising health insurance costs by requiring employee contributions toward their insurance premiums. Although no cost of living or merit increases were budgeted, the County budgeted and spent \$2,429,067 for the full cost of employee health insurance. The County also contributed \$425,000 of the funding recommended by the actuary for the Retiree Health Benefits Trust to ensure availability of health insurance benefits to eligible County retirees and the necessary funding to meet the contribution rate determined annually by the Texas County and District Retirement System to fully fund retiree pensions.

Total fund balance (the total of the nonspendable, restricted, committed, assigned, and unassigned components of fund balance) in the general fund at year end was 49.4 percent of total general fund expenditures. This amount was above the policy guidelines set by the Court for budgetary and planning purposes (i.e., three months of general fund expenditures, approximately 25%) The year-end amount is above the minimum target set by the policy guidelines because of a \$717,892 increase of revenues over expenditures during the year ended September 30, 2017.

Relevant Financial Policies

The County has a policy that requires the adoption of a balanced annual operating budget (i.e., estimated revenues equal to or in excess of appropriations). The County had \$14,287 in budgeted revenue over expenditures based on the original adopted budget. In cases where expenditures exceed appropriations, the policy allows for the appropriation of fund balance to close the gap. However, thanks to measures taken during the year to control expenditures, the County did not have to rely on any fund balance to close any operating deficit; revenues exceeded expenditures by \$717,892.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2016. This was the seventh year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the County has to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire Auditor's office, combined with special assistance from both the Human Resources and Treasurer Offices. We wish to thank all County departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the County Judge and Court for their unfailing support for maintaining the highest standards of professionalism in the management of the County's finances.

Respectfully submitted,



Louis Ploth, County Auditor



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Polk County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

Executive Director/CEO

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POLK COUNTY, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS
September 30, 2017

COMMISSIONERS' COURT:

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

JUDICIAL:

Lee Hon	District Attorney
Bobbye Richards	District Clerk

COUNTY COURT AT LAW:

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

JUSTICE COURTS:

Darrell Longino	Justice of Peace, Precinct #1
Jessica Stanton	Justice of Peace, Precinct #2
Robert Johnson	Justice of Peace, Precinct #3
Jamie Jones	Justice of Peace, Precinct #4

LAW ENFORCEMENT:

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

FINANCIAL ADMINISTRATION:

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

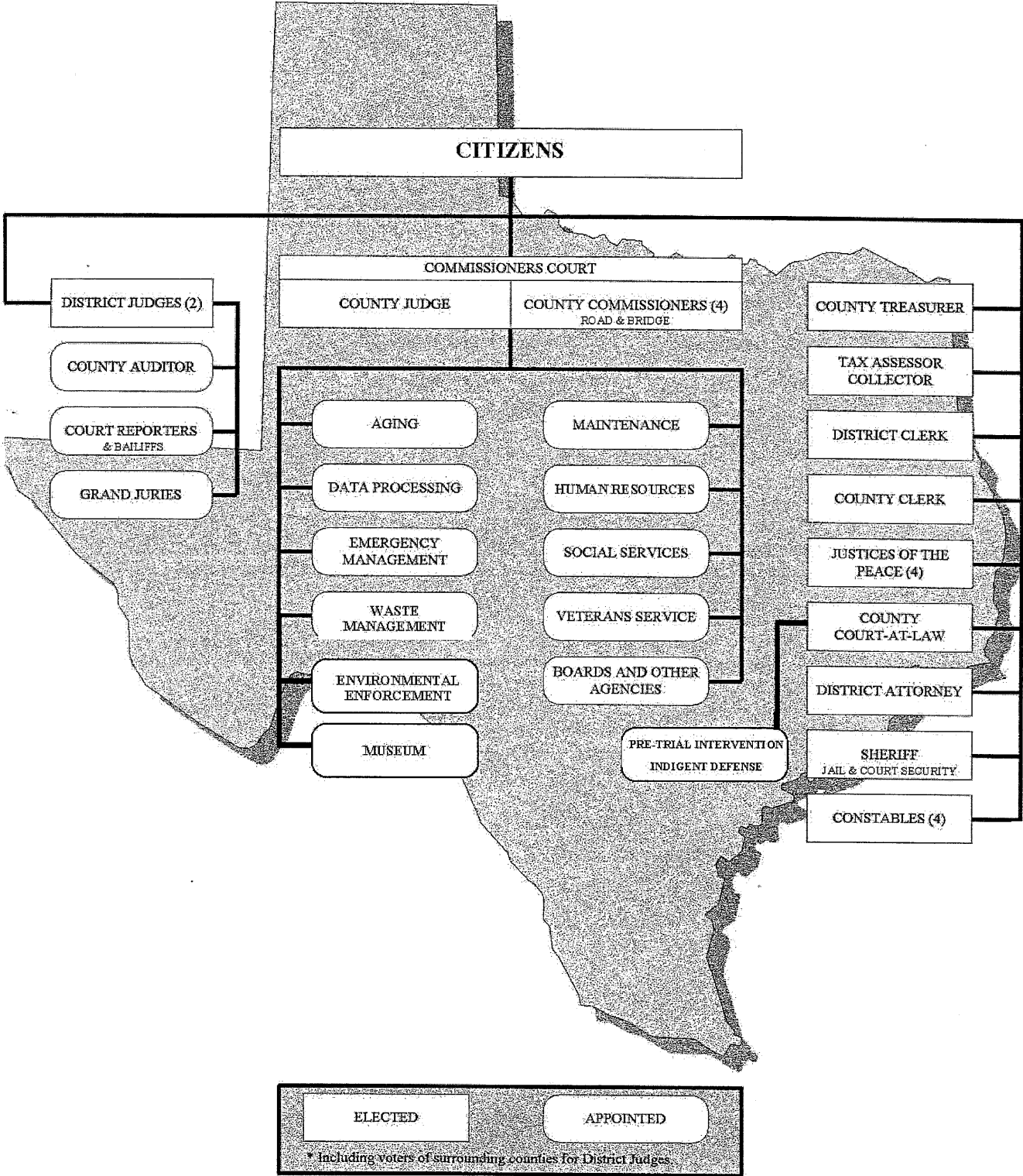
*Designated appointed official. All others are elected.

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POLK COUNTY, TEXAS

ORGANIZATIONAL CHART

September 30, 2017



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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Polk County, Texas (the "County") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of September 30, 2017, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Going Concern for IAH Detention Facility

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

The accompanying financial statements have been prepared assuming that the Corporation will continue as a going concern. As discussed in the notes to the financial statements, the Corporation’s operator has provided a termination notice, and if the Corporation was unsuccessful negotiating the contract or securing a new operator, it could adversely impact the Corporation’s financial condition. This condition raises substantial doubt about the Corporation’s ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The introductory section, combining statements and

schedules, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BELT HARRIS PECHACEK, LLLP

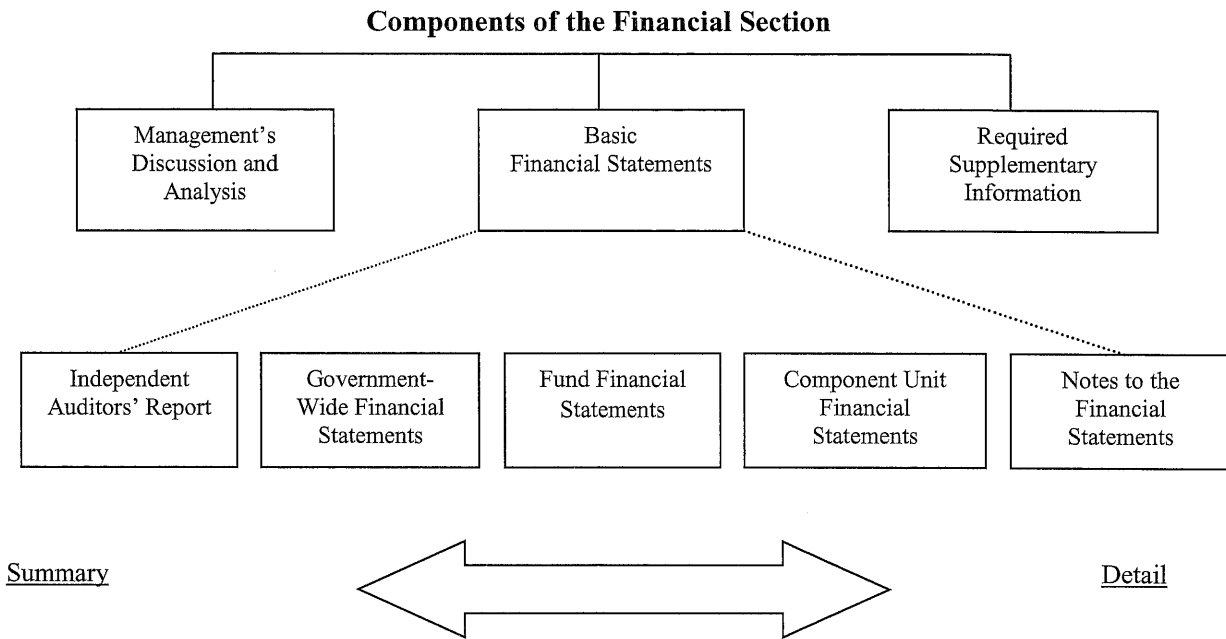
Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
March 29, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2017

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of Polk County, Texas (the "County") for the year ending September 30, 2017. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the County's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



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

GOVERNMENT-WIDE STATEMENTS

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

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

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2017

The Statement of Activities presents information showing how the County's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows using the accrual method rather than modified accrual that is used in the fund level statements.

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

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

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

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

The County maintains 31 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, road and bridge fund, and grants fund, which are considered to be major funds for reporting purposes.

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

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2017

Fiduciary Funds

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

Notes to Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve, over time, as a useful indicator of the County's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$41,188,669 as of September 30, 2017. This compares to \$42,524,046 from the prior fiscal year. A portion of the County's net position, 88.8 percent, reflects its investments in capital assets (e.g., construction in progress, building, equipment, and infrastructure) less any debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2017

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	Governmental Activities	
	2017	2016
Current and other assets	\$ 20,189,091	\$ 20,845,218
Capital assets, net	60,230,043	59,682,538
Total Assets	80,419,134	80,527,756
Deferred charge on refunding	279,409	272,137
Deferred outflows - pensions	4,729,725	5,643,304
Total Deferred Outflows of Resources	5,009,134	5,915,441
Long-term liabilities	39,714,100	40,831,845
Other liabilities	3,294,270	2,255,701
Total Liabilities	43,008,370	43,087,546
Deferred inflows - pensions	1,231,229	831,605
Total Deferred Inflows of Resources	1,231,229	831,605
Net Position:		
Net investment in capital assets	36,559,546	34,877,583
Restricted	4,787,736	5,766,620
Unrestricted	(158,613)	1,879,843
Total Net Position	\$ 41,188,669	\$ 42,524,046

A portion of the County's net position, \$4,787,736 or 11.6 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$-158,613 or -0.385 percent, may be used to meet the County's ongoing obligation to citizens and creditors. The County had a decrease to net position of \$1,335,377 for the fiscal year.

Current assets decreased by \$656,127 to \$20,189,091 as compared to capital assets, which increased by \$547,505 to \$60,230,043. Long-term liabilities decreased by \$1,117,745 in fiscal year 2017 due to the current year debt refunding of the 2008 certificate of bonds and current year capital lease obligation additions, along with the increase in the net pension liability.

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2017

Statement of Activities:

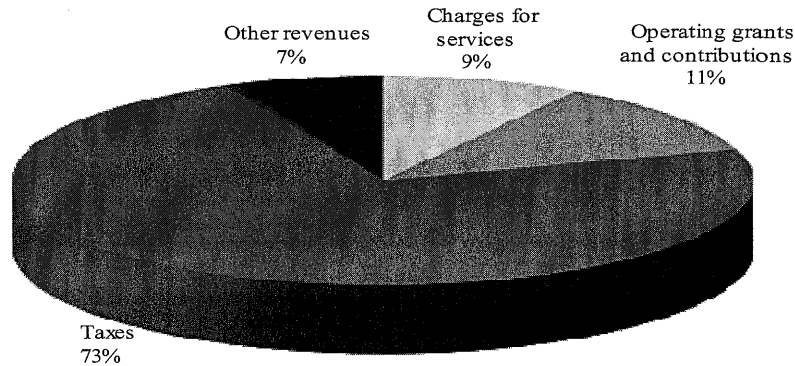
The following table provides a summary of the County's changes in net position:

	Governmental Activities	
	2017	2016
Revenues		
Program revenues:		
Charges for services	\$ 2,764,794	\$ 2,566,672
Operating grants and contributions	3,627,839	3,181,552
General revenues:		
Taxes	23,064,315	22,981,912
Investment income	140,485	59,910
Other revenues	2,087,173	2,304,087
Total Revenues	31,684,606	31,094,133
Expenses		
General government	8,052,484	8,021,658
Administration of justice	12,429,450	11,216,535
Roads and bridges	9,257,802	5,864,408
Health and human services	1,192,373	1,192,366
Tax administration	1,303,518	1,240,282
Interest and fiscal agent fees on long-term debt	784,356	877,747
Total Expenses	33,019,983	28,412,996
Change in Net Position	(1,335,377)	2,681,137
Beginning net position	42,524,046	39,842,909
Ending Net Position	\$ 41,188,669	\$ 42,524,046

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2017

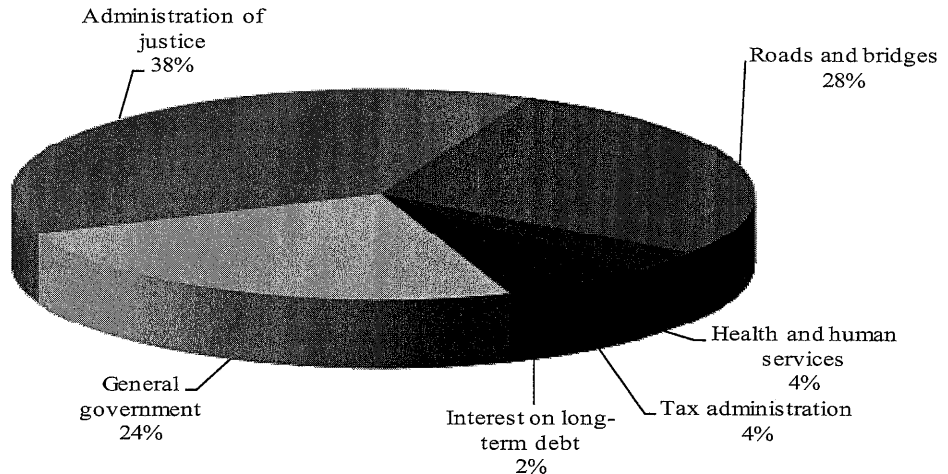
Graphic presentations of selected data from the summary tables follow to assist in the analysis of the County's activities.

Governmental Revenues



Total governmental revenues increased by \$590,473 from the prior year. This increase is primarily the result of an increase in operating grants and contributions received by the County and sales tax revenue due to the economic recovery in the area. Additionally, the County also experienced an increase in other revenue which was due to IAH Public Facility Corporation payments to the County resuming.

Governmental Expenses



Governmental expenses increased by \$4,606,987 from the prior year. The increase in expenses was mainly attributed to an increase in administration of justice expenses associated with increases in salaries and benefits in the jail, as well as an increase in road repairs in road and bridge funds.

During the current fiscal year, the County experienced an increase in revenue of \$590,473 over the prior year, while also experiencing an increase in expenses of \$4,606,987. The increase in revenue is primarily attributable to the increase in operating grants and contributions, taxes, and other revenue during the year. The increase in expenses was primarily attributed to the increase in expenses associated with road repairs for the road and bridge funds.

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2017

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

The County's governmental funds reflect a combined fund balance of \$14,586,913. Of this, \$51,766 is restricted for debt service, \$869,242 is restricted for endowments/trusts, \$1,945,846 is restricted for road and bridge, \$1,811,883 is restricted for special projects, and \$108,999 is restricted for capital projects. The County has also assigned \$767,770 for post closure care costs. The amount of unassigned fund balance is \$9,031,407.

There was a decrease in the combined fund balance of \$1,863,997 from the prior year. The largest decreases in fund balances are in the road and bridge and nonmajor funds of \$1,221,503 and \$1,281,711, respectively. Both property and sales tax revenue remained relatively the same during the year with a combined increase of \$81,292. This increase was offset by increases in expenditures for the administration of justice and road and bridge.

The fund balance of the general fund had an increase of \$717,892, with an ending fund balance of \$9,083,198. This change can be attributed to an increase in tax revenues. The County's fund balance policy for the general fund is to maintain a minimum balance of 25 percent of average yearly expenditures. Unassigned fund balance for the general fund is in compliance with the policy.

There was a decrease of \$6,524 in the debt service fund providing an ending fund balance of \$819,536. Debt service expenditures totaled \$3,422,260 for the year, which is a slight decrease from prior year.

The road and bridge fund had a decrease in fund balance of \$1,221,503, which brings the ending fund balance to \$1,945,846. The decrease was primarily due to an increase in road material purchased during the year for ongoing projects.

There was decrease in grant revenues and expenditures when compared to the prior year in the grant fund. This was a result of decrease in monies received from the Texas General Land Office for Hurricane Ike recovery-related expenditures and local funds provided by the County to complete ongoing grant related projects. The end result was a decrease in fund balance of \$72,151 in the grants fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

General fund expenditures were under the final budget by \$498,152. This is due to positive expenditure variances in all departments.

During the 2017 year, the Commissioners' Court amended the budget for the following purposes:

- To re-appropriate monies to pay for commitments in the form of encumbrances established prior to September 30, 2017, but not paid by that date;
- To appropriate monies from other governmental units received in year 2017;
- To re-appropriate monies within or between departments; and
- To reflect department year end projections.

CAPITAL ASSETS

POLK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2017

At the end of the year, the County's governmental activities had invested \$60,230,043 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$547,505.

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

- Construction in progress for the energy savings project
- Nine large equipment purchases and two vehicles for road and bridge use
- Eleven vehicle purchases for the justice department's use
- One vehicle purchase for the data processing center
- One vehicle purchase for the emergency management center

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

LONG-TERM DEBT

At the end of the year, the County reported total bonds, certificates of obligation, tax notes, and capital leases of \$23,289,392. The County refunded \$3,900,000 in general obligation bonds and issued \$1,041,160 in capital lease obligations during fiscal year 2017.

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

The County has an A+ stable bond rating by Standard & Poors. Moody's Investor Service issued a rating update in July 2017 upgrading the County to a stable outlook assigned. This upgrade is related to the improved outlook for the IAH detention facility payments to Polk County.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Although economic conditions continued to improve in the County in fiscal year 2017, the Commissioners' Court faced challenges during the 2018 budget process. Sales tax revenue is expected to remain essentially the same in FY2018 as compared to FY2017. The FY2018 budget for current property taxes is expected to generate \$12,024,786, which is an increase of \$1,154,652 over the FY2017 budgeted taxes. The County continues to face budgetary pressures on the expenditure side related to the rising costs of employee health insurance and benefits. Continued growth and stability is expected in FY2018 and beyond.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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POLK COUNTY, TEXAS

STATEMENT OF NET POSITION

September 30, 2017

	Primary Government Governmental Activities	Component Unit
<u>Assets</u>		
Cash and cash equivalents	\$ 16,591,811	\$ 2,227,361
Investments	-	4,300,000
Receivables, net	3,596,937	757,640
Due from other units	343	-
Total Current Assets	20,189,091	7,285,001
Capital assets:		
Nondepreciable capital assets	10,566,684	330,346
Capital assets, net of accumulated depreciation	49,663,359	16,719,005
Total Capital Assets	60,230,043	17,049,351
Total Assets	80,419,134	24,334,352
<u>Deferred Outflows of Resources</u>		
Deferred charge on refunding	279,409	-
Deferred outflows - pensions	4,729,725	-
Total Deferred Outflows of Resources	5,009,134	-
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued liabilities	2,811,257	2,870,545
Accrued interest payable	100,097	149,500
Due to other units	382,916	-
Total Current Liabilities	3,294,270	3,020,045
Noncurrent liabilities:		
Long-term liabilities due within one year	3,963,623	2,970,000
Long-term liabilities due in more than one year	35,750,477	26,930,000
Total Noncurrent Liabilities	39,714,100	29,900,000
Total Liabilities	43,008,370	32,920,045
<u>Deferred Inflows of Resources</u>		
Deferred inflows - pensions	1,231,229	-
<u>Net Position</u>		
Net investment in capital assets	36,559,546	(8,550,649)
Restricted for:		
Debt service	51,766	-
Endowments/trusts:		
Expendable	869,242	-
Road and bridge	1,945,846	-
Special projects	1,811,883	-
Capital projects	108,999	-
Unrestricted	(158,613)	(35,044)
Total Net Position	\$ 41,188,669	\$ (8,585,693)

See Notes to Financial Statements.

POLK COUNTY, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2017

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General government	\$ 8,052,484	\$ 2,101,994	\$ 2,707,810
Administration of justice	12,429,450	354,383	72,910
Roads and bridges	9,257,802	125,057	368,139
Health and human services	1,192,373	183,360	478,980
Tax administration	1,303,518	-	-
Interest and fiscal agent fees on long-term debt	784,356	-	-
Total Governmental Activities	33,019,983	2,764,794	3,627,839
Total Primary Government	\$ 33,019,983	\$ 2,764,794	\$ 3,627,839
 IAH Public Facility Corporation			
Detention facility	\$ 14,823,022	\$ 15,040,882	\$ -
Interest and fiscal agent fees on long-term debt	2,113,304	-	-
Total Component Unit	\$ 16,936,326	\$ 15,040,882	\$ -

General Revenues:

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

Total General Revenues

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position	
Governmental Activities	Component Unit
\$ (3,242,680)	\$ -
(12,002,157)	-
(8,764,606)	-
(530,033)	-
(1,303,518)	-
(784,356)	-
<u>(26,627,350)</u>	<u>-</u>
<u>(26,627,350)</u>	<u>-</u>
-	217,860
-	<u>(2,113,304)</u>
-	<u>(1,895,443)</u>
19,209,450	-
2,437,411	-
1,417,454	-
140,485	35,992
2,087,173	-
-	2,779,010
-	<u>2,376,607</u>
<u>25,291,973</u>	<u>5,191,609</u>
(1,335,377)	3,296,166
<u>42,524,046</u>	<u>(11,881,859)</u>
<u>\$ 41,188,669</u>	<u>\$ (8,585,693)</u>

POLK COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2017

	General	Debt Service	Road and Bridge	Grants
<u>Assets</u>				
Cash and cash equivalents	\$ 7,760,260	\$ 813,587	\$ 3,280,831	\$ 1,631,058
Receivables, net	2,213,199	489,416	674,969	109,606
Due from other funds	1,506,916	-	-	97,598
Due from other units	343	-	-	-
Total Assets	\$ 11,480,718	\$ 1,303,003	\$ 3,955,800	\$ 1,838,262
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 902,505	\$ 784	\$ 1,337,083	\$ 383,137
Due to other units	14,447	-	130,519	-
Due to other funds	97,598	-	-	1,506,916
Total Liabilities	1,014,550	784	1,467,602	1,890,053
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	1,382,970	482,683	542,352	-
<u>Fund Balances</u>				
Restricted:				
Debt service	-	51,766	-	-
Road and bridge	-	-	1,945,846	-
Special projects	-	-	-	-
Capital projects	-	-	-	-
Endowments/trusts	-	-	-	-
Assigned:				
Post closure care costs	-	767,770	-	-
Unassigned	9,083,198	-	-	(51,791)
Total Fund Balances	9,083,198	819,536	1,945,846	(51,791)
Total Liabilities, Deferred Inflows of of Resources, and Fund Balances	\$ 11,480,718	\$ 1,303,003	\$ 3,955,800	\$ 1,838,262

See Notes to Financial Statements.

<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ 3,106,075	\$ 16,591,811
109,747	3,596,937
-	1,604,514
-	343
<u>\$ 3,215,822</u>	<u>\$ 21,793,605</u>
\$ 187,748	\$ 2,811,257
237,950	382,916
-	1,604,514
<u>425,698</u>	<u>4,798,687</u>
-	2,408,005
-	51,766
-	1,945,846
1,811,883	1,811,883
108,999	108,999
869,242	869,242
-	767,770
-	9,031,407
<u>2,790,124</u>	<u>14,586,913</u>
<u>\$ 3,215,822</u>	<u>\$ 21,793,605</u>

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POLK COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
September 30, 2017

Fund balances - total governmental funds	\$	14,586,913
Adjustments for the Statement of Net Position:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Nondepreciable capital assets		10,566,684
Depreciable capital assets, net		49,663,359
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		
Deferred revenue		2,408,005
Deferred outflows and deferred inflows related to pension activity are not current financial resources and, therefore, not reported in the governmental funds.		
Deferred outflows - pensions		4,729,725
Deferred inflows - pensions		(1,231,229)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Accrued interest payable		(100,097)
Deferred charge on refunding		279,409
Long-term liabilities due within one year		(3,963,623)
Long-term liabilities due in more than one year		(35,750,477)
Net Position of Governmental Activities	\$	<u>41,188,669</u>

See Notes to Financial Statements.

POLK COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2017

	General	Debt Service	Road and Bridge	Grants
Revenues				
Property taxes	\$ 11,406,572	\$ 3,308,544	\$ 4,337,686	\$ -
Sales taxes	2,437,411	-	-	-
Other taxes	429,558	-	947,936	-
Fines and forfeitures	652,772	-	125,057	-
Charges for services	1,258,385	-	-	-
Intergovernmental	1,504,701	-	368,139	1,203,109
Licenses and permits	171,385	-	-	-
Investment income	108,927	5,308	14,887	-
Other revenue	1,189,265	-	581,454	-
Total Revenues	19,158,976	3,313,852	6,375,159	1,203,109
Expenditures				
Current:				
General government	5,154,248	-	-	1,494,945
Administration of justice	10,740,324	-	-	-
Roads and bridges	-	-	7,324,181	-
Health and human services	630,945	-	-	-
Tax administration	1,234,171	-	-	-
Debt service:				
Principal	-	2,586,000	1,067,094	-
Interest and fiscal charges	-	738,246	32,815	-
Debt issuance costs	-	98,014	-	-
Capital outlay	621,223	-	1,268,392	-
Total Expenditures	18,380,911	3,422,260	9,692,482	1,494,945
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	778,065	(108,408)	(3,317,323)	(291,836)
Other Financing Sources (Uses)				
Transfers in	270,767	-	97,073	219,685
Transfers (out)	(330,940)	-	(26,253)	-
Debt issued	-	3,900,000	1,041,160	-
Payment to refunded bond escrow agent	-	(4,119,069)	-	-
Premium on bonds issued	-	320,953	-	-
Sale of capital assets	-	-	983,840	-
Total Other Financing Sources (Uses)	(60,173)	101,884	2,095,820	219,685
Net Change in Fund Balances	717,892	(6,524)	(1,221,503)	(72,151)
Beginning fund balances	8,365,306	826,060	3,167,349	20,360
Ending Fund Balances	\$ 9,083,198	\$ 819,536	\$ 1,945,846	\$ (51,791)

See Notes to Financial Statements.

<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 19,052,802
-	2,437,411
39,960	1,417,454
21,709	799,538
535,486	1,793,871
551,890	3,627,839
-	171,385
11,363	140,485
316,454	2,087,173
<u>1,476,862</u>	<u>31,527,958</u>
353,041	7,002,234
306,630	11,046,954
-	7,324,181
420,912	1,051,857
-	1,234,171
-	3,653,094
-	771,061
-	98,014
1,447,658	3,337,273
<u>2,528,241</u>	<u>35,518,839</u>
(1,051,379)	(3,990,881)
146,909	734,434
(377,241)	(734,434)
-	4,941,160
-	(4,119,069)
-	320,953
-	983,840
<u>(230,332)</u>	<u>2,126,884</u>
(1,281,711)	(1,863,997)
<u>4,071,835</u>	<u>16,450,910</u>
<u>\$ 2,790,124</u>	<u>\$ 14,586,913</u>

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POLK COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2017

Net changes in fund balances – total governmental funds \$ (1,863,997)

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

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

Capital outlay	3,393,724
Depreciation expense	(1,966,831)
Capital retirements, net	(879,388)

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

Deferred revenue	156,648
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Net pension liability and deferred outflows and deferred inflows related to the County's pension plan are not reported in the governmental funds.

Net pension liability	(19,346)
Deferred outflows - pensions	(913,579)
Deferred inflows - pensions	(399,624)

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

Principal payment	3,653,094
Payment to refunded bond escrow agent	4,055,000
Debt issuance	(4,941,160)
Changes to bond premiums	(192,090)
Amortization of deferred charges	7,272
Landfill closure and post closure	(267,583)

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

Accrued interest payable	12,653
Net OPEB obligation	(1,114,283)
Compensated absences	(55,887)

Change in Net Position of Governmental Activities \$ (1,335,377)

See Notes to Financial Statements.

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POLK COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2017

	Retiree Health Benefit Trust	Agency
<u>Assets</u>		
Cash and cash equivalents	\$ 1,523,846	\$ 6,141,867
Due from other units	14,447	-
Total Assets	\$ 1,538,293	\$ 6,141,867
<u>Liabilities</u>		
Due to other units	\$ -	\$ 6,141,867
Total Liabilities	\$ -	\$ 6,141,867
<u>Net Position</u>		
Held in trust for other post employment benefits	\$ 1,538,293	

See Notes to Financial Statements.

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POLK COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2017

		<u>Retiree Health Benefit Trust</u>
<u>Additions</u>		
Employer contributions	\$	434,957
Other revenue		25,201
Investment income		12,530
Total Additions		<u>472,688</u>
<u>Deductions</u>		
Benefits		144,583
Administrative expenses		6,797
Total Deductions		<u>151,380</u>
	Change in Net Position	321,308
Beginning net position		1,216,985
	Ending Net Position	<u><u>\$ 1,538,293</u></u>

See Notes to Financial Statements.

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POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

Discretely Presented Component Unit

IAH Public Facility Corporation

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

B. Government-Wide Financial Statements

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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

C. Basis of Presentation – Government-Wide Financial Statements

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

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

D. Basis of Presentation – Fund Financial Statements

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

The County reports the following governmental funds:

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

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

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

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

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

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

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

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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The college and commerce center and energy savings funds are considered nonmajor funds for reporting purposes.

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

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

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

Additionally, the County reports the following fund types:

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

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

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

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

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

Tax assessor collector's fund – Tax collections are deposited intact in the tax collector's agency accounts pending distribution.

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

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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

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

E. Measurement Focus and Basis of Accounting

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

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

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

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

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

1. Cash and Cash Equivalents

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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

2. Investments

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

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

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

3. Inventories and Prepaid Items

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

4. Capital Assets

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

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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

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

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

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

5. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has one item that qualifies for reporting in this category in the government-wide Statement of Net Position. Deferred charges have been recognized as a result of differences between the actuarial expectations and the actual economic experience related to the County’s defined benefit pension plan. This amount is deferred and amortized over the average of the expected service lives of pension plan members. At the fund level, the County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

6. Compensated Employee Absences

It is the County’s policy to not allow employees to accumulate earned but unused holiday, vacation, and compensatory time. Certain allowances are made for holiday time for law enforcement personnel and extensions can be granted by the employee’s supervising elected official or Department head. No liability is reported for unpaid accumulated sick leave since it does not vest. Employees are allowed to

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

maintain an accrual of up to 480 hours of sick leave although it is not compensated on termination. Vacation, compensatory time, and holiday pay that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave and compensatory time that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, if material. Bonds payable are reported net of the applicable bond premium or discount.

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

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

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

8. Net Position Flow Assumption

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

9. Fund Balance Flow Assumptions

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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

followed by assigned fund balance. Unassigned fund balance is applied last.

10. Fund Balance Policies

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

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

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

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

In accordance with Commissioners' Court policy, the County must maintain a minimum of 25 percent of expenditures in unassigned fund balance in the general fund.

11. Estimates

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

12. Pensions

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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

The property tax calendar dates are:

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

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

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The original budget is adopted by the Commissioners' Court prior to the beginning of the fiscal year. The legal level of control is at the department level in the general fund and road and bridge fund. The debt service fund's legal level of control is at the fund level. The remaining special revenue funds with adopted budgets are: County and district court technology, courthouse security, law library, aging, County records management, County clerk records preservation, hotel/motel tax, justice court technology, available school, district attorney collection, district clerk records preservation, waste management, jail commissary, district attorney special, justice court building security, permanent school, pre-trial intervention program, Sheriff federal revenue sharing, and drug forfeiture. The legal level control for these special revenue funds is at the fund level. Although budgets are adopted annually for these special revenue funds, they are not subject to performance measurement. Management may not

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

amend the budget without the approval of Commissioners' Court.

Appropriations lapse at the end of the year for all funds. Budgets are adopted on a generally accepted accounting principles basis for all budgeted funds, except for the college and commerce center and energy saving funds, which adopt project length budgets. Several supplemental budget appropriations were made for the year ended September 30, 2017.

A. Deficit Fund Equity

The grant fund had a deficit fund balance as of September 30, 2017 of \$51,791.

B. Expenditures in Excess of Appropriations

For the year ended, expenditures exceeded appropriations at the legal level of control as follows:

Road and Bridge Fund:	
Permanent	\$ 18,350
Principal	67
Interest	1,729
Capital outlay	1,201,471
Debt Service Fund:	
Debt issuance cost	\$ 98,014
Nonmajor Funds:	
Aging	
Health and human services	\$ 41,277
Available School	
General government	\$ 1,642
Jail Commissary	
Administration of justice	\$ 8,444
Permanent School	
General government	\$ 609
Transfers out	\$ 4,012
Drug Forfeiture	
Administration of justice	\$ 35,920

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2017, the County had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
TexPool	\$ 11,984,915	-
Texas CLASS	86,260	-
Total	<u>\$ 12,071,175</u>	
Portfolio weighted average maturity		-

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

Credit risk. State law and the County’s investment policy limit investments to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent. Further, commercial paper must be rated not less than “A-1” or “P-1” or an equivalent rating by at least two nationally recognized credit rating agencies. As of September 30, 2017, the County’s investments in TexPool were rated “AAAm” and Texas CLASS were rated “AAA” by Standard & Poor’s.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County’s investment policy requires funds on deposit at the depository bank to be collateralized by securities and FDIC insurance. As of September 30, 2017, bank balances did not exceed the market values of pledged securities and FDIC insurance.

TexPool

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

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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

restrictions on redemptions in the event of a general suspension of trading on major national markets, general banking moratorium, or a national state of emergency that affects TexPool's liquidity.

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust-Texas (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended (the "Act"). CLASS is created under an amended and restated trust agreement, dated as of December 14, 2011 (the "Agreement"), among certain Texas governmental entities investing in CLASS (the "Participants"), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. CLASS is not SEC registered and is not subject to regulation by the State of Texas. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the "Board"), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for Texas CLASS may be obtained from CLASS' website at www.texasclass.com.

B. Receivables

The following comprise receivable balances at year end:

	General	Debt Service	Road and Bridge	Grants	Nonmajor	Total
Property taxes	\$ 1,382,970	\$ 482,683	\$ 542,352	\$ -	\$ -	\$ 2,408,005
Other taxes	432,380	-	-	-	-	432,380
Other	397,849	6,733	132,617	109,606	109,747	756,552
	<u>\$ 2,213,199</u>	<u>\$ 489,416</u>	<u>\$ 674,969</u>	<u>\$ 109,606</u>	<u>\$ 109,747</u>	<u>\$ 3,596,937</u>

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

C. Capital Assets

A summary of changes in capital assets for the year ended September 30, 2017 is as follows:

	Beginning Balance*	Increases	(Decreases)	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 1,574,713	\$ -	\$ -	\$ 1,574,713
Construction in progress	7,544,313	1,447,658	-	8,991,971
Total capital assets not being depreciated	9,119,026	1,447,658	-	10,566,684
Other capital assets:				
Infrastructure	90,960,198	-	-	90,960,198
Buildings	44,904,462	125,448	-	45,029,910
Improvements	2,856,650	-	-	2,856,650
Equipment	16,257,058	1,820,618	(1,420,529)	16,657,147
Total other capital assets	154,978,368	1,946,066	(1,420,529)	155,503,905
Less accumulated depreciation for:				
Infrastructure	(87,058,706)	(76,246)	-	(87,134,952)
Buildings	(5,613,565)	(844,039)	-	(6,457,604)
Improvements	(1,456,520)	(78,022)	-	(1,534,542)
Equipment	(10,286,065)	(968,524)	541,141	(10,713,448)
Total accumulated depreciation	(104,414,856)	(1,966,831)	541,141	(105,840,546)
Other capital assets, net	50,563,512	(20,765)	(879,388)	49,663,359
Governmental Activities Capital Assets, Net	\$ 59,682,538	\$ 1,426,893	\$ (879,388)	60,230,043
			Less associated debt	(24,058,760)
			Plus deferred charge on refunding	279,409
			Plus unspent bond proceeds	108,854
			Net Investment in Capital Assets	\$ 36,559,546

* Beginning balances have been restated.

Depreciation was charged to governmental functions as follows:

General government	\$ 452,371
Administration of justice	531,044
Roads and bridges	885,074
Health and human services	98,342
Total Governmental Activities Depreciation Expense	\$ 1,966,831

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

D. Long-Term Liabilities

The following is a summary of changes in the County's total governmental long-term liabilities for the year ended September 30, 2017. In general, the County uses the general, road and bridge, and debt service funds to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds, notes payable, and capital leases:					
General obligation	\$ 21,515,000	\$ 3,900,000	\$ (5,835,000)	\$ 19,580,000	\$ 1,940,000
Tax notes	3,234,000	-	(806,000)	2,428,000	688,000
Obligations under capital leases	1,307,326	1,041,160	(1,067,094)	1,281,392	1,058,870
Less deferred amounts:					
Premium	577,278	320,953	(128,863)	769,368	-
	<u>26,633,604</u>	<u>5,262,113</u>	<u>(7,836,957)</u>	<u>24,058,760</u>	<u>* 3,686,870</u>
Other:					
Compensated absences	251,616	522,473	(466,586)	307,503	276,753
Net OPEB obligation	4,626,501	1,114,283	-	5,740,784	-
Net pension liability	5,971,371	19,346	-	5,990,717	-
Landfill closure and post closure care costs	3,348,753	267,583	-	3,616,336	-
	<u>14,198,241</u>	<u>1,923,685</u>	<u>(466,586)</u>	<u>15,655,340</u>	<u>276,753</u>
Total Governmental Activities	<u>\$ 40,831,845</u>	<u>\$ 7,185,798</u>	<u>\$ (8,303,543)</u>	<u>\$ 39,714,100</u>	<u>\$ 3,963,623</u>
				<u>\$ 35,750,477</u>	
				<u>\$ 24,058,760</u>	

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

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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

Long-term debt as of September 30, 2017 was comprised of the following debt issues:

	<u>Interest Rate Percentage</u>	<u>Original Amount</u>	<u>Balance</u>
General Obligation			
Certificates of Obligation, Series 2008	4.00-4.12	\$ 10,120,000	\$ 720,000
Refunding Bonds, Series 2012	2.00-3.00	\$ 17,760,000	12,840,000
Contractual Obligation, Series 2016	1.935	\$ 2,120,000	2,120,000
Contractual Obligation, Series 2017	4.00-4.13	\$ 2,120,000	3,900,000
			<u>19,580,000</u>
Tax Notes			
Series 2011	1.83	\$ 449,000	68,000
Series 2012	2.00	\$ 1,015,000	305,000
Series 2013	1.85	\$ 525,000	235,000
Series 2014	1.00-2.00	\$ 1,570,000	925,000
Series 2015	1.93	\$ 1,060,000	770,000
Series 2016	1.93	\$ 145,000	125,000
			<u>2,428,000</u>
Capital Leases			
Bankcorp South Corporation	2.19	\$ 1,041,160	1,041,160
First National Bank Leasing	2.55	\$ 257,825	240,232
			<u>1,281,392</u>
		Total	\$ 23,289,392

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

Year Ending Sept. 30	Governmental Activities					
	General Obligation		Tax Anticipation Notes		Capital Leases	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 1,940,000	\$ 591,878	\$ 688,000	\$ 40,891	\$ 1,058,870	\$ 33,047
2019	1,975,000	533,071	635,000	27,930	18,230	5,674
2020	2,055,000	467,643	485,000	16,946	21,292	2,612
2021	2,125,000	399,669	415,000	8,106	183,000	-
2022	2,200,000	329,300	180,000	2,258	-	-
2023-2027	8,500,000	768,750	25,000	255	-	-
2028-2031	785,000	31,492	-	-	-	-
Totals	<u>\$ 19,580,000</u>	<u>\$ 3,121,803</u>	<u>\$ 2,428,000</u>	<u>\$ 96,386</u>	<u>\$ 1,281,392</u>	<u>\$ 41,333</u>

Machinery and equipment acquired under current capital lease obligations totaled \$1,041,160.

Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the County could result. Although the County does not anticipate that it will have any arbitrage liability, it periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

E. Interfund Transactions

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

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amounts</u>
General fund	Road and bridge fund	\$ 97,073
General fund	Nonmajor governmental funds	96,119
Road and bridge fund	General fund	26,252
Nonmajor governmental funds	Nonmajor governmental funds	251,266
Nonmajor governmental funds	General fund	263,724
	Total	<u><u>\$ 734,434</u></u>

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

The composition of interfund balances as of September 30, 2017 is as follows:

<u>Due to</u>	<u>Due from</u>	<u>Amounts</u>
General fund	Grant funds	\$ 1,506,916
Grants fund	General fund	97,598
	Total	<u><u>\$ 1,604,514</u></u>

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

F. Restatement of Net Position

The County has restated beginning net position to record an increase in capital assets and depreciation associated with equipment for the County. The beginning net position was restated as follows:

	<u>Governmental Activities</u>
Beginning net position - as reported	\$ 42,298,673
Restatement - capital assets	634,190
Restatement - depreciation	(408,817)
Beginning net position - restated	<u><u>\$ 42,524,046</u></u>

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

IV. OTHER INFORMATION

A. Risk Management

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

B. Contingent Liabilities

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

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

The County reports liabilities when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency, and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

C. Landfill Closure and Post Closure Care Costs

On December 1, 2001, the County entered into an agreement (the "Agreement") with a private contractor (the "Contractor") to operate the County's landfill and solid waste collection activities. The Agreement also provides for the Contractor to pay for a portion of the closure and post closure care costs for capacity utilized under their management. The Contractor is required to annually obtain a performance bond to provide financial assurance to the County for such costs. Upon the termination of the Agreement, the contractor is relieved of any financial obligation for closure and post closure care costs. Accordingly, the County is liable or contingently liable for the entire closure and post closure care costs.

Current state regulations and the U.S. Environmental Protection Agency require the County to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County is required to recognize a portion of the landfill closure and post closure care liability each year. Recognition of the

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

liability is based on the landfill capacity used to date. The operations of the landfill are recorded in the environmental service fund, one of the special revenue funds used by the County.

The County revised its estimated closure and post closure care costs in an application for a permit amendment submitted to the Texas Commission on Environmental Quality in 2004 to modify the existing permit for expansion of total permit capacity. The County's estimate of total costs of closure and post closure care for 30 years, under permits and regulations currently in effect, is \$11,516,995.

The \$3,616,336 reported as landfill closure and post closure care liability at September 30, 2017 is based on the use of 31.4 percent of the estimated capacity of the landfill. The estimated net decrease in capacity after the permit modification during the year was 1.8 percent related to new estimates of airspace capacity using digital terrain modeling techniques. The accrued liability increased by \$267,583. The County will recognize the remaining estimated cost of closure and post closure care of \$7,900,659 as the remaining estimated capacity is filled. Based on the current rate of materials deposited, the life of the landfill is 46.8 years.

The estimated costs are based on what it would cost to perform all closure and post closure care in 2017 and do not include provisions for inflation. Based on current projections, the present landfill site will be closed in the year 2064. Monitoring would begin on this date and would continue for the next 30 years.

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

The County is not currently required to make contributions to a trust fund to finance closure and post closure costs. The County has reserved \$767,770 in its debt service fund for post closure costs. The County intends to fund the deficiency in amounts currently available and the total estimated costs with contractor franchise fees.

D. Pension Plans

Texas County and District Retirement System

Plan Description

The Texas County and District Retirement System (TCDRS) is a statewide, agent multiple-employer, public-employee retirement system. TCDRS serves 677 actively participating counties and districts throughout Texas. Each employer maintains its own customized plan of benefits. Plan provisions are adopted by the Commissioners' Court of each employer, within the options available in the TCDRS Act. Because of that, the County has the flexibility and local control to select benefits and pay for those benefits based on its needs and budgets.

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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

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

Benefits Provided

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

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

Employees Covered by Benefit Terms

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	181
Inactive employees entitled to, but not yet receiving, benefits	256
Active employees	308
Total	745

Contributions

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

- The deposit rate for employees is four percent, five percent, six percent, or seven percent of compensation, as adopted by the employer's governing body.
- Participating employers are required, by law, to contribute at actuarially determined rates, which are determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method.
- Investment income funds a large part of the benefits employees earn.

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

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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

Employees for the County were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the County were 11.78 percent and 13.00 percent in calendar years 2016 and 2017, respectively. The County's contributions to TCDRS for the fiscal year ended September 30, 2017 were \$1,375,378 and were equal to the required contributions.

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2016 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The actuarial assumptions that determined the TPL as of December 31, 2016 were based on the results of an actuarial experience study for the period January 1, 2010 through October 31, 2013, except where required to be different by GASB 68.

Following are the key assumptions and methods used in the December 31, 2016 actuarial valuation:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in the which the contributions are reported.
Actuarial Cost Method	Entry age normal
Amortization Method	Level of percentage of payroll, closed
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	3.0%
Salary Increases	Varies by age and service. 4.9% average over career, including inflation
Investment Rate of Return	8.10%
Cost of Living Adjustments	Cost-of-living adjustments for the County are not considered to be substantively automatic under GASB 68. Therefore, an assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

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

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	Dow Jones U.S. Total Stock Market Index	13.50%	4.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	16.00%	7.70%
Global Equities	MSCI World (net) Index	1.50%	5.00%
International Equities - Developed	MSCI World Ex USA (net)	10.00%	4.70%
International Equities - Emerging	MSCI World Ex USA (net)	7.00%	5.70%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.60%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.70%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	3.83%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	10.00%	8.15%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	3.85%
Commodities	Bloomberg Commodities Index		
Master Limited Partnerships (MLP)	Alerian MLP Index	3.00%	5.60%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	20.00%	3.85%

Discount Rate

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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Changes for the year:			
Service cost	\$ 1,775,942	\$ -	\$ 1,775,942
Interest	4,425,097	-	4,425,097
Change in current period benefits	-	-	-
Difference between expected and actual experience	(940,817)	-	(940,817)
Changes in assumptions	-	-	-
Contributions - employer	-	1,300,420	(1,300,420)
Contributions - employee	-	769,300	(769,300)
Net investment income	-	3,616,677	(3,616,677)
Benefit payments, including refunds of employee contributions	(2,375,085)	(2,375,085)	-
Administrative expense	-	(39,392)	39,392
Other changes	-	(406,128)	406,128
Net changes	2,885,138	2,865,792	19,346
Balance at December 31, 2015	54,924,569	48,953,198	5,971,371
Balance at December 31, 2016	\$ 57,809,707	\$ 51,818,990	\$ 5,990,717

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of the County, calculated using the discount rate of 8.10 percent, as well as what the County's NPL would be if it were calculated using a discount rate that is one percentage point lower (7.1%) or one percentage point higher (9.1%) than the current rate:

	1% Decrease in Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
County's Net Pension Liability (Asset)	\$ 13,689,393	\$ 5,990,717	\$ (390,732)

Pension Plan Fiduciary Net Position

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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

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

For the fiscal year ended September 30, 2017, the County recognized pension expense of \$1,332,550. At September 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 1,231,229
Changes in actuarial assumptions	287,770	-
Difference between projected and actual investment earnings	3,419,143	-
Contributions subsequent to the measurement date	1,022,812	-
Total	\$ 4,729,725	\$ 1,231,229

\$1,022,812 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30:	Pension Expense
2018	\$ 765,958
2019	852,316
2020	793,667
2021	63,743
2022	-
Thereafter	-
Total	\$ 2,475,684

E. Other Post Employment Benefits

Plan Description

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

Each full-time employee who separates from the service of the County and who, at the time of their separation, is eligible for retirement under the TCDRS guidelines, and either (1) has total creditable service with the TCDRS and continuous service as a full-time employee of the County for 20 years or more or (2) has total creditable service with the TCDRS and continuous service as an elected official, of the County for 16 years or more; and whose full salary has been paid entirely from the County funds or grant funds received from Federal, State, or other local governments by the County continuously for 20 years or more or for 16 years or more as an elected official, and is covered by the County group health plan at the time of their retirement will have the same dollar amount contributed towards their group medical premiums by the County that the County contributes towards such premiums for its full-time employees. Upon reaching Medicare eligibility (retiree must have Medicare A and B, and may have to be 65 or older), employees who meet the above requirements will be eligible to participate in the senior health care plan offered by the County. If the retiree meets the eligibility requirements stated above for

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

premiums to be paid upon reaching Medicare eligibility (must have Medicare A and B, and may have to be 65 or older), the County will pay the premium for the retiree to participate in the senior health plan designated by the County.

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

Funding Policy and Annual OPEB Cost

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

Annual OPEB Cost

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

The County's annual OPEB cost for the fiscal year ending September 30, 2017 is as follows:

Annual required contribution (ARC)	\$ 1,624,768
Interest on OPEB obligation	185,060
Adjustment to ARC	(180,279)
Annual OPEB cost (expense) end of year	1,629,549
Net estimated employer contributions	(515,266)
Increase in net OPEB obligation	\$ 1,114,283
Net OPEB obligation - as of beginning of year	4,626,501
Net OPEB obligation - as of end of year	\$ 5,740,784

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

Three-Year Contribution Information

The County's annual OPEB cost, the amount contributed by the employer, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year ending September 30, 2017 and the preceding two fiscal years were as follows:

Fiscal Year	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Obligation	
				Beginning	Ending
2015	\$ 1,184,873	\$ 282,547	23.85%	\$ 2,851,694	\$ 3,754,020
2016	\$ 1,223,121	\$ 350,640	28.67%	\$ 3,754,020	\$ 4,626,501
2017	\$ 1,629,549	\$ 515,266	31.60%	\$ 4,626,501	\$ 5,740,784

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

Funded Status

As of the actuarial valuation date of December 31, 2016, the actuarial value of plan assets is \$1,194,100, the actuarial accrued liability is \$16,147,582, the total unfunded actuarial accrued liability (UAAL) is \$14,953,482, and the actuarial value of assets as a percentage of the actuarial accrued liability is 7.3 percent. The covered payroll was \$11,032,245, and the ratio of the UAAL to the covered payroll was 135.5 percent.

Actuarial Methods and Assumptions

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

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

Significant methods and assumptions were as follows:

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the ARC of the Plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as RSI provides multiyear trend information that shows whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

F. Jointly Governed and Related Organizations

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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

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

G. Component Unit Disclosures

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

1. Financing Agreements and Practical Considerations

The Corporation was formed for the initial purpose of building a detention facility (the "Facility"). The Facility was initially financed with the issuance of the project revenue bonds, series 2004 (the "2004 Bond Issue"), and was expanded with the issuance of the project revenue bonds, series 2006 (the "2006 Bond Issue"). The 2004 and 2006 Bonds were restructured with the issuance of the project revenue bonds, series 2017 (the "2017 Bond Issue"). The 2004, 2006, and 2017 Bond Issues are secured by the mortgage on the Facility and the Facility's revenues and are not secured by the full faith and credit of the County nor tax revenues. In connection with the 2004 and 2006 Bond Issues on November 1, 2004 and December 21, 2006, respectively, the Corporation and/or the County entered into a number of legal agreements for the financing of the Facility, many of which are designed to provide additional security to the bondholders.

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

The Corporation entered into a lease agreement (the "Lease"), with an option to purchase, with the County, whereas the Corporation purchased land and constructed and equipped the Facility, which is being leased to the County. The term of the Lease is effectively concurrent with the related 2017 Bond Issues. The County is only obligated to make rental payments to the extent that revenues from the Facility are available. Under the Lease, the County pledges all revenues to the trust fund established under the Trust Indenture.

On April 30, 2015, the County entered into a Facility Operation and Management Services Agreement (the "Agreement") with Management and Training Corporation (the "Operator").

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

This Agreement is renewable annually. The Operator compensation is payable solely from, and to the extent monies are available in, the operating account, as established in the trust account in accordance with the Trust Indenture. The Operator's pays the County an administrative fee of \$2.75 per prisoner per day for the first 526 prisoners and then \$4.60 per prisoner per day for each prisoner in excess of 526 from the Operator's fee and guarantees the County a minimum aggregate administrative fee of \$100,000 annually.

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

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

As a result of the forbearance agreement (the "Forbearance"), the County did not collect the County administration fees during the forbearance period. The Forbearance expired on June 15, 2017.

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

POLK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

2. Long-Term Debt

On November 5, 2004, the Corporation issued project revenue bonds series 2004, in the amount of \$24,215,000 and, on December 21, 2006, the Corporation issued project revenue bonds, series 2006 in the amount of \$24,820,000. On June 1, 2017, the Corporation restructured the series 2004 and 2006 project revenue bonds to a series 2017 bonds, (the “Bonds”).

Long-term debt obligations of the Corporation as of September 30, 2017 are as follows:

Year Ending Sept. 30	Principal	Interest	Total
2018	\$ 2,970,000	\$ 603,133	\$ 3,573,133
2019	2,980,000	493,950	3,473,950
2020	3,035,000	433,550	3,468,550
2021	3,105,000	371,800	3,476,800
2022	3,165,000	308,800	3,473,800
2023-2026	14,645,000	566,550	15,211,550
Total	\$ 29,900,000	\$ 2,777,783	\$ 32,677,783

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

3. Agreement Regarding Protective Advances and Forbearance

The Corporation entered into a Forbearance Agreement (the “Forbearance Agreement”) with Community Education Centers, Inc. (CEC), and the U.S. Bank National Association (the “Trustee”), an indenture trustee for holders of the bonds and the County in 2014. The Forbearance Agreement expired on June 1, 2017 when the Corporation restructured the series 2004 and 2006 project revenue bonds to series 2017.

4. Termination Notice

On September 20, 2017, the Operator gave a 180-day termination notice to the County, pursuant to section 2.02 of the Agreement. As of March 29, 2018, the Corporation is in active negotiations with all parties and believes satisfactory terms will be reached with the participants. The effective termination date is May 31, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

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

For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 11,468,803	\$ 11,468,803	\$ 11,406,572	\$ (62,231)
Sales taxes	2,342,305	2,342,305	2,437,411	95,106
Other taxes	327,106	327,106	429,558	102,452
Fines and forfeitures	543,500	626,766	652,772	26,006
Charges for services	1,253,953	1,284,453	1,258,385	(26,068)
Intergovernmental	347,414	1,365,559	1,504,701	139,142
Licenses and permits	155,855	155,855	171,385	15,530
Investment income	44,000	44,000	108,927	64,927
Other revenue	1,140,059	1,280,021	1,189,265	(90,756)
Total Revenues	<u>17,622,995</u>	<u>18,894,868</u>	<u>19,158,976</u>	<u>264,108</u>
Expenditures				
General Government:				
County Judge	245,599	246,640	246,640	-
Commissioners' Court	578,275	660,373	634,194	26,179
County Clerk	600,933	606,313	568,041	38,272
County Treasurer	174,634	176,428	174,162	2,266
County Auditor	284,243	286,628	263,503	23,125
Data processing	338,909	461,333	444,675	16,658
Human resources	153,260	162,012	158,377	3,635
Maintenance	830,313	821,361	787,934	33,427
Fire department support	172,912	172,912	155,569	17,343
Emergency management	213,965	244,376	223,781	20,595
General operating	1,192,052	1,200,149	1,199,154	995
Other unclassified	309,986	299,324	298,218	1,106
	<u>5,095,081</u>	<u>5,337,849</u>	<u>5,154,248</u>	<u>183,601</u>
Administration of Justice:				
Jury	60,500	60,500	50,292	10,208
County Court-at-law	581,699	639,000	626,551	12,449
District Clerk	466,513	474,757	433,777	40,980
District Judges	944,008	1,076,395	1,072,502	3,893
Pretrial services	47,380	45,380	42,346	3,034
Justice of the Peace Pct. 1	186,847	188,640	185,934	2,706
Justice of the Peace Pct. 2	162,562	163,459	160,724	2,735
Justice of the Peace Pct. 3	165,069	168,615	165,701	2,914
Justice of the Peace Pct. 4	154,494	154,494	154,097	397
District Attorney	1,140,083	1,136,247	1,105,970	30,277
Sheriff	3,644,584	3,705,801	3,703,467	2,334
Jail	2,817,531	2,820,414	2,753,883	66,531
Constables	236,669	233,611	220,660	12,951
DPS	66,409	67,355	64,420	2,935
	<u>10,674,348</u>	<u>10,934,668</u>	<u>10,740,324</u>	<u>194,344</u>

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

For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
Health and Human Services:				
Museum	\$ 55,183	\$ 53,683	\$ 49,220	\$ 4,463
Permit/inspections	108,210	107,720	105,646	2,074
Social services	269,893	269,893	246,559	23,334
Veterans services	52,250	52,250	50,226	2,024
County extension	127,913	127,913	114,919	12,994
Environmental services	69,777	67,377	64,375	3,002
	<u>683,226</u>	<u>678,836</u>	<u>630,945</u>	<u>47,891</u>
Tax Administration:				
Appraisal District	403,640	403,640	403,640	-
Tax Assessor Collector	902,602	899,002	830,531	68,471
	<u>1,306,242</u>	<u>1,302,642</u>	<u>1,234,171</u>	<u>68,471</u>
Capital Outlay	<u>2,825</u>	<u>625,068</u>	<u>621,223</u>	<u>3,845</u>
Total Expenditures	<u>17,761,722</u>	<u>18,879,063</u>	<u>18,380,911</u>	<u>498,152</u>
Excess (Deficiency) of Over (Under) Expenditures	<u>(138,727)</u>	<u>15,805</u>	<u>778,065</u>	<u>762,260</u>
Other Financing Sources (Uses)				
Transfers in	279,177	300,308	270,767	(29,541)
Transfers (out)	(137,798)	(330,940)	(330,940)	-
Total Other Financing Sources (Uses)	<u>141,379</u>	<u>(30,632)</u>	<u>(60,173)</u>	<u>(29,541)</u>
Net Change in Fund Balance	<u>\$ 2,652</u>	<u>\$ (14,827)</u>	717,892	<u>\$ 732,719</u>
Beginning fund balance			<u>8,365,306</u>	
Ending Fund Balance			<u>\$ 9,083,198</u>	

Notes to Required Supplementary Information

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

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

For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 4,361,584	\$ 4,361,584	\$ 4,337,686	\$ (23,898)
Other taxes	985,000	985,000	947,936	(37,064)
Fines and forfeitures	106,000	106,000	125,057	19,057
Intergovernmental	-	48,408	368,139	319,731
Investment income	4,035	3,195	14,887	11,692
Other revenue	50,139	441,161	581,454	140,293
Total Revenues	5,506,758	5,945,348	6,375,159	429,811
Expenditures				
Roads and bridges:				
Permanent	-	-	18,350	(18,350) *
Pct. 1	1,206,048	2,309,220	1,456,280	852,940
Pct. 2	1,225,723	1,531,604	1,442,893	88,711
Pct. 3	1,468,921	2,471,861	2,225,249	246,612
Pct. 4	1,463,517	2,253,921	2,181,409	72,512
Debt service:				
Principal	1,067,027	1,067,027	1,067,094	(67) *
Interest	31,086	31,086	32,815	(1,729) *
Capital outlay	-	66,921	1,268,392	(1,201,471) *
Total Expenditures	6,462,322	9,731,640	9,692,482	39,158
(Deficiency) of				
Revenues (Under) Expenditures	(955,564)	(3,786,292)	(3,317,323)	468,969
Other Financing Sources (Uses)				
Transfers in	114,273	93,273	97,073	3,800
Transfers out	(140,523)	(140,523)	(26,253)	114,270
Debt issuance	-	-	1,041,160	1,041,160
Sale of capital assets	983,840	983,840	983,840	-
Total Other Financing Sources	957,590	936,590	2,095,820	1,159,230
Net Change in Fund Balance	\$ 2,026	\$ (2,849,702)	(1,221,503)	\$ 1,628,199
Beginning fund balance			3,167,349	
Ending Fund Balance			\$ 1,945,846	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. *Expenditures exceeded appropriations at the legal level of control.

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POLK COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Year Ended September 30, 2017

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

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

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POLK COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Year Ended September 30, 2017

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

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

Notes to Required Supplementary Information:

There were no benefit changes during the year.

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POLK COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS
POST EMPLOYMENT HEALTHCARE BENEFITS
For the Year Ended September 30, 2017

Actuarial Valuation Date ¹	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/10	\$ -	\$ 5,394,882	\$ 5,394,882	0.0%	\$ 10,068,500	53.6%
12/31/12	\$ 194,467	\$ 8,154,612	\$ 7,960,145	2.4%	\$ 10,160,869	78.3%
12/31/14	\$ 829,829	\$ 10,444,909	\$ 9,615,080	7.9%	\$ 10,607,304	90.6%
12/31/16	\$ 1,194,100	\$ 16,147,582	\$ 14,953,482	7.3%	\$ 10,597,164	141.1%

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

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***COMBINING STATEMENTS
AND SCHEDULES***

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Special Revenue Funds (continued)

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

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

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

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

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

Waste Management Fund - This fund is used to account for all revenues generated from the operation of the County landfill and citizen's collection stations.

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

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

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

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

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

Permanent Fund

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

Capital Projects Funds

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

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

Energy Savings Fund - This fund is used to account for contractual obligation proceeds associated with the energy savings program.

POLK COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 3)
September 30, 2017

	<u>Special Revenue Funds</u>			
	<u>County and District Court Technology</u>	<u>Courthouse Security</u>	<u>Law Library</u>	<u>Aging</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 6,531	\$ 21,093	\$ 75,457	\$ 206,357
Receivables, net	-	82	-	35,652
Total Assets	\$ 6,531	\$ 21,175	\$ 75,457	\$ 242,009
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 5,661	\$ 754	\$ 14,871
Due to other units	-	-	-	-
Total Liabilities	-	5,661	754	14,871
<u>Fund Balances:</u>				
Restricted:				
Special projects	6,531	15,514	74,703	227,138
Capital projects	-	-	-	-
Endowments/trusts	-	-	-	-
Total Fund Balances	6,531	15,514	74,703	227,138
Total Liabilities and Fund Balances	\$ 6,531	\$ 21,175	\$ 75,457	\$ 242,009

Special Revenue Funds

County Records Mgmt.	County Clerk Records Preservation	Hotel/Motel Tax	Justice Court Technology	Historical Commission	Available School
\$ 8,524	\$ 548,902	\$ 63,174	\$ 1,552	\$ 292,788	\$ 242,542
-	148	13,802	100	-	-
<u>\$ 8,524</u>	<u>\$ 549,050</u>	<u>\$ 76,976</u>	<u>\$ 1,652</u>	<u>\$ 292,788</u>	<u>\$ 242,542</u>
\$ -	\$ 850	\$ -	\$ -	\$ (9)	\$ -
-	-	-	-	-	-
<u>-</u>	<u>850</u>	<u>-</u>	<u>-</u>	<u>(9)</u>	<u>-</u>
8,524	548,200	76,976	1,652	292,797	-
-	-	-	-	-	-
-	-	-	-	-	242,542
<u>8,524</u>	<u>548,200</u>	<u>76,976</u>	<u>1,652</u>	<u>292,797</u>	<u>242,542</u>
<u>\$ 8,524</u>	<u>\$ 549,050</u>	<u>\$ 76,976</u>	<u>\$ 1,652</u>	<u>\$ 292,788</u>	<u>\$ 242,542</u>

POLK COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 3)
September 30, 2017

	Special Revenue Funds			
	District Attorney Collection	District Clerk Records Preservation	Forfeiture	District Clerk TDCJ
Assets				
Cash and cash equivalents	\$ 34,925	\$ 42,436	\$ 412,762	\$ 2,046
Receivables, net	-	-	-	-
Total Assets	\$ 34,925	\$ 42,436	\$ 412,762	\$ 2,046
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 60	\$ -	\$ -	\$ -
Due to other units	-	-	209,514	2,046
Total Liabilities	60	-	209,514	2,046
Fund Balances:				
Restricted:				
Special projects	34,865	42,436	203,248	-
Capital projects	-	-	-	-
Endowments/trusts	-	-	-	-
Total Fund Balances	34,865	42,436	203,248	-
Total Liabilities and Fund Balances	\$ 34,925	\$ 42,436	\$ 412,762	\$ 2,046

Special Revenue Funds

Judiciary	Officials' Fee Account	Sheriff Federal Revenue Sharing	District Attorney's Check Restitution	Waste Management	Jail Commissary
\$ 161,984	\$ 26,089	\$ 17,272	\$ 494	\$ -	\$ 46,290
2,370	420	-	-	52,901	-
<u>\$ 164,354</u>	<u>\$ 26,509</u>	<u>\$ 17,272</u>	<u>\$ 494</u>	<u>\$ 52,901</u>	<u>\$ 46,290</u>
\$ 164,354	\$ 119	\$ -	\$ 494	\$ -	\$ -
-	26,390	-	-	-	-
<u>164,354</u>	<u>26,509</u>	<u>-</u>	<u>494</u>	<u>-</u>	<u>-</u>
-	-	17,272	-	52,901	46,290
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>17,272</u>	<u>-</u>	<u>52,901</u>	<u>46,290</u>
<u>\$ 164,354</u>	<u>\$ 26,509</u>	<u>\$ 17,272</u>	<u>\$ 494</u>	<u>\$ 52,901</u>	<u>\$ 46,290</u>

POLK COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 3)
September 30, 2017

	Special Revenue Funds			
	District Attorney Special	Justice Court Building Security	Pre-Trial Intervention	Child Abuse Prevention
<u>Assets</u>				
Cash and cash equivalents	\$ 1,048	\$ 42,136	\$ 120,087	\$ 134
Receivables, net	-	25	-	-
Total Assets	\$ 1,048	\$ 42,161	\$ 120,087	\$ 134
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts payable	\$ (6)	\$ -	\$ 600	\$ -
Due to other units	-	-	-	-
Total Liabilities	(6)	-	600	-
<u>Fund Balances:</u>				
Restricted:				
Special projects	1,054	42,161	119,487	134
Capital projects	-	-	-	-
Endowments/trusts	-	-	-	-
Total Fund Balances	1,054	42,161	119,487	134
Total Liabilities and Fund Balances	\$ 1,048	\$ 42,161	\$ 120,087	\$ 134

Permanent Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
Permanent School	College/ Commerce Center	Energy Savings	
\$ 622,453	\$ 145	\$ 108,854	\$ 3,106,075
4,247	-	-	109,747
<u>\$ 626,700</u>	<u>\$ 145</u>	<u>\$ 108,854</u>	<u>\$ 3,215,822</u>
\$ -	\$ -	\$ -	\$ 187,748
-	-	-	237,950
<u>-</u>	<u>-</u>	<u>-</u>	<u>425,698</u>
-	-	-	1,811,883
-	145	108,854	108,999
626,700	-	-	869,242
<u>626,700</u>	<u>145</u>	<u>108,854</u>	<u>2,790,124</u>
<u>\$ 626,700</u>	<u>\$ 145</u>	<u>\$ 108,854</u>	<u>\$ 3,215,822</u>

POLK COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 3)
For the Year Ended September 30, 2017

	Special Revenue Funds			
	County and District			
	Court Technology	Courthouse Security	Law Library	Aging
Revenues				
Other taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	1,235	-	-	-
Charge for services	-	31,368	12,502	-
Intergovernmental	-	-	-	478,980
Investment income	-	-	-	-
Other revenue	-	-	-	4
Total Revenues	1,235	31,368	12,502	478,984
Expenditures				
Current:				
General government	-	-	10,000	-
Administration of justice	-	154,555	-	-
Health and human services	-	-	-	420,912
Capital outlay	-	-	-	-
Total Expenditures	-	154,555	10,000	420,912
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,235	(123,187)	2,502	58,072
Other Financing Sources (Uses)				
Transfers in	-	118,539	-	-
Transfers (out)	-	(2,321)	-	(128,714)
Total Other Financing Sources (Uses)	-	116,218	-	(128,714)
Net Change in Fund Balances	1,235	(6,969)	2,502	(70,642)
Beginning fund balances	5,296	22,483	72,201	297,780
Ending Fund Balances	\$ 6,531	\$ 15,514	\$ 74,703	\$ 227,138

Special Revenue Funds

County Records Mgmt.	County Clerk Records Preservation	Hotel/Motel Tax	Justice Court Technology	Historical Commission	Available School
\$ -	\$ -	\$ 39,960	\$ -	\$ -	\$ -
-	-	-	16,419	-	-
19,452	273,962	-	-	-	-
-	-	-	-	-	-
-	2,085	-	-	2,608	1,599
-	-	-	-	10,397	156,614
<u>19,452</u>	<u>276,047</u>	<u>39,960</u>	<u>16,419</u>	<u>13,005</u>	<u>158,213</u>
14,000	78,400	16,719	-	8,357	159,956
-	-	-	33,979	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>14,000</u>	<u>78,400</u>	<u>16,719</u>	<u>33,979</u>	<u>8,357</u>	<u>159,956</u>
<u>5,452</u>	<u>197,647</u>	<u>23,241</u>	<u>(17,560)</u>	<u>4,648</u>	<u>(1,743)</u>
50	-	-	19,209	-	4,012
-	(92,926)	-	-	-	-
<u>50</u>	<u>(92,926)</u>	<u>-</u>	<u>19,209</u>	<u>-</u>	<u>4,012</u>
5,502	104,721	23,241	1,649	4,648	2,269
<u>3,022</u>	<u>443,479</u>	<u>53,735</u>	<u>3</u>	<u>288,149</u>	<u>240,273</u>
<u>\$ 8,524</u>	<u>\$ 548,200</u>	<u>\$ 76,976</u>	<u>\$ 1,652</u>	<u>\$ 292,797</u>	<u>\$ 242,542</u>

POLK COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 3)
For the Year Ended September 30, 2017

	Special Revenue Funds			
	District Attorney Collection	District Clerk Records Preservation	Forfeiture	District Clerk TDCJ
Revenues				
Other taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Charge for services	1,260	13,582	-	-
Intergovernmental	-	-	35,373	-
Investment income	-	-	715	-
Other revenue	-	-	-	-
Total Revenues	<u>1,260</u>	<u>13,582</u>	<u>36,088</u>	<u>-</u>
Expenditures				
Current:				
General government	-	-	-	-
Administration of justice	3,032	511	35,920	-
Health and human services	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>3,032</u>	<u>511</u>	<u>35,920</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,772)</u>	<u>13,071</u>	<u>168</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(1,772)</u>	<u>13,071</u>	<u>168</u>	<u>-</u>
Beginning fund balances	<u>36,637</u>	<u>29,365</u>	<u>203,080</u>	<u>-</u>
Ending Fund Balances	<u>\$ 34,865</u>	<u>\$ 42,436</u>	<u>\$ 203,248</u>	<u>\$ -</u>

Special Revenue Funds

<u>Judiciary</u>	<u>Officials' Fee Account</u>	<u>Sheriff Federal Revenue Sharing</u>	<u>District Attorney's Check Restitution</u>	<u>Waste Management</u>	<u>Jail Commissary</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	183,360	-
-	-	15,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	27,826
-	-	15,000	-	183,360	27,826
-	-	-	-	-	-
-	-	7,620	-	-	33,444
-	-	-	-	-	-
-	-	-	-	-	-
-	-	7,620	-	-	33,444
-	-	7,380	-	183,360	(5,618)
-	-	-	-	-	-
-	-	-	-	(149,268)	-
-	-	-	-	(149,268)	-
-	-	7,380	-	34,092	(5,618)
-	-	9,892	-	18,809	51,908
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,272</u>	<u>\$ -</u>	<u>\$ 52,901</u>	<u>\$ 46,290</u>

POLK COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 3)
For the Year Ended September 30, 2017

	Special Revenue Funds			
	District Attorney Special	Justice Court Building Security	Pre-Trial Intervention	Child Abuse Prevention
Revenues				
Other taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	4,055	-	-
Charge for services	-	-	-	-
Intergovernmental	-	-	22,410	127
Investment income	-	-	-	-
Other revenue	28,300	-	-	-
Total Revenues	28,300	4,055	22,410	127
Expenditures				
Current:				
General government	-	-	-	-
Administration of justice	33,299	-	4,270	-
Health and human services	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	33,299	-	4,270	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,999)	4,055	18,140	127
Other Financing Sources (Uses)				
Transfers in	5,099	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	5,099	-	-	-
Net Change in Fund Balances	100	4,055	18,140	127
Beginning fund balances	954	38,106	101,347	7
Ending Fund Balances	\$ 1,054	\$ 42,161	\$ 119,487	\$ 134

<u>Permanent Fund</u>	<u>Capital Projects Funds</u>		<u>Total Nonmajor Governmental Funds</u>
<u>Permanent School</u>	<u>College/ Commerce Center</u>	<u>Energy Savings</u>	
\$ -	\$ -	\$ -	\$ 39,960
-	-	-	21,709
-	-	-	535,486
-	-	-	551,890
4,356	-	-	11,363
93,313	-	-	316,454
<u>97,669</u>	<u>-</u>	<u>-</u>	<u>1,476,862</u>
65,609	-	-	353,041
-	-	-	306,630
-	-	-	420,912
-	-	1,447,658	1,447,658
<u>65,609</u>	<u>-</u>	<u>1,447,658</u>	<u>2,528,241</u>
<u>32,060</u>	<u>-</u>	<u>(1,447,658)</u>	<u>(1,051,379)</u>
-	-	-	146,909
<u>(4,012)</u>	<u>-</u>	<u>-</u>	<u>(377,241)</u>
<u>(4,012)</u>	<u>-</u>	<u>-</u>	<u>(230,332)</u>
28,048	-	(1,447,658)	(1,281,711)
<u>598,652</u>	<u>145</u>	<u>1,556,512</u>	<u>4,071,835</u>
<u>\$ 626,700</u>	<u>\$ 145</u>	<u>\$ 108,854</u>	<u>\$ 2,790,124</u>

POLK COUNTY, TEXAS
COMBINING BALANCE SHEET
ROAD AND BRIDGE FUNDS
September 30, 2017

	Road and Bridge Capital Leases	Road and Bridge Precinct No. 1	Road and Bridge Precinct No. 2	Road and Bridge Precinct No. 3
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ 832,336	\$ 341,600	\$ 1,218,146
Receivables, net	-	128,412	129,502	156,140
Total Assets	\$ -	\$ 960,748	\$ 471,102	\$ 1,374,286
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 93,243	\$ 114,016	\$ 689,919
Due to other units	-	-	-	-
Total Liabilities	-	93,243	114,016	689,919
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	-	121,806	122,874	148,313
<u>Fund Balances</u>				
Restricted	-	745,699	234,212	536,054
Total Fund Balances	-	745,699	234,212	536,054
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 960,748	\$ 471,102	\$ 1,374,286

Road and Bridge Precinct No. 4	Interfund Activity Elimination	Total Road and Bridge Funds
\$ 888,749	\$ -	\$ 3,280,831
260,915	-	674,969
<u>\$ 1,149,664</u>	<u>\$ -</u>	<u>\$ 3,955,800</u>
\$ 439,905	\$ -	\$ 1,337,083
130,519	-	130,519
<u>570,424</u>	<u>-</u>	<u>1,467,602</u>
<u>149,359</u>	<u>-</u>	<u>542,352</u>
429,881	-	1,945,846
<u>429,881</u>	<u>-</u>	<u>1,945,846</u>
<u>\$ 1,149,664</u>	<u>\$ -</u>	<u>\$ 3,955,800</u>

POLK COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ROAD AND BRIDGE FUNDS
For the Year Ended September 30, 2017

	Road and Bridge Capital Leases	Road and Bridge Precinct No. 1	Road and Bridge Precinct No. 2	Road and Bridge Precinct No. 3
Revenues				
Property taxes	\$ -	\$ 979,927	\$ 990,740	\$ 1,186,123
Other taxes	-	218,025	218,025	255,943
Fines and forfeitures	-	28,753	28,877	33,813
Intergovernmental	-	75,374	-	41,133
Investment income	-	2,576	1,804	5,536
Other	-	138,475	131,221	153,602
Total Revenues	-	1,443,130	1,370,667	1,676,150
Expenditures				
Current:				
Permanent road	-	-	-	-
Roads and bridges	-	1,456,280	1,442,893	2,225,249
Debt service:				
Principal	1,067,094	-	-	-
Interest charges	32,815	-	-	-
Capital outlay	1,041,160	174,810	13,073	15,500
Total Expenditures	2,141,069	1,631,090	1,455,966	2,240,749
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,141,069)	(187,960)	(85,299)	(564,599)
Other Financing Sources (Uses)				
Debt issued	1,041,160	-	-	-
Transfers in	116,069	21,000	34,073	21,000
Transfers (out)	-	(42,377)	(33,315)	(33,315)
Sale of capital asset	983,840	-	-	-
Total Other Financing Sources (Uses)	2,141,069	(21,377)	758	(12,315)
Net Change in Fund Balances	-	(209,337)	(84,541)	(576,914)
Beginning fund balances	-	955,036	318,753	1,112,968
Ending Fund Balances	\$ -	\$ 745,699	\$ 234,212	\$ 536,054

Road and Bridge Precinct No. 4	Interfund Activity Elimination	Total Road and Bridge Funds
\$ 1,180,896	\$ -	\$ 4,337,686
255,943	-	947,936
33,614	-	125,057
251,632	-	368,139
4,971	-	14,887
158,156	-	581,454
<u>1,885,212</u>	<u>-</u>	<u>6,375,159</u>
18,350	-	18,350
2,181,409	-	7,305,831
-	-	1,067,094
-	-	32,815
23,849	-	1,268,392
<u>2,223,608</u>	<u>-</u>	<u>9,692,482</u>
<u>(338,396)</u>	<u>-</u>	<u>(3,317,323)</u>
-	-	1,041,160
21,000	(116,069)	97,073
(33,315)	116,069	(26,253)
-	-	983,840
<u>(12,315)</u>	<u>-</u>	<u>2,095,820</u>
(350,711)	-	(1,221,503)
780,592	-	3,167,349
<u>\$ 429,881</u>	<u>\$ -</u>	<u>\$ 1,945,846</u>

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

For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property taxes	\$ 3,326,783	\$ 3,326,783	\$ 3,308,544	\$ (18,239)
Investment income	1,300	1,300	5,308	4,008
Total Revenues	<u>3,328,083</u>	<u>3,328,083</u>	<u>3,313,852</u>	<u>(14,231)</u>
<u>Expenditures</u>				
Principal	2,586,000	2,586,000	2,586,000	-
Interest and fiscal charges	739,541	739,541	738,246	1,295
Debt issuance costs	-	-	98,014	(98,014) *
Total Expenditures	<u>3,325,541</u>	<u>3,325,541</u>	<u>3,422,260</u>	<u>(96,719)</u>
<u>Other Financing Sources (Uses)</u>				
Debt issued	-	-	3,900,000	3,900,000
Payment to refunded bond escrow agent	-	-	(4,119,069)	(4,119,069)
Premium	-	-	320,953	320,953
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>101,884</u>	<u>101,884</u>
Net Change in Fund Balance	<u>\$ 2,542</u>	<u>\$ 2,542</u>	<u>(6,524)</u>	<u>\$ (9,066)</u>
Beginning fund balance			<u>826,060</u>	
Ending Fund Balance			<u>\$ 819,536</u>	

*Expenditures exceeded appropriations at the legal level of control.

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POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND - Precinct One
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property taxes	\$ 985,325	\$ 985,325	\$ 979,927	\$ (5,398)
Other taxes	226,550	226,550	218,025	(8,525)
Fines and forfeitures	24,380	24,380	28,753	4,373
Intergovernmental	-	-	75,374	75,374
Investment income	-	840	2,576	1,736
Other	12,179	138,474	138,475	1
Total Revenues	<u>1,248,434</u>	<u>1,375,569</u>	<u>1,443,130</u>	<u>67,561</u>
<u>Expenditures</u>				
Current:				
Pct. 1	1,206,048	2,309,220	1,456,280	852,940
Capital outlay	-	-	174,810	(174,810)
Total Expenditures	<u>1,206,048</u>	<u>2,309,220</u>	<u>1,631,090</u>	<u>678,130</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>42,386</u>	<u>(933,651)</u>	<u>(187,960)</u>	<u>745,691</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	21,000	21,000	-
Transfers (out)	(41,928)	(41,928)	(42,377)	(449)
Total Other Financing Sources (Uses)	<u>(41,928)</u>	<u>(20,928)</u>	<u>(21,377)</u>	<u>(449)</u>
Net Change in Fund Balance	<u>\$ 458</u>	<u>\$ (954,579)</u>	<u>(209,337)</u>	<u>\$ 745,242</u>
Beginning fund balance			<u>955,036</u>	
Ending Fund Balance			<u>\$ 745,699</u>	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND - Precinct Two
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property taxes	\$ 996,197	\$ 996,197	\$ 990,740	\$ (5,457)
Other taxes	226,550	226,550	218,025	(8,525)
Fines and forfeitures	24,380	24,380	28,877	4,497
Investment income	585	585	1,804	1,219
Other	11,338	131,220	131,221	1
Total Revenues	<u>1,259,050</u>	<u>1,378,932</u>	<u>1,370,667</u>	<u>(8,265)</u>
<u>Expenditures</u>				
Current:				
Pct. 2	1,225,723	1,531,604	1,442,893	88,711
Capital outlay	-	13,073	13,073	-
Total Expenditures	<u>1,225,723</u>	<u>1,544,677</u>	<u>1,455,966</u>	<u>88,711</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	<u>33,327</u>	<u>(165,745)</u>	<u>(85,299)</u>	<u>80,446</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	34,073	34,073	-
Transfers (out)	<u>(32,865)</u>	<u>(32,865)</u>	<u>(33,315)</u>	<u>(450)</u>
Total Other Financing Sources (Uses)	<u>(32,865)</u>	<u>1,208</u>	<u>758</u>	<u>(450)</u>
Net Change in Fund Balance	<u>\$ 462</u>	<u>\$ (164,537)</u>	<u>(84,541)</u>	<u>\$ 79,996</u>
Beginning fund balance			<u>318,753</u>	
Ending Fund Balance			<u>\$ 234,212</u>	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND - Precinct Three
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property taxes	\$ 1,192,660	\$ 1,192,660	\$ 1,186,123	\$ (6,537)
Other taxes	265,950	265,950	255,943	(10,007)
Fines and forfeitures	28,620	28,620	33,813	5,193
Investment income	1,800	1,800	5,536	3,736
Other	13,311	13,311	153,602	140,291
Total Revenues	<u>1,502,341</u>	<u>1,502,341</u>	<u>1,676,150</u>	<u>173,809</u>
<u>Expenditures</u>				
Current:				
Pct. 3	1,468,921	2,471,861	2,225,249	246,612
Capital outlay	-	30,000	15,500	14,500
Total Expenditures	<u>1,468,921</u>	<u>2,501,861</u>	<u>2,240,749</u>	<u>261,112</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>33,420</u>	<u>(999,520)</u>	<u>(564,599)</u>	<u>434,921</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	21,000	21,000	-
Transfers (out)	<u>(32,865)</u>	<u>(32,865)</u>	<u>(33,315)</u>	<u>(450)</u>
Total Other Financing (Uses)	<u>(32,865)</u>	<u>(11,865)</u>	<u>(12,315)</u>	<u>(450)</u>
Net Change in Fund Balance	<u>\$ 555</u>	<u>\$ (1,011,385)</u>	<u>(576,914)</u>	<u>\$ 434,471</u>
Beginning fund balance			<u>1,112,968</u>	
Ending Fund Balance			<u>\$ 536,054</u>	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND - Precinct Four
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property taxes	\$ 1,187,403	\$ 1,187,403	\$ 1,180,896	\$ (6,507)
Other taxes	265,950	265,950	255,943	(10,007)
Fines and forfeitures	28,620	28,620	33,614	4,994
Intergovernmental	-	48,408	251,632	203,224
Investment income	1,650	1,650	4,971	3,321
Other	13,310	158,156	158,156	-
Total Revenues	<u>1,496,933</u>	<u>1,690,187</u>	<u>1,885,212</u>	<u>195,025</u>
<u>Expenditures</u>				
Current:				
Permanent	-	-	18,350	(18,350)
Pct. 4	1,463,517	2,253,921	2,181,409	72,512
Capital outlay	-	23,849	23,849	-
Total Expenditures	<u>1,463,517</u>	<u>2,277,770</u>	<u>2,223,608</u>	<u>54,162</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>33,416</u>	<u>(587,583)</u>	<u>(338,396)</u>	<u>249,187</u>
<u>Other Financing Sources (Uses)</u>				
Transfers (in)	-	21,000	21,000	-
Transfers (out)	<u>(32,865)</u>	<u>(32,865)</u>	<u>(33,315)</u>	<u>(450)</u>
Total Other Financing (Uses)	<u>(32,865)</u>	<u>(11,865)</u>	<u>(12,315)</u>	<u>(450)</u>
Net Change in Fund Balance	<u>\$ 551</u>	<u>\$ (599,448)</u>	<u>(350,711)</u>	<u>\$ 248,737</u>
Beginning fund balance			<u>780,592</u>	
Ending Fund Balance			<u>\$ 429,881</u>	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND - Capital Leases
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures</u>				
Debt Service:				
Principal	\$ 1,067,027	\$ 1,067,027	\$ 1,067,094	\$ (67)
Interest	31,086	31,086	32,815	(1,729)
Capital outlay	-	-	1,041,160	(1,041,160)
Total Expenditures	<u>1,098,113</u>	<u>1,098,113</u>	<u>2,141,069</u>	<u>(1,042,956)</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>(1,098,113)</u>	<u>(1,098,113)</u>	<u>(2,141,069)</u>	<u>(1,042,956)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	114,273	114,273	116,069	1,796
Debt issued	-	-	1,041,160	1,041,160
Sale of capital assets	983,840	983,840	983,840	-
Total Other Financing Sources	<u>1,098,113</u>	<u>1,098,113</u>	<u>2,141,069</u>	<u>1,042,956</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Beginning fund balance			<u>-</u>	
Ending Fund Balance			<u>\$ -</u>	

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POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY AND DISTRICT COURT TECHNOLOGY
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 1,035	\$ 1,035	\$ 1,235	\$ 200
Total Revenues	<u>1,035</u>	<u>1,035</u>	<u>1,235</u>	<u>200</u>
Expenditures				
Administration of justice	1,035	1,035	-	1,035
Total Expenditures	<u>1,035</u>	<u>1,035</u>	<u>-</u>	<u>1,035</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1,235	<u>\$ 1,235</u>
Beginning fund balance			<u>5,296</u>	
Ending Fund Balance			<u>\$ 6,531</u>	

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURTHOUSE SECURITY
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 28,350	\$ 28,350	\$ 31,368	\$ 3,018
Total Revenues	<u>28,350</u>	<u>28,350</u>	<u>31,368</u>	<u>3,018</u>
Expenditures				
Administration of justice	173,894	171,573	154,555	17,018
Total Expenditures	<u>173,894</u>	<u>171,573</u>	<u>154,555</u>	<u>17,018</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(145,544)</u>	<u>(143,223)</u>	<u>(123,187)</u>	<u>20,036</u>
Other Financing Sources (Uses)				
Transfers in	118,539	118,539	118,539	-
Transfers (out)	-	(2,321)	(2,321)	-
Total Other Financing Sources	<u>118,539</u>	<u>116,218</u>	<u>116,218</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (27,005)</u>	<u>\$ (27,005)</u>	(6,969)	<u>\$ 20,036</u>
Beginning fund balance			<u>22,483</u>	
Ending Fund Balance			<u>\$ 15,514</u>	

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

For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 10,600	\$ 10,600	\$ 12,502	\$ 1,902
Total Revenues	10,600	10,600	12,502	1,902
Expenditures				
General government	10,600	10,600	10,000	600
Total Expenditures	10,600	10,600	10,000	600
Net Change in Fund Balance	\$ -	\$ -	2,502	\$ 2,502
Beginning fund balance			72,201	
Ending Fund Balance			\$ 74,703	

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

For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 387,500	\$ 387,500	\$ 478,980	\$ 91,480
Other	-	-	4	4
Total Revenues	387,500	387,500	478,984	91,484
Expenditures				
Health and human services	372,634	379,634	420,911	(41,277) *
Total Expenditures	372,634	379,634	420,911	(41,277)
Net Change in Fund Balance	\$ 14,866	\$ (120,849)	(70,642)	\$ 50,207
Beginning fund balance			297,780	
Ending Fund Balance			\$ 227,138	

*Expenditures exceeded appropriations at the legal level of control.

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY RECORDS MANAGEMENT
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 13,950	\$ 13,950	\$ 19,452	\$ 5,502
Total Revenues	13,950	13,950	19,452	5,502
Expenditures				
General government	14,000	14,000	14,000	-
Total Expenditures	14,000	14,000	14,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50)	(50)	5,452	5,502
Other Financing Sources (Uses)				
Transfers in	50	50	50	-
Total Other Financing Sources	50	50	50	-
Net Change in Fund Balance	\$ -	\$ -	5,502	\$ 5,502
Beginning fund balance			3,022	
Ending Fund Balance			\$ 8,524	

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK RECORDS PRESERVATION
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 234,650	\$ 234,650	\$ 273,962	\$ 39,312
Investment income	-	-	2,085	2,085
Total Revenues	234,650	234,650	276,047	41,397
Expenditures				
General governmental	56,858	106,782	78,400	28,382
Total Expenditures	56,858	106,782	78,400	28,382
Excess of Revenues Over Expenditures	177,792	127,868	197,647	69,779
Other Financing Sources (Uses)				
Transfers (out)	(92,926)	(92,926)	(92,926)	-
Total Other Financing (Uses)	(92,926)	(92,926)	(92,926)	-
Net Change in Fund Balance	\$ 84,866	\$ 34,942	104,721	\$ 69,779
Beginning fund balance			443,479	
Ending Fund Balance			\$ 548,200	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL TAX
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other taxes	\$ 20,000	\$ 20,000	\$ 39,960	\$ 19,960
Total Revenues	20,000	20,000	39,960	19,960
Expenditures				
General government	20,000	20,000	16,719	3,281
Total Expenditures	20,000	20,000	16,719	3,281
Net Change in Fund Balance	\$ -	\$ -	23,241	\$ 23,241
Beginning fund balance			53,735	
Ending Fund Balance			\$ 76,976	

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUSTICE COURT TECHNOLOGY
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 14,991	\$ 14,991	\$ 16,419	\$ 1,428
Total Revenues	14,991	14,991	16,419	1,428
Expenditures				
Administration of justice	34,200	34,200	33,979	221
Total Expenditures	34,200	34,200	33,979	221
(Deficiency) of Revenues (Under)				
Expenditures	(19,209)	(19,209)	(17,560)	1,649
Other Financing Sources				
Transfers in	19,209	19,209	19,209	-
Total Other Financing Sources	19,209	19,209	19,209	-
Net Change in Fund Balance	\$ -	\$ -	1,649	\$ 1,649
Beginning fund balance			3	
Ending Fund Balance			\$ 1,652	

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

For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 1,700	\$ 1,700	\$ 1,599	\$ (101)
Other	156,614	156,614	156,614	-
Total Revenues	<u>158,314</u>	<u>158,314</u>	<u>158,213</u>	<u>(101)</u>
Expenditures				
General government	158,314	158,314	159,956	(1,642) *
Total Expenditures	<u>158,314</u>	<u>158,314</u>	<u>159,956</u>	<u>(1,642)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(1,743)</u>	<u>(1,743)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	4,012	4,012
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>4,012</u>	<u>4,012</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,269</u>	<u>\$ 2,269</u>
Beginning fund balance			240,273	
Ending Fund Balance			<u>\$ 242,542</u>	

*Expenditures exceeded appropriations at the legal level of control.

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

For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 3,600	\$ 3,600	\$ 1,260	\$ (2,340)
Total Revenues	<u>3,600</u>	<u>3,600</u>	<u>1,260</u>	<u>(2,340)</u>
Expenditures				
Administration of justice	3,600	3,600	3,032	568
Total Expenditures	<u>3,600</u>	<u>3,600</u>	<u>3,032</u>	<u>568</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,772)</u>	<u>\$ (1,772)</u>
Beginning fund balance			36,637	
Ending Fund Balance			<u>\$ 34,865</u>	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT CLERK RECORDS PRESERVATION
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 12,650	\$ 12,650	\$ 13,582	\$ 932
Total Revenues	<u>12,650</u>	<u>12,650</u>	<u>13,582</u>	<u>932</u>
Expenditures				
Administration of justice	4,000	4,000	511	3,489
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>511</u>	<u>3,489</u>
Net Change in Fund Balance	<u>\$ 8,650</u>	<u>\$ 8,650</u>	13,071	<u>\$ 4,421</u>
Beginning fund balance			<u>29,365</u>	
Ending Fund Balance			<u>\$ 42,436</u>	

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WASTE MANAGEMENT
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 160,000	\$ 160,000	\$ 183,360	\$ 23,360
Total Revenues	<u>160,000</u>	<u>160,000</u>	<u>183,360</u>	<u>23,360</u>
Excess of Revenues Over Expenditures	<u>160,000</u>	<u>160,000</u>	<u>183,360</u>	<u>23,360</u>
Other Financing Sources (Uses)				
Transfers (out)	(160,000)	(178,809)	(149,268)	29,541
Total Other Financing (Uses)	<u>(160,000)</u>	<u>(178,809)</u>	<u>(149,268)</u>	<u>29,541</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (18,809)</u>	34,092	<u>\$ 52,901</u>
Beginning fund balance			<u>18,809</u>	
Ending Fund Balance			<u>\$ 52,901</u>	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JAIL COMMISSARY
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$ 25,000	\$ 25,000	\$ 27,826	\$ 2,826
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>27,826</u>	<u>2,826</u>
Expenditures				
Administration of justice	25,000	25,000	33,444	(8,444) *
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>33,444</u>	<u>(8,444)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(5,618)	<u>\$ (5,618)</u>
Beginning fund balance			51,908	
Ending Fund Balance			<u>\$ 46,290</u>	

*Expenditures exceeded appropriations at the legal level of control.

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT ATTORNEY SPECIAL
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$ 28,200	\$ 28,200	\$ 28,300	\$ 100
Total Revenues	<u>28,200</u>	<u>28,200</u>	<u>28,300</u>	<u>100</u>
Expenditures				
Administration of justice	28,200	33,299	33,299	-
Total Expenditures	<u>28,200</u>	<u>33,299</u>	<u>33,299</u>	<u>-</u>
(Deficiency) of Revenues (Under)				
Expenditures	-	(5,099)	(4,999)	100
Other Financing Sources (Uses)				
Transfers in	-	5,099	5,099	-
Total Other Financing (Uses)	<u>-</u>	<u>5,099</u>	<u>5,099</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	100	<u>\$ 100</u>
Beginning fund balance			954	
Ending Fund Balance			<u>\$ 1,054</u>	

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUSTICE COURT BUILDING SECURITY
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 4,361	\$ 4,361	\$ 4,055	\$ (306)
Total Revenues	4,361	4,361	4,055	(306)
Expenditures				
Capital outlay	4,361	4,361	-	4,361
Total Expenditures	4,361	4,361	-	4,361
Net Change in Fund Balance	\$ -	\$ -	4,055	\$ 4,055
Beginning fund balance			38,106	
Ending Fund Balance			\$ 42,161	

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PERMANENT SCHOOL
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ -	\$ -	\$ 4,356	\$ 4,356
Other	65,000	65,000	93,313	28,313
Total Revenues	65,000	65,000	97,669	32,669
Expenditures				
General government	65,000	65,000	65,609	(609) *
Total Expenditures	65,000	65,000	65,609	(609)
Excess of Revenues Over Expenditures	-	-	32,060	32,060
Other Financing Sources (Uses)				
Transfers (out)	-	-	(4,012)	(4,012) *
Total Other Financing (Uses)	-	-	(4,012)	(4,012)
Net Change in Fund Balance	\$ -	\$ -	28,048	\$ 28,048
Beginning fund balance			598,652	
Ending Fund Balance			\$ 626,700	

*Expenditures exceeded appropriations at the legal level of control.

POLK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PRE-TRIAL INTERVENTION PROGRAM
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 22,500	\$ 22,500	\$ 22,410	\$ (90)
Total Revenues	<u>22,500</u>	<u>22,500</u>	<u>22,410</u>	<u>(90)</u>
Expenditures				
Administration of justice	22,500	22,500	4,270	18,230
Total Expenditures	<u>22,500</u>	<u>22,500</u>	<u>4,270</u>	<u>18,230</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	18,140	<u>\$ 18,140</u>
Beginning fund balance			<u>101,347</u>	
Ending Fund Balance			<u>\$ 119,487</u>	

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SHERIFF FEDERAL REVENUE SHARING
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 15,000	\$ (5,000)
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>15,000</u>	<u>(5,000)</u>
Expenditures				
Administration of justice	20,000	20,000	7,620	12,380
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>7,620</u>	<u>12,380</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	7,380	<u>\$ 7,380</u>
Beginning fund balance			<u>9,892</u>	
Ending Fund Balance			<u>\$ 17,272</u>	

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

For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 35,373	\$ 35,373
Investment income	-	-	715	715
Total Revenues	<u>-</u>	<u>-</u>	<u>36,088</u>	<u>36,088</u>
Expenditures				
Administration of justice	-	-	35,920	(35,920) *
Total Expenditures	<u>-</u>	<u>-</u>	<u>35,920</u>	<u>(35,920)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	168	<u>\$ 168</u>
Beginning fund balance			<u>203,080</u>	
Ending Fund Balance			<u>\$ 203,248</u>	

*Expenditures exceeded appropriations at the legal level of control.

POLK COUNTY, TEXAS
COMBINING STATEMENT OF NET POSITION
AGENCY FUNDS
September 30, 2017

	County Clerk's Probate Trust	District Clerk's Trust	Tax Assessor Collector	Total Agency Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 1,654,698	\$ 3,327,714	\$ 1,159,455	\$ 6,141,867
Total Assets	\$ 1,654,698	\$ 3,327,714	\$ 1,159,455	\$ 6,141,867
<u>Liabilities</u>				
Due to other units	\$ 1,654,698	\$ 3,327,714	\$ 1,159,455	\$ 6,141,867
Total Liabilities	\$ 1,654,698	\$ 3,327,714	\$ 1,159,455	\$ 6,141,867

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

For the Year Ended September 30, 2017

	<u>Balance</u> <u>October 1,</u> <u>2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2017</u>
<u>County Clerk's Probate Trust</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 732,936	\$ 921,762	\$ -	\$ 1,654,698
Total Assets	\$ 732,936	\$ 921,762	\$ -	\$ 1,654,698
<u>Liabilities</u>				
Due to other units	\$ 732,936	\$ 921,762	\$ -	\$ 1,654,698
Total Liabilities	\$ 732,936	\$ 921,762	\$ -	\$ 1,654,698
<u>District Clerk's Trust</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 3,644,384	\$ -	\$ (316,670)	\$ 3,327,714
Total Assets	\$ 3,644,384	\$ -	\$ (316,670)	\$ 3,327,714
<u>Liabilities</u>				
Due to other units	\$ 3,644,384	\$ -	\$ (316,670)	\$ 3,327,714
Total Liabilities	\$ 3,644,384	\$ -	\$ (316,670)	\$ 3,327,714
<u>Tax Assessor Collector</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 1,254,222	\$ -	\$ (94,767)	\$ 1,159,455
Total Assets	\$ 1,254,222	\$ -	\$ (94,767)	\$ 1,159,455
<u>Liabilities</u>				
Due to other units	\$ 1,254,222	\$ -	\$ (94,767)	\$ 1,159,455
Total Liabilities	\$ 1,254,222	\$ -	\$ (94,767)	\$ 1,159,455

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STATISTICAL SECTION

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

Contents

Financial Trends (Page 130)

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

Revenue Capacity (Page 138)

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

Debt Capacity (Page 148)

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

Demographic and Economic Information (Page 156)

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

Operating Information (Page 161)

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

POLK COUNTY, TEXAS

NET POSITION BY COMPONENT

Last Ten Years

(Accrual basis of accounting)

	Fiscal Year			
	2008	2009	2010	2011
Governmental activities				
Net investment in capital assets	\$ 16,127,180	\$ 15,748,347	\$ 11,091,425	\$ 13,205,126
Restricted	988,219	1,096,393	2,785,081	2,542,014
Unrestricted	7,914,865	6,043,734	7,334,856	7,276,085
Total governmental activities net position	\$ 25,030,264	\$ 22,888,474	\$ 21,211,362	\$ 23,023,225

Fiscal Year

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 19,677,873	\$ 27,247,770	\$ 29,864,824	\$ 31,763,084	\$ 34,652,210	\$ 36,559,546
5,086,759	4,430,353	5,567,823	5,576,469	5,766,620	4,627,091
6,321,114	4,014,357	3,799,287	2,503,356	1,879,843	2,032
<u>\$ 31,085,746</u>	<u>\$ 35,692,480</u>	<u>\$ 39,231,934</u>	<u>\$ 39,842,909</u>	<u>\$ 42,298,673</u>	<u>\$ 41,188,669</u>

POLK COUNTY, TEXAS

CHANGES IN NET POSITION

Last Ten Years

(Accrual basis of accounting)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses				
Governmental activities				
General government	\$ 5,086,750	\$ 13,153,683	\$ 4,730,688	\$ 5,400,250
Administration of justice	8,777,239	8,933,374	10,384,722	9,883,929
Roads and bridges	6,737,830	6,126,250	5,774,317	6,343,810
Health and human services	1,029,386	1,164,876	1,062,130	977,523
Tax administration	903,615	1,001,973	992,019	1,042,231
Interest and fiscal agent fees	1,353,728	1,602,765	1,611,384	1,247,829
Total governmental activities expenses	<u>\$ 23,888,548</u>	<u>\$ 31,982,921</u>	<u>\$ 24,555,260</u>	<u>\$ 24,895,572</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 2,489,079	\$ 2,473,938	\$ 2,313,774	\$ 2,286,156
Administration of justice	54,658	97,530	42,364	52,826
Roads and bridges	107,534	137,495	77,566	74,070
Health and human services	229,727	148,421	138,900	141,251
Operating grants and contributions	4,144,123	10,420,519	2,676,971	2,673,300
Total governmental activities program revenues	<u>7,025,121</u>	<u>13,277,903</u>	<u>5,249,575</u>	<u>5,227,603</u>
Net (Expense)				
Governmental activities	<u>\$ (16,863,427)</u>	<u>\$ (18,705,018)</u>	<u>\$ (19,305,685)</u>	<u>\$ (19,667,969)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes	\$ 16,198,654	\$ 17,595,693	\$ 18,207,997	\$ 19,089,029
Investment earnings	1,350,300	338,323	163,124	49,727
Other revenues	1,456,263	1,693,695	1,408,586	1,830,102
Total governmental activities	<u>19,005,217</u>	<u>19,627,711</u>	<u>19,779,707</u>	<u>20,968,858</u>
Change in Net Position				
Governmental activities	<u>\$ 2,141,790</u>	<u>\$ 922,693</u>	<u>\$ 474,022</u>	<u>\$ 1,300,889</u>

Fiscal Year

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 7,113,066	\$ 10,804,098	\$ 7,453,356	\$ 7,183,313	\$ 8,247,032	\$ 8,052,484
10,501,266	10,179,505	10,840,429	10,950,781	11,216,535	12,429,450
4,646,530	4,732,628	5,182,543	7,124,431	5,864,408	9,257,802
1,055,093	1,068,339	1,121,303	1,044,763	1,192,366	1,192,373
1,042,583	1,174,054	1,247,269	1,235,406	1,240,282	1,303,518
1,527,916	925,609	937,773	878,067	877,747	784,356
<u>\$ 25,886,454</u>	<u>\$ 28,884,233</u>	<u>\$ 26,782,673</u>	<u>\$ 28,416,761</u>	<u>\$ 28,638,369</u>	<u>\$ 33,019,983</u>
\$ 2,227,281	\$ 2,044,160	\$ 2,048,349	\$ 2,204,713	\$ 1,976,516	\$ 2,101,994
39,145	221,211	291,860	337,454	336,248	354,383
99,227	82,282	67,811	105,240	108,232	125,057
132,073	139,624	129,909	143,881	145,676	183,360
8,748,161	9,137,367	4,118,523	2,688,631	3,181,552	3,627,839
<u>11,245,887</u>	<u>11,624,644</u>	<u>6,656,452</u>	<u>5,479,919</u>	<u>5,748,224</u>	<u>6,392,633</u>
<u>\$ (14,640,567)</u>	<u>\$ (17,259,589)</u>	<u>\$ (20,126,221)</u>	<u>\$ (22,936,842)</u>	<u>\$ (22,890,145)</u>	<u>\$ (26,627,350)</u>
\$ 19,047,013	\$ 20,113,427	\$ 21,645,908	\$ 22,354,430	\$ 22,981,912	\$ 23,064,315
58,869	20,216	10,250	30,436	59,910	140,485
4,081,736	1,834,354	2,009,517	1,988,796	2,304,087	2,087,173
23,187,618	21,967,997	23,665,675	24,373,662	25,345,909	25,291,973
<u>\$ 8,547,051</u>	<u>\$ 4,708,408</u>	<u>\$ 3,539,454</u>	<u>\$ 1,436,820</u>	<u>\$ 2,455,764</u>	<u>\$ (1,335,377)</u>

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

	Fiscal Year			
	2008	2009	2010	2011
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ 18,292
Unassigned	5,392,980	6,082,958	5,936,757	6,744,271
Total general fund	<u>\$ 5,392,980</u>	<u>\$ 6,082,958</u>	<u>\$ 5,936,757</u>	<u>\$ 6,762,563</u>
All Other Governmental Funds				
Restricted	\$ 31,254,888	\$ 30,498,536	\$ 17,730,144	\$ 5,297,356
Assigned	749,843	625,968	527,160	758,046
Unassigned	-	-	-	(28,095)
Total all other governmental funds	<u>\$ 32,004,731</u>	<u>\$ 31,124,504</u>	<u>\$ 18,257,304</u>	<u>\$ 6,027,307</u>

Fiscal Year

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 15,547	\$ 13,763	\$ 15,548	\$ -	\$ -	\$ -
6,840,851	6,605,018	7,105,228	7,440,074	8,365,306	9,083,198
<u>\$ 6,856,398</u>	<u>\$ 6,618,781</u>	<u>\$ 7,120,776</u>	<u>\$ 7,440,074</u>	<u>\$ 8,365,306</u>	<u>\$ 9,083,198</u>
\$ 6,471,158	\$ 4,430,313	\$ 5,567,823	\$ 5,576,469	\$ 7,323,132	\$ 4,787,736
758,908	759,628	759,884	760,277	762,472	767,770
-	-	-	-	-	(51,791)
<u>\$ 7,230,066</u>	<u>\$ 5,189,941</u>	<u>\$ 6,327,707</u>	<u>\$ 6,336,746</u>	<u>\$ 8,085,604</u>	<u>\$ 5,503,715</u>

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

	Fiscal Year			
	2008	2009	2010	2011
Revenues				
Taxes	\$ 16,345,276	\$ 17,590,374	\$ 17,956,886	\$ 18,953,467
Licenses and permits	204,668	159,036	168,435	160,603
Fines and forfeitures	931,688	1,034,937	810,322	836,365
Charges for services	1,744,642	1,618,011	1,614,709	1,569,874
Intergovernmental	4,144,123	10,465,919	2,656,109	2,660,761
Investment earnings	1,350,300	338,323	163,124	49,727
Other revenue	1,456,263	1,693,695	1,408,586	1,830,102
Total revenues	26,176,960	32,900,295	24,778,171	26,060,899
Expenditures				
General government	6,207,669	12,980,872	5,221,830	5,433,652
Administration of justice	8,843,965	9,242,196	9,551,963	9,399,418
Roads and bridges	6,533,096	5,289,566	5,473,262	4,993,689
Health and human services	911,810	1,018,449	978,597	916,618
Tax administration	897,198	994,935	985,611	1,041,238
Capital outlay	1,270,589	2,805,599	13,562,056	13,107,972
Debt service				
Principal	2,365,761	3,006,295	3,181,266	3,249,886
Debt issuance costs	-	-	36,839	30,025
Interest and paying agent	1,550,143	1,536,376	1,450,296	1,364,011
Payment to refunded bond escrow agent	-	-	-	-
Advance refunding escrow	-	-	-	-
Total expenditures	28,580,231	36,874,288	40,441,720	39,536,509
(Deficiency) of revenues (under) expenditures	(2,403,271)	(3,973,993)	(15,663,549)	(13,475,610)
Other Financing Sources (Uses)				
Transfers in	629,389	328,837	485,496	257,695
Transfers out	(629,389)	(328,837)	(485,496)	(257,695)
Issuance of debt	13,029,656	3,044,332	1,775,558	1,194,779
Premium on bonds issued	-	-	-	-
Sale of capital assets	823,240	739,412	874,590	876,640
Total other financing sources	13,852,896	3,783,744	2,650,148	2,071,419
Net change in fund balances	\$ 11,449,625	\$ (190,249)	\$ (13,013,401)	\$ (11,404,191)
Debt service as a percentage of noncapital expenditures	14.34%	13.33%	17.23%	17.23%

Fiscal Year

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 19,189,170	\$ 20,213,918	\$ 21,466,960	\$ 22,182,899	\$ 23,022,338	\$ 22,907,667
164,353	175,398	178,133	160,261	174,746	171,385
866,696	718,960	652,276	721,504	657,667	799,538
1,466,677	1,592,959	1,707,520	1,909,523	1,734,259	1,793,871
8,748,161	9,137,367	4,118,523	2,688,631	3,181,552	3,627,839
58,869	20,216	10,250	30,436	59,910	140,485
4,081,736	1,834,354	2,009,517	1,988,796	2,304,087	2,087,173
<u>34,575,662</u>	<u>33,693,172</u>	<u>30,143,179</u>	<u>29,682,050</u>	<u>31,134,559</u>	<u>31,527,958</u>
12,269,676	15,307,259	8,711,024	7,020,291	7,268,461	7,002,234
9,992,612	9,886,816	10,726,732	10,456,874	10,675,120	11,046,954
4,613,980	4,819,560	4,664,171	5,954,742	5,667,284	7,324,181
972,777	971,190	1,016,281	941,598	1,073,199	1,051,857
1,041,590	1,174,054	1,247,269	1,238,932	1,221,446	1,234,171
2,280,999	93,215	1,078,353	2,050,961	2,320,390	3,337,273
3,137,930	3,258,789	3,267,645	3,509,860	3,762,198	3,653,094
600,040	28,213	52,847	31,226	58,033	98,014
1,013,583	956,778	869,231	827,127	777,664	771,061
17,834,875	-	-	-	-	4,119,069
386,221	-	-	-	-	-
<u>54,144,283</u>	<u>36,495,874</u>	<u>31,633,553</u>	<u>32,031,611</u>	<u>32,823,795</u>	<u>39,637,908</u>
(19,568,621)	(2,802,702)	(1,490,374)	(2,349,561)	(1,689,236)	(8,109,950)
612,412	2,826,354	1,029,953	407,626	370,335	734,434
(612,412)	(2,826,354)	(1,029,953)	(407,626)	(370,335)	(734,434)
19,566,434	525,000	2,395,865	1,921,898	3,572,326	4,941,160
658,576	-	26,552	-	-	320,953
640,205	-	707,678	756,000	791,000	983,840
<u>20,865,215</u>	<u>525,000</u>	<u>3,130,095</u>	<u>2,677,898</u>	<u>4,363,326</u>	<u>6,245,953</u>
<u>\$ 1,296,594</u>	<u>\$ (2,277,702)</u>	<u>\$ 1,639,721</u>	<u>\$ 328,337</u>	<u>\$ 2,674,090</u>	<u>\$ (1,863,997)</u>
43.64%	11.59%	13.56%	14.90%	15.74%	12.41%

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

<u>Function</u>	<u>Fiscal Year</u>			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Property	\$ 14,478,504	\$ 15,107,791	\$ 16,227,341	\$ 16,069,131
Sales	1,940,152	1,941,259	1,623,603	1,812,359
Other taxes	1,177,037	1,158,947	1,238,085	1,165,523
Total Taxes	<u>\$ 17,595,693</u>	<u>\$ 18,207,997</u>	<u>\$ 19,089,029</u>	<u>\$ 19,047,013</u>

Fiscal Year						Change
2012	2013	2014	2015	2016	2017	2016-2017
\$ 16,000,772	\$ 16,548,137	\$ 18,212,134	\$ 18,586,644	\$ 19,168,536	\$ 19,052,802	-0.6%
1,824,271	2,354,141	2,063,194	2,210,700	2,470,991	2,437,411	-1.4%
1,221,970	1,211,149	1,370,580	1,385,555	1,342,385	1,417,454	5.6%
<u>\$ 19,047,013</u>	<u>\$ 20,113,427</u>	<u>\$ 21,645,908</u>	<u>\$ 22,182,899</u>	<u>\$ 22,981,912</u>	<u>\$ 22,907,667</u>	-0.3%

POLK COUNTY, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Years

	Fiscal Year			
	2008	2009	2010	2011
Real Property	\$ 1,662,956,029	\$ 1,954,019,389	\$ 2,149,623,793	\$ 1,864,972,789
Personal Property	319,782,986	415,350,005	447,387,229	432,705,637
Mineral	340,812,815	322,631,740	291,241,527	318,143,220
Total assessed value (1)	2,323,551,830	2,692,001,134	2,888,252,549	2,615,821,646
Less: real property exemptions	(334,218,024)	(369,238,526)	(394,447,560)	(277,276,388)
Total Taxable Assessed Value (Net)(1)	2,112,044,852	2,322,762,608	2,493,804,989	2,338,545,258
Less: freeze taxable exemptions	(196,283,406)	(214,215,136)	(265,603,022)	(281,802,394)
Total Freeze Adjusted Taxable(1)	\$ 1,793,050,400	\$ 2,108,547,472	\$ 2,228,201,967	\$ 2,056,742,864
Total Direct Tax Rate	\$ 0.6277	\$ 0.6277	\$ 0.6277	\$ 0.6277

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

Source: Polk Central Appraisal District

Fiscal Year

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 1,888,429,689	\$ 1,886,501,642	\$ 2,038,542,297	\$ 2,584,070,818	\$ 2,743,880,166	\$ 2,873,191,987
443,841,435	470,556,096	512,183,088	535,973,582	575,589,894	604,117,476
287,995,665	349,102,310	352,464,821	336,421,796	232,753,563	109,579,830
<u>2,620,266,789</u>	<u>2,706,160,048</u>	<u>2,903,190,206</u>	<u>3,456,466,196</u>	<u>3,552,223,623</u>	<u>3,586,889,293</u>
<u>(415,465,243)</u>	<u>(429,347,409)</u>	<u>(442,563,250)</u>	<u>(456,123,623)</u>	<u>(475,602,352)</u>	<u>(463,299,119)</u>
<u>2,204,801,546</u>	<u>2,276,812,639</u>	<u>2,460,626,956</u>	<u>3,000,342,573</u>	<u>3,076,621,271</u>	<u>3,123,590,174</u>
<u>(278,671,325)</u>	<u>(310,369,756)</u>	<u>(352,192,056)</u>	<u>(393,901,443)</u>	<u>(421,853,708)</u>	<u>(454,131,686)</u>
<u>\$ 1,926,130,221</u>	<u>\$ 1,966,442,883</u>	<u>\$ 2,108,434,900</u>	<u>\$ 2,606,441,130</u>	<u>\$ 2,654,767,563</u>	<u>\$ 2,669,458,488</u>
\$ 0.6277	\$ 0.6277	\$ 0.6277	\$ 0.6461	\$ 0.6461	\$ 0.6461

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

	Fiscal Year			
	2008	2009	2010	2011
<u>Polk County by fund:</u>				
General	\$ 0.30160	\$ 0.32370	\$ 0.33760	\$ 0.33760
Road and Bridge	0.17390	0.15410	0.15150	0.15150
Debt Service	0.15220	0.14990	0.13860	0.13860
	<u>0.62770</u>	<u>0.62770</u>	<u>0.62770</u>	<u>0.62770</u>
<u>Cities:</u>				
City of Corrigan	0.48610	0.48610	0.48610	0.48610
City of Goodrich	0.68870	0.55170	0.55170	0.50000
<u>School Districts:</u>				
Big Sandy ISD	1.11650	1.11130	1.11130	1.19750
Corrigan-Camden ISD	1.17390	1.18900	1.16780	1.20200
Goodrich ISD	1.04000	1.04000	1.04000	1.04000
Leggett ISD	1.18010	1.16610	1.16610	1.13520
Livingston ISD	1.11000	1.40000	1.40000	1.41350
Onalaska ISD	1.20180	1.20020	1.20020	1.18000
<u>Utility Districts:</u>				
Memorial Point Utility District	0.84000	0.84000	0.84000	0.84000
Polk County FWSD	0.44400	0.44000	0.44000	0.38700
Total Direct and Overlapping Rates	<u>\$ 9.90880</u>	<u>\$ 10.05210</u>	<u>\$ 10.03090</u>	<u>\$ 10.00900</u>

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

Fiscal Year						
2012	2013	2014	2015	2016	2017	
\$ 0.33310	\$ 0.33350	\$ 0.36390	\$ 0.37570	\$ 0.37980	\$ 0.38680	
0.15430	0.15050	0.14880	0.14880	0.14290	0.14710	
0.14030	0.14370	0.13340	0.12160	0.12340	0.11220	
<u>0.62770</u>	<u>0.62770</u>	<u>0.64610</u>	<u>0.64610</u>	<u>0.64610</u>	<u>0.64610</u>	
0.48610	0.48150	0.48150	0.44310	0.43540	0.35180	
0.50000	0.55150	0.50840	0.49320	0.45730	0.40840	
1.21610	1.19480	1.18210	1.17540	1.21650	1.26940	
1.20750	1.19290	1.20000	1.18000	1.18000	1.18000	
1.04000	1.04000	1.17000	1.17000	1.17000	1.33000	
1.13150	1.14500	1.14190	1.14000	1.15290	1.20000	
1.39500	1.39500	1.39500	1.39500	1.39000	1.39000	
1.16800	1.16500	1.15600	1.29880	1.27980	1.23500	
0.89000	0.89000	0.89000	0.89000	0.89000	0.89000	
0.37300	0.37300	0.35800	0.35800	0.33500	0.33500	
<u>\$ 10.03490</u>	<u>\$ 10.05640</u>	<u>\$ 10.12900</u>	<u>\$ 10.18960</u>	<u>\$ 10.18960</u>	<u>\$ 10.23570</u>	

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

Property Taxpayer	2017			2008		
	2016 Taxable Assessed Value	Rank	% of Taxable Assessed Value	2007 Taxable Assessed Value	Rank	% of Taxable Assessed Value
Georgia Pacific LLC	\$ 117,632,800	1	3.77%	\$ 66,252,630	2	3.33%
Unit Petroleum Company	95,271,245	2	3.05%	28,055,516	5	1.41%
Transcanada Keystone Pipeline LP	81,820,448	3	2.62%	-	n/a	-
RMS Texas Timberlands I LP	27,962,387	4	0.90%	31,247,670	4	1.57%
Union Pacific Railroad Co.	26,673,320	5	0.85%	-	n/a	-
Enbridge Pipelines (East TX)	25,271,700	6	0.81%	32,322,470	3	1.62%
Kinder Morgan Tejas Pipeline LP	23,924,390	7	0.77%	-	n/a	-
Black Stone Materials	21,215,297	8	0.68%	21,022,300	6	1.06%
BBX Operating LLC	19,076,025	9	0.61%	-	n/a	-
Amplify Energy Operating LLC	16,037,157	10	0.51%	-	n/a	-
Comstock Oil & Gas	-	n/a	-	118,542,720	1	5.96%
Devon Energy Production Co. LP	-	n/a	-	20,875,300	7	1.05%
ETC Katy Pipeline Ltd.	-	n/a	-	20,579,830	8	1.03%
Delta Explorations Co, Inc.	-	n/a	-	17,752,400	9	0.89%
Famcor Oil Inc.	-	n/a	-	16,589,984	10	0.83%
Subtotal	<u>454,884,769</u>		<u>14.56%</u>	<u>373,240,820</u>		<u>18.76%</u>
Other taxpayers	<u>2,668,705,405</u>		<u>85.44%</u>	<u>1,616,092,986</u>		<u>81.24%</u>
Total	<u><u>\$ 3,123,590,174</u></u>		<u><u>100.00%</u></u>	<u><u>\$ 1,989,333,806</u></u>		<u><u>100.00%</u></u>

Source: Polk Central Appraisal District

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

	Fiscal Year			
	2008	2009	2010	2011
Adjusted tax levy	\$ 13,038,903	\$ 14,226,340	\$ 15,110,680	\$ 15,868,728
Current tax collected	\$ 12,457,010	\$ 13,669,417	\$ 14,431,072	\$ 15,192,264
Percentage of current tax collections	95.54%	96.09%	95.50%	95.74%
Delinquent tax collections	497,240	462,939	568,851	558,928
Total tax collections	\$ 12,954,250	\$ 14,132,356	\$ 14,999,924	\$ 15,751,192
Total collections as a percentage of current levy	99.35%	99.34%	99.27%	99.26%

Source: Polk County Tax Assessor/Collector

Fiscal Year

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 15,837,389	\$ 16,354,546	\$ 17,876,863	\$ 18,472,325	\$ 18,827,503	\$ 18,891,307
\$ 15,230,709	\$ 15,776,269	\$ 17,270,190	\$ 17,690,427	\$ 18,220,530	\$ 18,238,267
96.17%	96.46%	96.61%	95.77%	96.78%	96.54%
481,859	416,381	398,770	524,117	263,109	-
<u>\$ 15,712,568</u>	<u>\$ 16,192,651</u>	<u>\$ 17,668,960</u>	<u>\$ 18,214,544</u>	<u>\$ 18,483,639</u>	<u>\$ 18,238,267</u>
99.21%	99.01%	98.84%	98.60%	98.17%	96.54%

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

	Fiscal Year			
	2008	2009	2010	2011
Net Taxable Assessed Value				
All property	\$ 1,989,333,806	\$ 2,322,762,608	\$ 2,493,804,989	\$ 2,235,684,028
Net Bonded Debt				
Gross bonded debt	35,020,686	35,335,000	33,930,000	32,094,000
Less debt service funds	78,923	40,825	56,042	-
Net Bonded Debt	\$ 34,941,763	\$ 35,294,175	\$ 33,873,958	\$ 32,094,000
Ratio of Net Bonded Debt				
To Assessed Value	1.7565%	1.5195%	1.3583%	1.4355%
Population (1,2,3)	46,604	46,530	45,413	45,413
Net Bonded Debt per Capita	\$ 750	\$ 759	\$ 746	\$ 707

Data sources:

(1) U.S. Bureau of Economic Analysis**

(2) Texas Association of Counties (County Information Project)**

(3) US Census Bureau**

**Most current information available from these data sources.

Fiscal Year

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>\$ 2,204,801,546</u>	<u>\$ 2,284,032,548</u>	<u>\$ 2,460,626,956</u>	<u>\$ 3,000,342,573</u>	<u>\$ 3,076,621,771</u>	<u>\$ 3,123,590,174</u>
30,648,000	28,306,000	27,008,000	26,051,567	25,326,278	22,008,000
30,092	33,694	39,975	48,183	63,588	51,766
<u>\$ 30,617,908</u>	<u>\$ 28,272,306</u>	<u>\$ 26,968,025</u>	<u>\$ 26,003,384</u>	<u>\$ 25,262,690</u>	<u>\$ 21,956,234</u>
1.3887%	1.2378%	1.0960%	0.8667%	0.8211%	0.7029%
45,725	45,790	46,079	46,079	46,972	46,972
\$ 670	\$ 617	\$ 585	\$ 564	\$ 538	\$ 459

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

	Fiscal Year			
	2011	2012	2013	2014
Governmental activities:				
General obligation	\$ 26,795,000	\$ 25,735,000	\$ 24,455,000	\$ 22,810,000
Tax notes	5,299,000	4,913,000	3,851,000	4,198,000
Obligations under capital leases	761,980	791,434	399,645	825,865
Net Governmental Debt	<u>\$ 32,855,980</u>	<u>\$ 31,439,434</u>	<u>\$ 28,705,645</u>	<u>\$ 27,833,865</u>
Percentage of personal income	1.75%	1.65%	1.73%	1.63%
Net Bonded Debt per Capita	\$ 718	\$ 682	\$ 632	\$ 593

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

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

Fiscal Year		
2015	2016	2017
\$ 21,762,567	\$ 22,092,278	\$ 19,580,000
4,259,000	3,234,000	2,428,000
862,198	1,307,326	1,281,393
<u>\$ 26,883,765</u>	<u>\$ 26,633,604</u>	<u>\$ 23,289,393</u>

1.58%	1.53%	1.34%
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\$ 570	\$ 555	\$ 486
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POLK COUNTY, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2017

<u>Governmental Unit</u>	<u>Net Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Cities:			
Corrigan	\$ 1,100,008	100.00%	\$ 1,100,008
Goodrich	327,435	100.00%	327,435
Livingston	11,010,763	100.00%	11,010,763
School Districts:			
Big Sandy ISD	\$ 2,905,363	100.00%	\$ 2,905,363
Chester ISD	131,503	47.68%	62,701
Corrigan-Camden ISD	4,815,919	100.00%	4,815,919
Goodrich ISD	-	100.00%	-
Leggett ISD	1,714,625	100.00%	1,714,625
Livingston ISD	103,000,000	100.00%	103,000,000
Onalaska ISD	20,412,148	100.00%	20,412,148
Woodville ISD	2,444,575	2.95%	72,115
Subtotal, overlapping debt	<u>147,862,339</u>		<u>145,421,077</u>
Polk County direct debt	<u>23,289,393</u>	100.00%	<u>23,289,393</u>
Total direct and overlapping debt	<u><u>\$ 171,151,732</u></u>		<u><u>\$ 168,710,470</u></u>

Source: Texas Municipal Reports

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

POLK COUNTY, TEXAS
LEGAL DEBT MARGIN INFORMATION
Last Ten Years

	Fiscal Year			
	2008	2009	2010	2011
Debt limit	\$ 198,933,381	\$ 232,276,261	\$ 249,380,499	558,921,007
Total net debt applicable to limit	35,020,868	35,335,000	33,930,000	32,094,000
Legal debt margin	\$ 163,912,513	\$ 196,941,261	\$ 215,450,499	526,827,007
Total net debt applicable to the limit as a percentage of debt limit	17.60%	15.21%	13.61%	5.74%

Legal Debt Margin Calculation for 2017

Assessed value	\$ 3,123,590,174
Debt limit (25% of assessed value)	780,897,544
Debt applicable to limit:	
General obligation bonds	19,580,000
Tax notes	2,428,000
Less: amount set aside for repayment of debt	51,766
Total net debt applicable to limit	22,059,766
Legal debt margin	\$ 758,837,778

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 551,200,387	\$ 571,008,137	\$ 615,244,268	\$ 750,085,643	\$ 769,155,318	\$ 780,897,544
25,704,908	28,272,306	26,968,025	25,335,817	24,685,412	22,059,766
<u>\$ 525,495,479</u>	<u>\$ 542,735,831</u>	<u>\$ 588,276,243</u>	<u>\$ 724,749,826</u>	<u>\$ 744,469,906</u>	<u>\$ 758,837,778</u>
4.66%	4.95%	4.38%	3.38%	3.21%	2.82%

POLK COUNTY, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Years

	Fiscal Year			
	2008	2009	2010	2011
Population (1,2,4)**	46,604	46,530	45,413	45,413
Personal income (1,4,5)**	\$1,597,567,000	\$1,726,151,000	\$1,726,151,000	\$1,726,151,000
Per capita personal income (1,4,5)**	\$ 34,280	\$ 37,098	\$ 38,747	\$ 37,839
Median age (1,4,5)**	38.3	42.9	42.9	42.9
School enrollment (2)				
Big Sandy ISD	471	465	451	453
Chester ISD	73	71	171	174
Corrigan Camden ISD	990	956	947	923
Goodrich ISD	247	241	247	224
Leggett ISD	202	190	173	170
Livingston ISD	3,728	3,733	3,741	3,829
Onalaska ISD	817	846	880	889
Total	6,528	6,502	6,610	6,663
Unemployment rate (3)	6.40%	10.50%	10.00%	10.50%

Data sources:

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

**Most current information available from these data sources.

Fiscal Year					
2012	2013	2014	2015	2016	2017
45,725	45,790	46,079	46,079	46,972	47,916
\$ 1,875,855,000	\$1,907,585,000	\$1,907,585,000	\$1,663,552,000	\$1,706,994,000	\$ 1,736,049,000
\$ 41,014	\$ 41,659	\$ 37,194	\$ 36,102	\$ 39,662	\$ 36,231
43.2	42.9	42.9	43.6	43.5	43.7
470	494	464	455	498	528
166	181	155	157	175	194
930	1,018	945	911	988	917
220	235	207	225	239	227
174	187	159	150	168	163
3,862	4,098	3,788	3,826	4,049	4,063
881	942	846	846	893	1,026
<u>6,701</u>	<u>7,155</u>	<u>7,155</u>	<u>7,155</u>	<u>7,010</u>	<u>7,010</u>
7.70%	8.00%	6.80%	6.20%	6.50%	6.30%

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POLK COUNTY, TEXAS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2017			2008		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Georgia Pacific*	1,000	1	5.78%	1,050	1	6.28%
Texas Dept of Criminal Justice, Polunsky Unit	672	2	3.89%	900	2	5.38%
Alabama-Coushatta Tribe of Texas**	589	3	3.41%	158	9	0.94%
Livingston ISD	569	4	3.29%	600	3	3.59%
Wal-Mart Super Center	420	5	2.43%	500	4	2.99%
CHI St. Lukes's Health Memorial Livingston	345	6	1.99%	-	n/a	-
Polk County	340	7	1.97%	300	5	1.79%
Lowe's Home Improvement	231	8	1.34%	-	n/a	-
Brookshire Brothers (Corrigan, Livingston, Onalaska)	209	9	1.21%	-	n/a	-
Corrigan/Camden ISD	175	10	1.01%	178	6	1.06%
Pine Ridge Nursing Center	-	n/a	-	175	7	1.05%
Cho-Yeh Camp & Conference Center (seasonal)	-	n/a	-	170	8	1.02%
Sam Houston Electric Cooperative	-	n/a	-	153	10	0.91%
Total	<u>4,550</u>		<u>26.31%</u>	<u>4,184</u>		<u>9.03%</u>

*Previously named International Paper Company

**Includes Naskila Entertainment Center's 200 employees

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POLK COUNTY, TEXAS

COUNTY EMPLOYEES

Last Ten Years

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government:										
County Judge	3	3	3	3	3	3	3	3	3	3
Commissioners' Court	1	1	1	1	1	1	1	1	1	1
County Clerk	10	10	10	10	10	10	10	10	10	11
County Auditor	5	5	5	5	5	5	5	4	5	4
County Treasurer	3	3	3	3	3	3	3	3	3	3
Information Technology*	2	2	2	2	2	2	2	2	3	3
Maintenance/Custodial	3	3	3	3	4	-	-	-	-	-
Maintenance/Engineering	6	7	7	7	7	11	11	11	12	12
Emergency Management	5	5	5	5	5	5	5	5	3	3
Personnel/Human Resources	2	3	3	3	3	3	3	2	3	3
Road and Bridges:										
Commissioners	4	4	4	4	4	4	4	4	4	4
Road and Bridge Workers	39	37	37	45	45	47	37	36	35	34
Administration of Justice:										
County Court-at-Law	4	4	4	4	4	4	3	4	4	3
District Clerk	9	10	10	10	10	10	9	10	9	10
District Judges	7	7	7	7	7	8	9	9	11	8
JP Pct 1	3	4	4	4	4	3	3	3	4	4
JP Pct 2	2	3	3	3	4	3	3	3	3	3
JP Pct 3	3	3	3	3	3	3	3	3	3	3
JP Pct 4	3	3	3	3	3	3	2	3	3	3
District Attorney	15	15	17	18	17	16	16	18	18	17
Sheriff's Dept	50	50	50	50	52	54	50	53	51	54
Jail	31	33	33	35	37	41	39	41	46	49
Constables	4	4	4	4	4	4	4	4	4	4
Department of Public Safety	1	1	1	1	1	1	1	1	1	1
Courthouse Security	1	1	1	1	2	2	2	2	3	3
Health and Human Services:										
Library and Museum	2	2	2	2	2	2	2	1	1	1
Social Services	2	2	2	2	2	2	2	2	1	1
Veterans Service	2	2	2	2	1	1	1	1	1	1
County Extension	4	4	4	4	4	4	4	4	4	3
Permits/Inspections**	-	-	-	-	-	-	-	-	2	2
Environmental Enforcement	-	-	-	-	1	-	-	-	1	1
Aging Services	1	1	1	1	4	1	1	1	4	4
Tax Administration:										
Tax Assessor/Collector	17	17	17	14	14	17	12	14	14	14
Totals:	<u>250</u>	<u>253</u>	<u>255</u>	<u>263</u>	<u>271</u>	<u>277</u>	<u>255</u>	<u>263</u>	<u>270</u>	<u>270</u>

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

*Previously named Data Processing

**FY2016 separated these functions from Emergency Management.

POLK COUNTY, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Years

	Fiscal Year			
	2008	2009	2010	2011*
<u>County Court</u>				
Civil Cases				
Pending Beginning of Year	2,829	2,980	3,212	1,051
Docket Adjust	75	56	(435)	-
Added	1,230	1,352	1,306	743
Disposed	(1,154)	(1,176)	(1,051)	(490)
Pending End of Year	2,980	3,212	3,032	1,305
Criminal Cases				
Pending Beginning of Year	2,798	2,719	2,669	2,560
Docket Adjust	(7)	113	(9)	(1)
Added	1,446	1,307	1,002	1,276
Disposed	(1,518)	(1,470)	(1,079)	(979)
Pending End of Year	2,719	2,669	2,583	2,856
<u>District Court</u>				
Civil Cases				
Pending Beginning of Year	842	885	784	803
Docket Adjust	20	(146)	(3)	(2)
Added	336	342	324	330
Disposed	(313)	(297)	(227)	(269)
Pending End of Year	885	784	878	862
Criminal Cases				
Pending Beginning of Year	1,033	810	823	778
Docket Adjust	(121)	(77)	(15)	(3)
Added	890	980	847	1,187
Disposed	(992)	(890)	(848)	(764)
Pending End of Year	810	823	807	1,198
<u>Justice of the Peace Courts</u>				
Cases Filed				
Traffic	7,472	8,007	4,772	4,922
Non-Traffic	2,725	2,526	1,961	1,828
Small Claims Suits	83	127	68	73
Forcible Entry and Detainer	119	155	130	106
Other Civil Suits	327	217	174	209
Cases Disposed				
Traffic	6,834	6,826	4,837	4,240
Non-Traffic	2,148	2,102	1,903	1,971
Small Claims Suits	54	174	123	61
Forcible Entry and Detainer	109	134	111	101
Other Civil Suits	205	272	212	145
Cases Appealed				
Traffic	19	22	18	15
Non-Traffic	1	2	5	9
Small Claims Suits	-	-	2	-
Forcible Entry and Detainer	-	-	2	1
Other Civil Suits	-	1	1	-
Miscellaneous				
Examining Trials	-	-	1	4
Inquests	210	181	178	212

Source: Texas Courts Online (Office of Court Administration)

*FY11 had reporting changes

Fiscal Year

2012	2013	2014	2015	2016	2017
1,305	1,472	1,678	1,734	1,724	2,504
(16)	(31)	46	-	-	(18)
723	813	789	707	988	860
(540)	(576)	(779)	(673)	(875)	(871)
1,472	1,678	1,734	1,724	2,504	2,461
2,856	3,120	3,142	3,180	2,294	2,555
(8)	(15)	(6)	-	-	1
1,243	874	1,145	994	984	1,078
(971)	(837)	(1,101)	(957)	(501)	(446)
3,120	3,142	3,180	2,294	2,555	1,873
862	860	889	956	707	679
(50)	(35)	-	-	-	(7)
1,021	304	334	272	357	428
(973)	(240)	(267)	(227)	(383)	(321)
860	889	956	707	679	776
1,198	1,639	1,561	1,687	918	639
(14)	(48)	-	-	-	(9)
1,256	967	919	704	871	688
(801)	(997)	(793)	(513)	(941)	(1,032)
1,639	1,561	1,687	918	639	832
5,833	4,290	4,162	4,837	3,172	4,447
2,962	2,913	2,507	2,100	1,892	1,217
38	44	168	155	277	130
128	106	165	179	72	207
292	238	195	281	120	387
4,798	3,780	3,658	2,922	2,682	2,837
2,382	2,373	2,007	1,545	1,257	984
42	33	170	182	173	122
113	95	147	188	210	178
233	200	101	208	272	266
16	12	10	10	4	5
26	2	5	-	3	-
2	-	-	-	3	-
5	-	1	2	80	5
-	-	-	-	-	-
-	-	1	-	-	-
209	215	243	312	299	307

POLK COUNTY, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

Function/Program	Fiscal Year			
	2008	2009	2010	2011
<u>General Government</u>				
Commissioners' Court	4	4	4	1
County Clerk	15	15	15	4
Veterans Service	1	1	1	-
General Operations	34	34	40	41
District Clerk	3	3	3	1
JP Pct 1	-	-	-	-
JP Pct 2	-	-	-	-
JP Pct 3	-	-	-	-
JP Pct 4	-	-	-	-
Judicial	4	4	4	4
District Attorney	6	6	6	6
County Auditor	4	4	4	2
County Treasurer	3	3	3	2
Tax Assessor/Collector	4	4	4	3
Delinquent Tax Collection	1	1	1	1
Data Processing	13	12	13	13
Maintenance/Custodial	3	4	-	-
Maintenance/Engineering	23	28	37	36
Jail	13	14	17	9
Constable Pct 1	1	1	1	1
Constable Pct 2	2	2	1	1
Constable Pct 3	1	1	1	1
Constable Pct 4	1	1	1	1
Sheriff's Department	66	70	79	77
Social Services	4	4	4	3
Extension	1	1	1	1
Emergency Management	13	14	14	11
Environmental Enforcement	1	2	2	2
<u>Road and Bridge</u>				
Road and Bridge Pct 1	80	84	49	46
Road and Bridge Pct 2	63	67	40	39
Road and Bridge Pct 3	82	83	80	77
Road and Bridge Pct 4	76	78	67	66
<u>Security</u>				
Security Department	1	1	1	1
<u>Historical Commission</u>				
Historical	2	2	2	2
<u>Waste Management</u>				
Waste Management	46	36	35	35
<u>Aging</u>				
Aging Services	7	8	9	8

Source: County Inventory Reports

Fiscal Year					
2012	2013	2014	2015	2016	2017
1	2	2	2	2	2
4	6	6	7	7	7
-	-	-	-	-	-
54	69	46	44	48	51
1	2	2	2	2	2
-	-	-	-	1	1
1	1	1	1	-	-
-	-	-	-	-	-
-	-	-	-	5	-
5	5	5	5	6	5
7	6	6	6	2	6
2	2	2	2	2	2
2	2	2	2	3	2
3	3	3	4	1	3
1	-	-	-	-	-
13	14	14	13	13	16
-	-	-	-	-	-
34	30	33	32	32	33
8	13	14	14	13	14
1	1	1	2	2	2
1	2	2	3	3	4
1	1	2	2	2	2
1	1	1	1	1	1
80	88	96	93	91	92
3	2	3	3	3	3
1	1	1	1	21	1
11	12	13	14	14	14
2	3	-	3	3	3
46	40	40	41	42	44
38	39	41	41	42	42
78	83	83	82	83	83
66	66	67	68	68	69
1	1	1	1	1	1
2	2	2	2	2	2
35	34	35	35	35	34
9	11	10	10	10	11

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