



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Polk County, Missouri

The Office of the State Auditor, in cooperation with Polk County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Officer CPA Firm LLC, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

September 2010
Report No. 2010-116

POLK COUNTY, MISSOURI
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2009 AND 2008

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Independent Auditor's Report

To the County Commission and
Officeholders of Polk County, Missouri

We have audited the accompanying financial statements of Polk County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, Polk County, Missouri, prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Polk County, Missouri, as of December 31, 2009 and 2008 or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Polk County, Missouri as of December 31, 2009 and 2008, and their respective cash receipts, disbursements and changes in cash – budget and actual for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2010, on our consideration of Polk County, Missouri's internal control over financial reporting and

our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Polk County, Missouri's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements of Polk County, Missouri. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Officer CPA Firm LLC

August 9, 2010

POLK COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2009

Fund	Cash, January 1	Receipts	Disbursements	Cash December 31
General Revenue	\$ 1,703,588	1,619,484	1,764,401	1,558,671
Special Road and Bridge	123	3,023,548	3,023,671	-
Assessment	89,526	293,886	347,815	35,597
Law Enforcement Training	16,446	8,927	12,322	13,051
Prosecuting Attorney Training	5,126	1,450	3,443	3,133
Law Enforcement Sales Tax	99,022	2,068,597	2,167,619	-
Capital Improvement Sales tax	700,005	1,311,813	1,244,598	767,220
Emergency 911	9	260,246	255,230	5,025
Child Support Enforcement	10	166,006	155,456	10,560
Prosecuting Attorney Bad Check	-	14,092	14,092	-
Recorder User Fee	16,213	18,835	24,078	10,970
Prosecuting Attorney Delinquent Tax	2,599		2,599	-
Sheriff Civil Fees	31,932	54,569	25,310	61,191
Special Trust	454	15,299	12,259	3,494
Moore Cemetery Trust	4,126	71	360	3,837
Recycling Project	3,554	24,769	28,323	-
Local Emergency Planning Committee	4,586	7,878	3,554	8,910
Juvenile Detention Center	40,545	29,049	35,000	34,594
Veterans Memorial	3,158	41		3,199
Election Services	16,851	6,135	1,590	21,396
Collector Tax Maintenance	41,431	30,042	33,145	38,328
Senate Bill 40 Board	51,990	56,550	57,315	51,225
Sheriff Special Operations	3,733		150	3,583
Senior Service Tax Fund	41,242	133,359	125,645	48,956
Law Enforcement Restitution Fund	47,115	23,391	42,223	28,283
Total	\$ 2,923,384	9,168,037	9,380,198	2,711,223

NOTE: For year ended 12/31/09 and 12/31/08, the Circuit Clerk Law Library and Interest, Drug Court, and Family Justice Funds are no longer included in the County's financial statements.

POLK COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2008

Fund	Cash, January 1	Receipts	Disbursements	Cash December 31
General Revenue	\$ 1,917,666	1,520,174	1,734,252	1,703,588
Special Road and Bridge	81,201	2,833,967	2,915,044	124
Assessment	82,099	381,272	373,844	89,527
Law Enforcement Training	15,583	10,620	9,757	16,446
Prosecuting Attorney Training	6,542	1,665	3,081	5,126
Law Enforcement Sales Tax	-	2,356,121	2,257,099	99,022
Capital Improvement Sales tax	690,100	1,367,630	1,357,725	700,005
Emergency 911	3,827	234,328	238,146	9
Child Support Enforcement	-	148,832	148,821	11
Prosecuting Attorney Bad Check	1,483	17,185	18,668	-
Recorder User Fee	10,375	20,000	14,162	16,213
Prosecuting Attorney Delinquent Tax	479	2,120		2,599
Sheriff Civil Fees	45,666	49,209	62,943	31,932
Special Trust	70	2,691	2,307	454
Moore Cemetery Trust	4,364	122	360	4,126
Recycling Project	-	46,528	42,974	3,554
Local Emergency Planning Committee	10,994	4,957	11,365	4,586
Juvenile Detention Center	57,337	33,208	50,000	40,545
Veterans Memorial	3,036	122		3,158
Election Services	13,564	6,797	3,510	16,851
Collector Tax Maintenance	29,072	26,812	14,453	41,431
Senate Bill 40 Board	75,247	53,022	76,279	51,990
Sheriff Special Operations	4,219		486	3,733
Senior Service Tax Fund	43,465	122,551	124,774	41,242
Law Enforcement Restitution Fund	23,857	23,258		47,115
Total	\$ 3,120,246	9,263,191	9,460,050	2,923,387

NOTE: For year ended 12/31/09 and 12/31/08, the Circuit Clerk Law Library and Interest, Drug Court, and Family Justice Funds are no longer included in the County's financial statements.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
 AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
TOTALS - VARIOUS FUNDS						
RECEIPTS	\$ 10,456,307	9,168,037	(1,288,270)	11,897,201	9,263,191	(2,634,010)
DISBURSEMENTS	12,063,471	9,380,048	(2,683,423)	13,326,051	9,459,564	(3,866,487)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(1,607,164)	(212,011)	1,395,153	(1,428,850)	(196,373)	1,232,477
CASH, JANUARY 1	2,919,651	2,919,651	-	3,116,027	3,116,027	-
CASH, DECEMBER 31	1,312,487	2,707,640	1,395,153	1,687,177	2,919,654	1,232,477
Cash, Sheriff Special Operation Fund		3,583			3,733	
Total Cash		\$ 2,711,223			\$ 2,923,387	
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	804,000	868,705	64,705	811,000	804,423	(6,577)
Intergovernmental	153,904	132,495	(21,409)	67,809	89,173	21,364
Charges for services	431,200	429,883	(1,317)	444,100	414,533	(29,567)
Interest	52,050	40,770	(11,280)	100,000	69,197	(30,803)
Other	66,300	83,713	17,413	70,617	83,989	13,372
Transfers In	64,590	63,918	(672)	79,800	58,859	(20,941)
Total Receipts	1,572,044	1,619,484	47,440	1,573,326	1,520,174	(53,152)
DISBURSEMENTS						
County Commission	125,000	106,917	(18,083)	120,790	113,415	(7,375)
County Clerk	88,618	86,430	(2,188)	90,621	84,792	(5,829)
Elections	126,147	97,667	(28,480)	195,338	183,582	(11,756)
Building and grounds	232,296	179,521	(52,775)	287,677	198,947	(88,730)
Employee fringe benefits	96,300	97,806	1,506	93,000	92,236	(764)
County Treasurer	77,570	75,356	(2,214)	75,354	71,599	(3,755)
County Collector	123,632	124,475	843	120,329	117,656	(2,673)
Recorder of Deeds	112,785	102,086	(10,699)	111,368	102,387	(8,981)
Circuit Clerk	68,400	52,049	(16,351)	72,200	43,343	(28,857)
Public Administrator	58,300	58,651	351	58,300	55,609	(2,691)
Other	304,871	271,171	(33,700)	263,490	243,302	(20,188)
Transfers out	828,485	512,272	(316,213)	516,094	427,384	(88,710)
Emergency Fund	45,360		(45,360)	46,930		(46,930)
Total Disbursements	2,287,764	1,764,401	(523,363)	2,051,491	1,734,252	(317,239)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(715,720)	(144,917)	570,803	(478,165)	(214,078)	264,087
CASH, JANUARY 1	1,703,588	1,703,588	-	1,917,666	1,917,666	-
CASH, DECEMBER 31	987,868	1,558,671	570,803	1,439,501	1,703,588	264,087

NOTE: No budget was prepared by the Sheriff Special Operations Fund so it is excluded from the budget comparison schedule.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
 AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SPECIAL ROAD & BRIDGE FUND</u>						
RECEIPTS						
Property Taxes	467,500	484,396	16,896	397,500	444,367	46,867
Intergovernmental	2,024,015	1,408,500	(615,515)	2,986,527	1,193,247	(1,793,280)
Interest	3,000	919	(2,081)	3,000	4,528	1,528
Other	900	50,749	49,849	800	5,601	4,801
Transfers In	1,690,000	1,078,984	(611,016)	1,898,231	1,186,224	(712,007)
Total Receipts	<u>4,185,415</u>	<u>3,023,548</u>	<u>(1,161,867)</u>	<u>5,286,058</u>	<u>2,833,967</u>	<u>(2,452,091)</u>
DISBURSEMENTS						
Salaries	565,000	560,594	(4,406)	558,111	581,963	23,852
Employee fringe benefits	173,850	174,645	795	180,690	184,300	3,610
Supplies	337,100	270,297	(66,803)	298,900	348,352	49,452
Insurance	47,000	44,208	(2,792)	47,000	44,132	(2,868)
Road and bridge materials	1,147,000	947,299	(199,701)	1,441,400	835,481	(605,919)
Equipment repairs	101,000	159,852	58,852	96,000	146,385	50,385
Uniform rental	9,500	11,934	2,434	8,500	9,505	1,005
Equipment purchases	100,000	134,402	34,402	300,000	145,509	(154,491)
Other	1,516,000	615,692	(900,308)	2,321,150	512,211	(1,808,939)
Distributions to road districts	115,000	104,748	(10,252)	115,000	107,206	(7,794)
Total Disbursements	<u>4,111,450</u>	<u>3,023,671</u>	<u>(1,087,779)</u>	<u>5,366,751</u>	<u>2,915,044</u>	<u>(2,451,707)</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	73,965	(123)	(74,088)	(80,693)	(81,077)	(384)
CASH, JANUARY 1	123	123	-	81,201	81,201	-
CASH, DECEMBER 31	<u>74,088</u>	<u>-</u>	<u>(74,088)</u>	<u>508</u>	<u>124</u>	<u>(384)</u>
<u>ASSESSMENT</u>						
RECEIPTS						
Intergovernmental	273,989	262,868	(11,121)	243,062	265,867	22,805
Interest	3,000	2,083	(917)	6,500	3,563	(2,937)
Other	8,500	827	(7,673)	84,482	84,385	(97)
Transfers in	28,108	28,108	-	27,457	27,457	-
Total Receipts	<u>313,597</u>	<u>293,886</u>	<u>(19,711)</u>	<u>361,501</u>	<u>381,272</u>	<u>19,771</u>
DISBURSEMENTS						
Assessor	349,530	326,257	(23,273)	407,709	373,844	(33,865)
Transfer out		21,558	21,558			
Total Disbursements	<u>349,530</u>	<u>347,815</u>	<u>(1,715)</u>	<u>407,709</u>	<u>373,844</u>	<u>(33,865)</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(35,933)	(53,929)	(17,996)	(46,208)	7,428	53,636
CASH, JANUARY 1	89,526	89,526	-	82,099	82,099	-
CASH, DECEMBER 31	<u>53,593</u>	<u>35,597</u>	<u>(17,996)</u>	<u>35,891</u>	<u>89,527</u>	<u>53,636</u>

See accompanying notes to the financial statements.

POLK COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT TRAINING</u>						
RECEIPTS						
Intergovernmental	3,500	2,919	(581)	3,000	3,566	566
Charges for services	6,500	5,727	(773)	6,000	6,609	609
Interest	250	281	31	700	445	(255)
Total Receipts	<u>10,250</u>	<u>8,927</u>	<u>(1,323)</u>	<u>9,700</u>	<u>10,620</u>	<u>920</u>
DISBURSEMENTS						
Sheriff	23,000	12,322	(10,678)	22,000	9,757	(12,243)
Total Disbursements	<u>23,000</u>	<u>12,322</u>	<u>(10,678)</u>	<u>22,000</u>	<u>9,757</u>	<u>(12,243)</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(12,750)	(3,395)	9,355	(12,300)	863	13,163
CASH, JANUARY 1	16,446	16,446	-	15,583	15,583	-
CASH, DECEMBER 31	<u>3,696</u>	<u>13,051</u>	<u>9,355</u>	<u>3,283</u>	<u>16,446</u>	<u>13,163</u>
<u>LAW ENFORCEMENT SALES TAX FUND</u>						
RECEIPTS						
Sales tax	1,200,000	1,296,316	96,316	1,380,000	1,342,382	(37,618)
Intergovernmental			-	222,374	195,409	(26,965)
Charges for services	192,500	155,238	(37,262)	215,300	195,318	(19,982)
Interest	1,000	723	(277)	5,500	1,862	(3,638)
Other	165,000	140,530	(24,470)	190,264	237,909	47,645
Transfers In	776,042	475,790	(300,252)	452,096	383,241	(68,855)
Total Receipts	<u>2,334,542</u>	<u>2,068,597</u>	<u>(265,945)</u>	<u>2,465,534</u>	<u>2,356,121</u>	<u>(109,413)</u>
DISBURSEMENTS						
Sheriff	1,025,668	926,777	(98,891)	963,278	895,717	(67,561)
Jail	627,262	533,893	(93,369)	736,131	679,140	(56,991)
Prosecuting Attorney	261,213	249,781	(11,432)	250,478	246,211	(4,267)
Juvenile Office	51,917	56,919	5,002	69,738	53,810	(15,928)
County Coroner	52,200	33,911	(18,289)	37,125	24,229	(12,896)
Employee fringe benefits	342,893	366,338	23,445	337,720	357,992	20,272
Emergency Fund	69,910		(69,910)	71,064		(71,064)
Total Disbursements	<u>2,431,063</u>	<u>2,167,619</u>	<u>(263,444)</u>	<u>2,465,534</u>	<u>2,257,099</u>	<u>(208,435)</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(96,521)	(99,022)	(2,501)	-	99,022	99,022
CASH, JANUARY 1	99,022	99,022	-	-	-	-
CASH, DECEMBER 31	<u>2,501</u>	<u>-</u>	<u>(2,501)</u>	<u>-</u>	<u>99,022</u>	<u>99,022</u>

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
 AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>CAPITAL IMPROVEMENT SALES TAX FUND</u>						
RECEIPTS						
Sales Tax	1,200,000	1,296,290	96,290	1,381,131	1,342,372	(38,759)
Interest	20,000	15,523	(4,477)	7,000	25,258	18,258
Total Receipts	<u>1,220,000</u>	<u>1,311,813</u>	<u>91,813</u>	<u>1,388,131</u>	<u>1,367,630</u>	<u>(20,501)</u>
DISBURSEMENTS						
Transfer to road and bridge fund	1,690,000	1,078,984	(611,016)	1,898,231	1,186,224	(712,007)
Special Road Districts	180,000	165,614	(14,386)	180,000	171,501	(8,499)
Total Disbursements	<u>1,870,000</u>	<u>1,244,598</u>	<u>(625,402)</u>	<u>2,078,231</u>	<u>1,357,725</u>	<u>(720,506)</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(650,000)	67,215	717,215	(690,100)	9,905	700,005
CASH, JANUARY 1	700,005	700,005	-	690,100	690,100	-
CASH, DECEMBER 31	<u>50,005</u>	<u>767,220</u>	<u>717,215</u>	<u>-</u>	<u>700,005</u>	<u>700,005</u>
<u>EMERGENCY 911 FUND</u>						
RECEIPTS						
Intergovernmental	255,222	260,127	4,905	234,242	230,451	(3,791)
Interest		119	119	229	122	(107)
Other			-	3,755	3,755	-
Total Receipts	<u>255,222</u>	<u>260,246</u>	<u>5,024</u>	<u>238,226</u>	<u>234,328</u>	<u>(3,898)</u>
DISBURSEMENTS						
Emergency 911 Central Dispatch	255,230	255,230	-	242,052	238,146	(3,906)
Total Disbursements	<u>255,230</u>	<u>255,230</u>	<u>-</u>	<u>242,052</u>	<u>238,146</u>	<u>(3,906)</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(8)	5,016	5,024	(3,826)	(3,818)	8
CASH, JANUARY 1	9	9	-	3,827	3,827	-
CASH, DECEMBER 31	<u>1</u>	<u>5,025</u>	<u>5,024</u>	<u>1</u>	<u>9</u>	<u>8</u>

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
 AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>PROSECUTING ATTORNEY DELINQUENT TAX FUND</u>						
RECEIPTS						
Intergovernmental			-	-	2,120	2,120
Total Receipts	-	-	-	-	2,120	2,120
DISBURSEMENTS						
Prosecuting Attorney			-	-		-
Transfer out	2,599	2,599				
Total Disbursements	2,599	2,599	-	-	-	-
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(2,599)	(2,599)	-	-	2,120	2,120
CASH, JANUARY 1	2,599	2,599	-	479	479	-
CASH, DECEMBER 31	-	-	-	479	2,599	2,120
<u>SHERIFF CIVIL FEES FUND</u>						
RECEIPTS						
Intergovernmental	49,000	49,016	16	45,000	47,504	2,504
Interest	1,000	761	(239)	2,000	1,245	(755)
Other	500	4,792	4,292		460	460
Total Receipts	50,500	54,569	4,069	47,000	49,209	2,209
DISBURSEMENTS						
Sheriff	80,000	25,310	(54,690)	80,000	62,943	(17,057)
Total Disbursements	80,000	25,310	(54,690)	80,000	62,943	(17,057)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(29,500)	29,259	58,759	(33,000)	(13,734)	19,266
CASH, JANUARY 1	31,932	31,932	-	45,666	45,666	-
CASH, DECEMBER 31	2,432	61,191	58,759	12,666	31,932	19,266
<u>SPECIAL TRUST FUND</u>						
RECEIPTS						
Intergovernmental	8,259	7,759	(500)	7,759		(7,759)
Charges for services	4,550	7,540	2,990	2,375	2,691	316
Total Receipts	12,809	15,299	2,490	10,134	2,691	(7,443)
DISBURSEMENTS						
Domestic Violence Shelter	12,259	12,259	-	10,204	2,307	(7,897)
Total Disbursements	12,259	12,259	-	10,204	2,307	(7,897)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	550	3,040	2,490	(70)	384	454
CASH, JANUARY 1	454	454	-	70	70	-
CASH, DECEMBER 31	1,004	3,494	2,490	-	454	454

See accompanying notes to the financial statements.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
 AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>CHILD SUPPORT ENFORCEMENT FUND</u>						
RECEIPTS						
Intergovernmental	161,479	165,363	3,884	157,829	147,589	(10,240)
Other		343	343		90	90
Transfers in	10,000	300	(9,700)	10,000	1,153	(8,847)
Total Receipts	<u>171,479</u>	<u>166,006</u>	<u>(5,473)</u>	<u>167,829</u>	<u>148,832</u>	<u>(18,997)</u>
DISBURSEMENTS						
Other	<u>162,520</u>	<u>155,456</u>	<u>(7,064)</u>	<u>157,829</u>	<u>148,821</u>	<u>(9,008)</u>
Total Disbursements	<u>162,520</u>	<u>155,456</u>	<u>(7,064)</u>	<u>157,829</u>	<u>148,821</u>	<u>(9,008)</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	8,959	10,550	1,591	10,000	11	(9,989)
CASH, JANUARY 1	10	10	-	-	-	-
CASH, DECEMBER 31	<u>8,969</u>	<u>10,560</u>	<u>1,591</u>	<u>10,000</u>	<u>11</u>	<u>(9,989)</u>
<u>PROSECUTING ATTORNEY BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	16,878	14,092	(2,786)	20,000	16,879	(3,121)
Interest	305		(305)	550	306	(244)
Other	500		(500)			-
Total Receipts	<u>17,683</u>	<u>14,092</u>	<u>(3,591)</u>	<u>20,550</u>	<u>17,185</u>	<u>(3,365)</u>
DISBURSEMENTS						
Prosecuting Attorney	500		(500)			-
Transfers out	<u>17,183</u>	<u>14,092</u>	<u>(3,091)</u>	<u>21,530</u>	<u>18,668</u>	<u>(2,862)</u>
Total Disbursements	<u>17,683</u>	<u>14,092</u>	<u>(3,591)</u>	<u>21,530</u>	<u>18,668</u>	<u>(2,862)</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	-	-	-	(980)	(1,483)	(503)
CASH, JANUARY 1	-	-	-	1,483	1,483	-
CASH, DECEMBER 31	<u>-</u>	<u>-</u>	<u>-</u>	<u>503</u>	<u>-</u>	<u>(503)</u>
<u>RECORDER USER FEE FUND</u>						
RECEIPTS						
Charges for services	20,000	18,534	(1,466)	25,000	19,642	(5,358)
Interest	360	301	(59)	350	358	8
Total Receipts	<u>20,360</u>	<u>18,835</u>	<u>(1,525)</u>	<u>25,350</u>	<u>20,000</u>	<u>(5,350)</u>
DISBURSEMENTS						
Recorder of Deeds	<u>35,000</u>	<u>24,078</u>	<u>(10,922)</u>	<u>34,000</u>	<u>14,162</u>	<u>(19,838)</u>
Total Disbursements	<u>35,000</u>	<u>24,078</u>	<u>(10,922)</u>	<u>34,000</u>	<u>14,162</u>	<u>(19,838)</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(14,640)	(5,243)	9,397	(8,650)	5,838	14,488
CASH, JANUARY 1	<u>16,213</u>	<u>16,213</u>	<u>-</u>	<u>10,376</u>	<u>10,375</u>	<u>(1)</u>
CASH, DECEMBER 31	<u>1,573</u>	<u>10,970</u>	<u>9,397</u>	<u>1,726</u>	<u>16,213</u>	<u>14,487</u>

See accompanying notes to the financial statements.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
 AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>RECYCLING PROJECT FUND</u>						
RECEIPTS						
Intergovernmental		4	4	14,200	12,328	(1,872)
Transfers in	26,063	24,765	(1,298)	28,870	34,200	5,330
Total Receipts	<u>26,063</u>	<u>24,769</u>	<u>(1,294)</u>	<u>43,070</u>	<u>46,528</u>	<u>3,458</u>
DISBURSEMENTS						
Recycling expense	29,617	28,323	(1,294)	43,070	42,974	(96)
Total Disbursements	<u>29,617</u>	<u>28,323</u>	<u>(1,294)</u>	<u>43,070</u>	<u>42,974</u>	<u>(96)</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(3,554)	(3,554)	-	-	3,554	3,554
CASH, JANUARY 1	3,554	3,554	-	-	-	-
CASH, DECEMBER 31	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,554</u>	<u>3,554</u>
<u>LOCAL EMERGENCY PLANNING COMMISSION FUND</u>						
RECEIPTS						
Intergovernmental	3,600	7,878	4,278	4,956	2,946	(2,010)
Charge for services			-		2,011	2,011
Total Receipts	<u>3,600</u>	<u>7,878</u>	<u>4,278</u>	<u>4,956</u>	<u>4,957</u>	<u>1</u>
DISBURSEMENTS						
Other	5,500	3,554	(1,946)	7,879	7,865	(14)
Transfers Out				3,500	3,500	-
Total Disbursements	<u>5,500</u>	<u>3,554</u>	<u>(1,946)</u>	<u>11,379</u>	<u>11,365</u>	<u>(14)</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(1,900)	4,324	6,224	(6,423)	(6,408)	15
CASH, JANUARY 1	4,586	4,586	-	10,994	10,994	-
CASH, DECEMBER 31	<u>2,686</u>	<u>8,910</u>	<u>6,224</u>	<u>4,571</u>	<u>4,586</u>	<u>15</u>
<u>JUVENILE DETENTION CENTER FUND</u>						
RECEIPTS						
Intergovernmental	33,045	29,049	(3,996)	35,110	33,208	(1,902)
Total Receipts	<u>33,045</u>	<u>29,049</u>	<u>(3,996)</u>	<u>35,110</u>	<u>33,208</u>	<u>(1,902)</u>
DISBURSEMENTS						
Juvenile Detention Center	38,126		(38,126)	41,777		(41,777)
Transfers Out	35,000	35,000	-	50,000	50,000	-
Total Disbursements	<u>73,126</u>	<u>35,000</u>	<u>(38,126)</u>	<u>91,777</u>	<u>50,000</u>	<u>(41,777)</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(40,081)	(5,951)	34,130	(56,667)	(16,792)	39,875
CASH, JANUARY 1	40,545	40,545	-	57,337	57,337	-
CASH, DECEMBER 31	<u>464</u>	<u>34,594</u>	<u>34,130</u>	<u>670</u>	<u>40,545</u>	<u>39,875</u>

See accompanying notes to the financial statements.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
 AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>VETERANS MEMORIAL FUND</u>						
RECEIPTS						
Interest	100	41	(59)	100	122	22
Total Receipts	100	41	(59)	100	122	22
DISBURSEMENTS						
Other	200	-	(200)	200	-	(200)
Total Disbursements	200	-	(200)	200	-	(200)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(100)	41	141	(100)	122	222
CASH, JANUARY 1	3,158	3,158	-	3,036	3,036	-
CASH, DECEMBER 31	3,058	3,199	141	2,936	3,158	222
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Intergovernmental		3,705	3,705		3,848	3,848
Interest	300	322	22	400	378	(22)
Other	2,000	2,108	108	3,000	2,571	(429)
Total Receipts	2,300	6,135	3,835	3,400	6,797	3,397
DISBURSEMENTS						
Election services	6,000	1,590	(4,410)	6,600	3,510	(3,090)
Total Disbursements	6,000	1,590	(4,410)	6,600	3,510	(3,090)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(3,700)	4,545	8,245	(3,200)	3,287	6,487
CASH, JANUARY 1	16,851	16,851	-	13,564	13,564	-
CASH, DECEMBER 31	13,151	21,396	8,245	10,364	16,851	6,487
<u>COLLECTOR TAX MAINTENANCE FUND</u>						
RECEIPTS						
Charges for services	35,000	29,197	(5,803)	25,000	25,740	740
Interest	1,100	845	(255)	1,600	1,072	(528)
Total Receipts	36,100	30,042	(6,058)	26,600	26,812	212
DISBURSEMENTS						
Collector	28,060	26,145	(1,915)	21,060	9,453	(11,607)
Transfer Out	7,000	7,000	-	5,000	5,000	-
Total Disbursements	35,060	33,145	(1,915)	26,060	14,453	(11,607)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	1,040	(3,103)	(4,143)	540	12,359	11,819
CASH, JANUARY 1	41,431	41,431	-	29,071	29,072	1
CASH, DECEMBER 31	42,471	38,328	(4,143)	29,611	41,431	11,820

See accompanying notes to the financial statements.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
 AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SENATE BILL 40 BOARD FUND</u>						
RECEIPTS						
Property taxes	49,700	55,155	5,455	52,500	53,022	522
Interest		1,395	1,395			-
Total Receipts	<u>49,700</u>	<u>56,550</u>	<u>6,850</u>	<u>52,500</u>	<u>53,022</u>	<u>522</u>
DISBURSEMENTS						
Contracted services	66,526	55,729	(10,797)	69,763	74,727	4,964
Office expenses		1,586	1,586		1,552	1,552
Total Disbursements	<u>66,526</u>	<u>57,315</u>	<u>(9,211)</u>	<u>69,763</u>	<u>76,279</u>	<u>6,516</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(16,826)	(765)	16,061	(17,263)	(23,257)	(5,994)
CASH, JANUARY 1	<u>51,990</u>	<u>51,990</u>	-	<u>75,247</u>	<u>75,247</u>	-
CASH, DECEMBER 31	<u><u>35,164</u></u>	<u><u>51,225</u></u>	<u><u>16,061</u></u>	<u><u>57,984</u></u>	<u><u>51,990</u></u>	<u><u>(5,994)</u></u>
<u>SENIOR SERVICE TAX FUND</u>						
RECEIPTS						
Property taxes	118,572	132,004	13,432	118,057	120,821	2,764
Other	26		(26)	14		(14)
Interest	700	1,355	655	3,000	1,730	(1,270)
Total Receipts	<u>119,298</u>	<u>133,359</u>	<u>14,061</u>	<u>121,071</u>	<u>122,551</u>	<u>1,480</u>
DISBURSEMENTS						
Other	155,540	125,645	(29,895)	121,071	124,774	3,703
Total Disbursements	<u>155,540</u>	<u>125,645</u>	<u>(29,895)</u>	<u>121,071</u>	<u>124,774</u>	<u>3,703</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(36,242)	7,714	43,956	-	(2,223)	(2,223)
CASH, JANUARY 1	<u>41,242</u>	<u>41,242</u>	-	<u>43,465</u>	<u>43,465</u>	-
CASH, DECEMBER 31	<u><u>5,000</u></u>	<u><u>48,956</u></u>	<u><u>43,956</u></u>	<u><u>43,465</u></u>	<u><u>41,242</u></u>	<u><u>(2,223)</u></u>
<u>LAW ENFORCEMENT RESTITUTION FUND</u>						
RECEIPTS						
Charges for services	20,000	22,799	2,799	15,000	22,370	7,370
Interest	300	592	292	375	888	513
Total Receipts	<u>20,300</u>	<u>23,391</u>	<u>3,091</u>	<u>15,375</u>	<u>23,258</u>	<u>7,883</u>
DISBURSEMENTS						
Other	50,000	42,223	(7,777)	15,000		(15,000)
Total Disbursements	<u>50,000</u>	<u>42,223</u>	<u>(7,777)</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(29,700)	(18,832)	10,868	375	23,258	22,883
CASH, JANUARY 1	<u>47,115</u>	<u>47,115</u>	-	<u>23,857</u>	<u>23,857</u>	-
CASH, DECEMBER 31	<u><u>17,415</u></u>	<u><u>28,283</u></u>	<u><u>10,868</u></u>	<u><u>24,232</u></u>	<u><u>47,115</u></u>	<u><u>22,883</u></u>

See accompanying notes to the financial statements.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
 AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>MOORE CEMETERY TRUST FUND</u>						
RECEIPTS						
Charges for Services			-			-
Interest	100	71	(29)	122	122	122
Total Receipts	100	71	(29)	-	122	122
DISBURSEMENTS						
Transfers out	360	360	-	600	360	(240)
Total Disbursements	360	360	-	600	360	(240)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(260)	(289)	(29)	(600)	(238)	362
CASH, JANUARY 1	4,126	4,126	-	4,364	4,364	-
CASH, DECEMBER 31	3,866	3,837	(29)	3,764	4,126	362
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for services	1,800	1,450	(350)	1,680	1,665	(15)
Total Receipts	1,800	1,450	(350)	1,680	1,665	(15)
DISBURSEMENTS						
Prosecuting Attorney	3,444	3,443	(1)	3,200	3,081	(119)
Total Disbursements	3,444	3,443	(1)	3,200	3,081	(119)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(1,644)	(1,993)	(349)	(1,520)	(1,416)	104
CASH, JANUARY 1	5,126	5,126	-	6,542	6,542	-
CASH, DECEMBER 31	3,482	3,133	(349)	5,022	5,126	104

POLK COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. Summary of Significant Accounting Policies

Polk County, Missouri operates under a form of government that is comprised of an elected Board of Commissioners. Polk County provides a range of services, including general government administration, public safety, street and bridge construction and maintenance, recorder of deeds, recycling, child support enforcement, emergency planning, senior services, domestic violence services and elections.

In addition to the three Commissioners, there are nine elected Constitutional Officers: Assessor, County Clerk, Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, Treasurer and Collector.

The financial reporting entity includes all funds, functions, and organizations over which the County officials exercise oversight responsibility as defined by the Missouri State Auditor's Office. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters

A. Reporting Entity and Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of various funds of Polk County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, or the Senate Bill 40 Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Certain elected County officials, particularly the Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Accounting

These financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office. The differences include use of a prescribed definition of the reporting entity and the financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. Property, plant and equipment is not capitalized nor depreciated. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when *they* are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

On or before the second Monday in January, each elected officer and department director will transmit to the County Clerk (who serves as budget officer), the budgeted revenues and expenditures.

The County Clerk submits to the County Commission a proposed budget for the calendar year beginning January 1.

A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the Commissioners, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level.

All budget revisions at this level are subject to final review by the County Commission. Revisions to the budget were made several times throughout the year.

No budget was prepared or adopted for the Sheriff Special Operations Fund for either 2009 or 2008.

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets. However, expenditures exceeded budgeted amounts for the following funds:

<u>Fund</u>	<u>Year Ended</u> <u>Dec 31,</u>	<u>Amount</u>
Senate Bill 40 Board Fund	2008	\$6,516
Senior Service Tax Fund	2008	3,703

D. Property Taxes

The County is permitted by voter approved tax levy to assess real estate and personal property taxes. Property taxes are levied each September 1 on the assessed value listed as of the prior January 1 for property located within the County. Taxes become delinquent January 1 of each year at which time a lien attaches to the property.

The proximate assessed values and tax levy were as follows:

	Road and Bridge	All Others	Road and Bridge	All Others
Proximate assessed value	\$162 million	\$276 million	\$159 million	\$274 million
Tax Levy per \$100	0.2706	0.3807	0.2682	0.3768

2. Cash and Investments

Deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit. These deposits are reported in the financial statements at cost which equals market value. The County maintains a cash pool that is available for use by all funds. Each fund’s portion of this pool is displayed on the financial statements as “Cash” under each fund’s caption.

Deposits

Custodial Credit Risk – This is the risk that in the event of a bank failure, the City’s deposits may not be returned to it.

In addition to depositing in demand accounts, political subdivisions such as counties have the authority under Section 67.085, RSMo, to place excess funds in certificates of deposit. To protect the safety of county deposits, Section 110.020, RSMo, requires depositories to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities must be of the types specified by Section 30.270, RSMo, for the collateralization of state funds and held by either the county or a financial institution other than the depository bank. Section 67.085, RSMo, also requires certificates of deposit to be insured by the FDIC for 100 percent of their principal and accrued interest. Custodial credit risk is the risk that, if a depository bank fails, Polk County will not be able to recover its deposits or recover collateral securities that are in an outside party’s possession.

At December 31, 2009 and 2008, the bank balances were \$4,228,239 and \$3,698,082, respectively. The county’s deposits at December 31, 2009 and 2008 were not exposed to custodial credit risk because they were entirely covered by federal depository insurance or by collateral securities held by the county’s custodial bank in the county’s name.

3. County Employees’ Retirement Fund (CERF)

The County Employees’ Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and

any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.100(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age sixty. Any member with less than eight years of creditable services forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2009 and 2008, the County collected and remitted to CERF employee contributions of approximately \$213,269 and \$200,610, respectively, for the years then ended.

4. Post Employment Benefits

The County does not provide post employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the ACT, and no direct costs are incurred by the County.

5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

6. Change in Reporting Entity

The County has changed its definition of the reporting entity, as of January 1, 2008, to exclude certain funds pertaining to the Circuit Court. The effect of the aforementioned change in reporting entity is to decrease cash balances of the governmental funds as previously reported at December 31, 2007 by the amount representing cash balances of the funds pertaining to the Circuit Court.

7. Leases

Polk County has entered into a lease agreement to lease equipment. For the years ended December 31, 2009 and 2008, lease payments totaled \$8,343 for both years. The following presents future minimum lease payments as of December 31:

<u>Dec 31,</u>	<u>Amount</u>
2010	\$ 8,343
2011	8,343
2012	8,343
2013	40,000
	<u>65,029</u>

Supplementary Schedule

POLK COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2009	2008
U.S. DEPARTMENT OF AGRICULTURE				
Passed through:				
State Department of Office Of Administration -				
12.000	Flood Lease	N/A	\$ 390	\$ 597
12.ANK	PILT	N/A	24,750	24,178
	Subtotal		<u>25,140</u>	<u>24,775</u>
U.S. DEPARTMENT OF JUSTICE				
Direct programs:				
16.592	Local Law Enforcement Block Grant			9,000
16.710	Public Safety Partnership and Community Policing Grants			185,004
Passed through:				
State Department of Public Safety -				
16.540	Juvenile Justice and Delinquency Prevention	N/A		6,681
			<u>0</u>	<u>200,685</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through state Highway and Transportation Commission -				
20.205	Highway Planning and Construction	BRO-10	371,488	15,259
20.205	Highway Planning and Construction	BRO-11	1,231	35,168
	Program Total		<u>372,719</u>	<u>50,427</u>
ELECTIONS ASSISTANCE COMMISSION				
Passed through the Office of Secretary of State				
90.401	Help America Vote Act Requirements Payment	N/A	3,179	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state Department of Health and Senior Services:				
93.563	Child Support Enforcement	N/A	165,363	147,589
93.710	Homelessness Prevention - ARRA	N/A	25,121	
			<u>190,484</u>	<u>147,589</u>
U. S. DEPARTMENT OF HOMELAND SECURITY				
Passed through State Department of Public Safety				
97.036	Public Assistance Grants	167-99167-00	142,488	205,920
97.042	Emergency Management Performance Grants	N/A	17,211	16,629
97.067	Homeland Security Grant Program	N/A	2,314	4,000
			<u>162,013</u>	<u>226,549</u>
Total Expenditures of Federal Awards			<u>753,535</u>	<u>650,025</u>

POLK COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Polk County under programs of the federal government for the years ended December 31, 2009 and 2008. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Polk County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Polk County.

B. Basis of Accounting

(1) The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash. Expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

2. Subrecipients

Of the federal expenditures presented in the schedule, the county provided \$25,121 and \$0 to a subrecipient under the Homelessness Prevention-ARRA Grant Program (CFDA 93.710) during the years ended December 31, 2009 and 2008 respectively.

INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Polk County, Missouri

We have audited the accompanying Statements of Receipts, Disbursements, and Changes in Cash and Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual of Polk County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise Polk County, Missouri's financial statements and have issued our report thereon dated August 9, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Polk County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Polk County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Polk County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs, items 1 and 2 that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and other Matters

As part of obtaining reasonable assurance about whether the Polk County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Polk County, Missouri in a separate letter dated August 9, 2010.

Polk County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Polk County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management, County Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Officer CPA Firm LLC

Springfield, Missouri
August 9, 2010

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission and
Officeholders of Polk County, Missouri

Compliance

We have audited the compliance of Polk County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2009 and 2008. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

As described in items 3 and 4 in the accompanying schedule of findings and questioned costs, Polk County Missouri, did not comply with requirements regarding allowable costs and cash management that are applicable to its FEMA-Public Assistance Grant program. Compliance with such requirements is necessary, in our opinion, for Polk County, Missouri to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Polk County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2009 and 2008.

Internal Control Over Compliance

The management of Polk County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the county's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the county's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Polk County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the management of Polk County, others within the entity, federal awarding agencies and pass-through entities; and is not intended to be and should not be used by anyone other than these specified parties.

Officer CPA Firm LLC

Springfield, Missouri
August 9, 2010

POLK COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

Summary of Auditor's Results

1. The type of report issued on the financial statements: **Unqualified opinion**
2. Significant deficiencies in internal control over financial reporting: **Two**
3. Material weakness in internal control over financial reporting: **No**
4. Noncompliance that is material to the basic financial statements: **No**
5. Significant deficiencies in internal control over compliance: **None reported**
6. Material weaknesses in internal control over compliance: **No**
7. The type of report issued on compliance for major programs: **Qualified opinion**
8. Any audit findings that are required to be reported under Section 510(a) of OMB Circular A-133: **Two**
9. Major programs:

CFDA #	Name:
20.205	Highway Planning and Construction
93.563	Child Support and Enforcement
97.036	FEMA – Public Assistance Grants
10. Dollar threshold used to distinguish between Type A and Type B programs: **\$300,000**
11. Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: **No**

Findings -Financial Statement Audit – Significant Deficiencies

Item 1 - Check Signing

Condition: Checks written from the Treasurer's bank account only require one signature.

Criteria: Internal controls should be in place that provide reasonable assurance that disbursements made from the Treasurer's checking are allowable county disbursements.

Cause: Inadequate controls.

Effect: Because of the failure to require a second signature on checks, disbursements can be made for non-county business.

Recommendation: Add an additional required signature on checks.

Response: Checks from Officials Discretionary Funds are written only at the request and approval of the official in control of that fund. Per statute, such as the Tax Maintenance Fund, the fund is sole responsibility of the Collector. Approved invoices are presented and attached to a warrant as control for auditing purposes. The County more than complies with required statutory laws and rules for those laws concerning this finding.

Item 2 - Purchasing

Condition: The same person that orders materials and supplies also counts, collects and receipts the materials and supplies.

Criteria: Internal controls should be in place that provide reasonable assurance that materials and supplies ordered and paid for are in the possession and consumed by the county.

Cause: Internal controls over purchasing are inadequately designed.

Effect: Because of the failure to require separation of the purchasing function, materials and supplies may not be received for county consumption.

Recommendation: Procedures should be implemented requiring separation of purchasing duties.

Response: The County agrees with the finding and the recommended procedures.

Finding and Questioned Costs – Major Federal Award Programs Audit

Item 3 – U.S. Department of Homeland Security-Public Assistance Grants, Passed through from Missouri Department of Public Safety – CFDA No. 97.036; Grant No. 167-99167-00; Grant Period-Years Ended December 31, 2009 and 2008

Condition: Documentation of allowed costs could not be identified on project #65.

Criteria: Reimbursed costs must be documented.

Cause: Procedures are in place for documentation of costs by project but must not have been filed correctly.

Effect: The costs of the project may be disallowed.

Recommendation: The County should again search for the documentation on the project.

Response: The County agrees with the finding and recommendation and will improve documentation and recordkeeping.

Item 4 – U.S. Department of Homeland Security-Public Assistance Grants, Passed through from Missouri Department of Public Safety – CFDA No. 97.036; Grant No. 167-99167-00; Grant Period-Years Ended December 31, 2009 and 2008

Condition: The due date for project completion has expired for project #31.

Criteria: Cash management requires project costs to be completed by a due date.

Cause: The County failed to request an extension of time.

Effect: The costs of the project may be disallowed.

Recommendation: Request written extension from SEMA.

Response: The County agrees with the finding and will perform the recommendation by requesting an extension from SEMA.

POLK COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Findings -Financial Statement Audit

Findings – Financial Statement Audit

Item 1 – Property Assessment, Billing and Reconciliation

Corrected

Findings and Questioned Costs – Major Federal Award Programs Audit

None



Officer CPA Firm LLC

Certified Public Accountants

To the County Commission,
Polk County, Missouri

We have audited the cash basis financial statements of Polk County for the years ended December 31, 2009 and 2008, and have issued our report thereon dated August 9, 2010. Professional standards require that we provide you with the following information related to our audit.

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with a modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

We received full cooperation from the County's personnel.

Professional standards require us to accumulate all known and likely misstatements identified during the audit and communicate them to the appropriate level of management. None of the misstatements were material to the financial statements.

We had no disagreements with management on financial, accounting and reporting matters which would have a material impact on the County's basic financial statements.

We noted no material weaknesses in the County's internal control structure.

We noted no indications of fraud.

We have requested certain representations from management that are included in the management representation letter.

We are aware of no situations where management has consulted with other accountants.

This information is intended solely for the use of the County Commission and management of the Polk County and is not intended to be and should not be used by anyone other than these specified parties.

Very truly Yours,

Officer CPA Firm LLC

August 9, 2010



Officer CPA Firm LLC

Certified Public Accountants

To the County Commission,
Polk County, Missouri

During the performance of our audit we observed several areas of your organization not related to the internal control structure. The following suggestion hopefully will improve the efficiency and accuracy of your financial and statistical records.

Integrated Accounting System

As discussed in the previous audit, to improve the internal accounting records and efficiency of year end reports, we suggest that the county use the same accounting software for the Treasurer's receipts, payroll and accounts payable functions.

Purchasing

As discussed previously, we recommend improvements to safeguarding of county equipment and materials by conducting independent surprise inventory counts. This will help eliminate or deter the personal use of county property. In addition, some inventory items may need better security such as the fuel tanks in a fenced and locked area.

This communication is intended solely for the information and use of management, the county commission and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Officer CPA Firm LLC

Springfield, MO
August 9, 2010