



THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Polk County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Polk County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2011, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Davis, Lynn & Moots, P.C., Certified Public Accountants, is attached.

A handwritten signature in black ink that reads "Thomas A. Schweich".

Thomas A. Schweich
State Auditor

August 2012
Report No. 2012-90

POLK COUNTY, MISSOURI

FINANCIAL STATEMENTS

Years Ended December 31, 2011 and 2010

POLK COUNTY, MISSOURI

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DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343

www.dlmcpa.com
e-mail: cpa@dlmcpa.com

INDEPENDENT AUDITORS' REPORT

Polk County Commission
Polk County
Bolivar, Missouri

We have audited the accompanying financial statements of Polk County, Missouri, as of and for the years ended December 31, 2011 and 2010, which collectively comprise the County's financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion 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 misstatements. 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 opinion.

As described in Note A, these financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects 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 in the first paragraph 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, 2011 and 2010, or the changes in financial position for the years then ended.

Polk County Commission
Polk County
Bolivar, Missouri

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of Polk County, Missouri, as of and for the years ended December 31, 2011 and 2010, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2012, 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, 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 an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note A.

Davis, Lynn; Moots, PC

DAVIS, LYNN & MOOTS, P.C.
June 22, 2012

POLK COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS
Year Ended December 31, 2011

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 1,097,871	\$ 1,522,996	\$ 2,148,122	\$ 472,745
Special Road and Bridge	-	3,179,359	3,118,012	61,347
Assessment	40,623	297,641	253,600	84,664
Law Enforcement Training	11,282	7,622	7,850	11,054
Prosecuting Attorney Training	1,856	1,170	2,881	145
Law Enforcement Sales Tax	-	2,242,947	2,242,947	-
Capital Improvement Sales Tax	483,322	1,308,202	1,509,702	281,822
Emergency 911	12,862	294,881	307,743	-
Child Support Enforcement	18,182	137,888	156,070	-
Prosecuting Attorney Bad Check	427	12,383	12,810	-
Recorder User Fee	19,353	16,739	22,276	13,816
Sheriff Civil Fees	46,216	47,064	34,484	58,796
Moore Cemetery Trust	3,513	126	360	3,279
Veterans Memorial	3,226	19	-	3,245
Election Services	22,083	9,698	3,413	28,368
Collector Tax Maintenance	32,155	30,557	38,690	24,022
Senate Bill 40 Board	56,067	55,755	54,410	57,412
Sheriff Special Operations	3,583	-	-	3,583
Senior Service Tax	57,148	133,827	142,348	48,627
Law Enforcement Restitution	28,899	25,815	19,668	35,046
Special Election	500	50,700	49,833	1,367
Inmate Fee Fund	5,358	2,202	-	7,560
Special Trust	1,258	7,142	-	8,400
Juvenile Detention	9,616	556	-	10,172
TOTAL	\$ 1,955,400	\$ 9,385,289	\$ 10,125,219	\$ 1,215,470

See accompanying notes.

POLK COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS
Year Ended December 31, 2010

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 1,558,671	\$ 1,612,136	\$ 2,072,936	\$ 1,097,871
Special Road and Bridge	-	4,083,170	4,083,170	-
Assessment	35,597	307,000	301,974	40,623
Law Enforcement Training	13,051	9,406	11,175	11,282
Prosecuting Attorney Training	3,133	1,421	2,698	1,856
Law Enforcement Sales Tax	-	2,233,850	2,233,850	-
Capital Improvement Sales Tax	767,220	1,281,078	1,564,976	483,322
Emergency 911	5,025	275,135	267,298	12,862
Child Support Enforcement	10,560	168,365	160,743	18,182
Prosecuting Attorney Bad Check	-	14,547	14,120	427
Recorder User Fee	10,970	15,825	7,442	19,353
Sheriff Civil Fees	61,191	44,507	59,482	46,216
Moore Cemetery Trust	3,837	36	360	3,513
Local Emergency Planning Committee	8,910	-	8,910	-
Veterans Memorial	3,199	27	-	3,226
Election Services	21,396	5,577	4,890	22,083
Collector Tax Maintenance	38,328	30,078	36,251	32,155
Senate Bill 40 Board	51,225	55,460	50,618	56,067
Sheriff Special Operations	3,583	-	-	3,583
Senior Service Tax	48,956	133,414	125,222	57,148
Law Enforcement Restitution	28,283	26,616	26,000	28,899
Special Election	500	43,936	43,936	500
Inmate Fee Fund	1,766	3,592	-	5,358
Special Trust	3,494	25,444	27,680	1,258
Juvenile Detention	34,594	4,022	29,000	9,616
TOTAL	<u>\$ 2,713,489</u>	<u>\$ 10,374,642</u>	<u>\$ 11,132,731</u>	<u>\$ 1,955,400</u>

Note: For the year ended December 31, 2010, the Special Election and Inmate Fee Fund are included in the County's financial statements.

See accompanying notes.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	\$ 877,000	\$ 879,465	\$ 2,465	\$ 867,600	\$ 877,622	\$ 10,022
Other taxes	2,900	3,983	1,083	2,605	2,965	360
Intergovernmental	176,165	122,463	(53,702)	208,144	129,410	(78,734)
Charges for services	425,700	490,888	65,188	513,505	512,660	(845)
Interest	15,000	11,095	(3,905)	36,000	19,197	(16,803)
Other	88,500	7,142	(81,358)	13,000	1,957	(11,043)
Transfers in	15,710	7,960	(7,750)	77,600	68,325	(9,275)
TOTAL RECEIPTS	1,600,975	1,522,996	(77,979)	1,718,454	1,612,136	(106,318)
DISBURSEMENTS						
County Operations	553,514	571,671	(18,157)	562,409	461,173	101,236
County Commission	114,190	113,844	346	110,060	113,300	(3,240)
County Clerk	82,476	78,896	3,580	98,348	94,661	3,687
Elections	138,776	83,297	55,479	196,490	192,067	4,423
Buildings and grounds	205,959	186,788	19,171	190,200	182,518	7,682
County Treasurer	70,060	59,891	10,169	79,015	60,211	18,804
County Collector	135,918	133,936	1,982	134,674	129,944	4,730
Recorder of Deeds	107,861	95,411	12,450	113,048	99,926	13,122
Associate Circuit Court	1,374	1,319	55	1,444	1,169	275
Associate Circuit Clerk	64,500	52,568	11,932	85,656	46,323	39,333
Public Administrator	72,870	72,799	71	56,900	56,900	-
Judicial	9,058	1,854	7,204	2,900	1,775	1,125
Transfers out	907,496	695,848	211,648	954,160	632,969	321,191
TOTAL DISBURSEMENTS	2,464,052	2,148,122	315,930	2,585,304	2,072,936	512,368
RECEIPTS (UNDER) DISBURSEMENTS	(863,077)	(625,126)	237,951	(866,850)	(460,800)	406,050
CASH AND INVESTMENT BALANCE, January 1	1,097,871	1,097,871	-	1,558,671	1,558,671	-
CASH AND INVESTMENT BALANCE, December 31	\$ 234,794	\$ 472,745	\$ 237,951	\$ 691,821	\$ 1,097,871	\$ 406,050

See accompanying notes.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Taxes	\$ 1,336,060	\$ 1,330,900	\$ (5,160)	\$ 1,325,900	\$ 1,340,422	\$ 14,522
Intergovernmental	1,460,000	503,454	(956,546)	1,005,950	1,349,403	343,453
Interest	800	455	(345)	-	841	841
Other	500	1,447	947	500	3,020	2,520
Transfers in	1,450,000	1,343,103	(106,897)	1,773,598	1,389,484	(384,114)
TOTAL RECEIPTS	4,247,360	3,179,359	(1,068,001)	4,105,948	4,083,170	(22,778)
DISBURSEMENTS						
Salaries	506,500	522,655	(16,155)	555,868	541,073	14,795
Employee fringe benefits	205,500	201,201	4,299	198,000	195,936	2,064
Supplies	56,000	73,362	(17,362)	58,500	47,015	11,485
Insurance	48,000	47,805	195	44,800	47,513	(2,713)
Equipment purchases	100,000	22,714	77,286	110,000	51,456	58,544
Construction, repair, and maintenance	2,893,400	1,961,769	931,631	2,755,500	2,965,825	(210,325)
Other	268,080	288,506	(20,426)	273,280	234,352	38,928
Transfers out	-	-	-	110,000	-	110,000
TOTAL DISBURSEMENTS	4,077,480	3,118,012	959,468	4,105,948	4,083,170	22,778
RECEIPTS OVER (UNDER) DISBURSEMENTS	169,880	61,347	(108,533)	-	-	-
CASH AND INVESTMENT BALANCE, January 1	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	\$ 169,880	\$ 61,347	\$ (108,533)	\$ -	\$ -	\$ -
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 264,225	\$ 255,622	\$ (8,603)	\$ 224,339	\$ 264,225	\$ 39,886
Interest	606	776	170	2,000	606	(1,394)
Other	7,600	10,015	2,415	11,499	4,050	(7,449)
Transfers in	31,228	31,228	-	38,119	38,119	-
TOTAL RECEIPTS	303,659	297,641	(6,018)	275,957	307,000	31,043
DISBURSEMENTS						
Assessor	273,348	253,000	20,348	290,024	278,394	11,630
Transfer out	600	600	-	21,530	23,580	(2,050)
TOTAL DISBURSEMENTS	273,948	253,600	20,348	311,554	301,974	9,580
RECEIPTS OVER (UNDER) DISBURSEMENTS	29,711	44,041	14,330	(35,597)	5,026	40,623
CASH AND INVESTMENT BALANCE, January 1	40,623	40,623	-	35,597	35,597	-
CASH AND INVESTMENT BALANCE, December 31	\$ 70,334	\$ 84,664	\$ 14,330	\$ -	\$ 40,623	\$ 40,623

See accompanying notes.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT</u>						
<u>TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 5,000	\$ 4,626	\$ (374)	\$ 4,800	\$ 5,641	\$ 841
Other	2,350	2,996	646	100	3,765	3,665
TOTAL RECEIPTS	7,350	7,622	272	4,900	9,406	4,506
DISBURSEMENTS						
Sheriff	11,000	7,850	3,150	15,000	11,175	3,825
TOTAL DISBURSEMENTS	11,000	7,850	3,150	15,000	11,175	3,825
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,650)	(228)	3,422	(10,100)	(1,769)	8,331
CASH AND INVESTMENT BALANCE, January 1	11,282	11,282	-	13,051	13,051	-
CASH AND INVESTMENT BALANCE, December 31	\$ 7,632	\$ 11,054	\$ 3,422	\$ 2,951	\$ 11,282	\$ 8,331
<u>PROSECUTING ATTORNEY</u>						
<u>TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 1,500	\$ 1,170	\$ (330)	\$ 1,300	\$ 1,421	\$ 121
TOTAL RECEIPTS	1,500	1,170	(330)	1,300	1,421	121
DISBURSEMENTS						
Prosecuting Attorney	3,300	2,881	419	3,700	2,698	1,002
TOTAL DISBURSEMENTS	3,300	2,881	419	3,700	2,698	1,002
RECEIPTS (UNDER) DISBURSEMENTS	(1,800)	(1,711)	89	(2,400)	(1,277)	1,123
CASH AND INVESTMENT BALANCE, January 1	1,856	1,856	-	3,133	3,133	-
CASH AND INVESTMENT BALANCE, December 31	\$ 56	\$ 145	\$ 89	\$ 733	\$ 1,856	\$ 1,123

See accompanying notes.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT</u>						
<u>SALES TAX FUND</u>						
RECEIPTS						
Sales taxes	\$ 1,235,000	\$ 1,304,048	\$ 69,048	\$ 1,167,000	\$ 1,273,681	\$ 106,681
Intergovernmental	29,807	143,175	113,368	164,454	193,331	28,877
Charges for services	134,000	121,737	(12,263)	150,000	133,691	(16,309)
Interest	250	119	(131)	700	282	(418)
Other	169,700	1,771	(167,929)	2,964	27,523	24,559
Transfers in	857,406	672,097	(185,309)	925,161	605,342	(319,819)
TOTAL RECEIPTS	2,426,163	2,242,947	(183,216)	2,410,279	2,233,850	(176,429)
DISBURSEMENTS						
Sheriff	1,087,920	994,377	93,543	1,088,798	999,438	89,360
Jail	536,925	479,428	57,497	588,176	507,508	80,668
Prosecuting Attorney	269,973	255,015	14,958	252,468	239,696	12,772
Juvenile Officer	50,563	51,577	(1,014)	51,917	56,356	(4,439)
Coroner	45,200	33,476	11,724	47,000	34,740	12,260
Fringe Benefits	435,582	428,704	6,878	380,956	395,148	(14,192)
Transfer out	-	370	(370)	964	964	-
TOTAL DISBURSEMENTS	2,426,163	2,242,947	183,216	2,410,279	2,233,850	176,429
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, January 1	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>CAPITAL IMPROVEMENT</u>						
<u>SALES TAX FUND</u>						
RECEIPTS						
Sales taxes	\$ 1,235,000	\$ 1,304,005	\$ 69,005	\$ 1,167,000	\$ 1,273,604	\$ 106,604
Other	7,000	4,197	(2,803)	15,000	7,474	(7,526)
TOTAL RECEIPTS	1,242,000	1,308,202	66,202	1,182,000	1,281,078	99,078
DISBURSEMENTS						
Special Road Districts	160,000	166,599	(6,599)	150,000	175,492	(25,492)
Transfers out	1,450,000	1,343,103	106,897	1,773,598	1,389,484	384,114
TOTAL DISBURSEMENTS	1,610,000	1,509,702	100,298	1,923,598	1,564,976	358,622
RECEIPTS (UNDER) DISBURSEMENTS	(368,000)	(201,500)	166,500	(741,598)	(283,898)	457,700
CASH AND INVESTMENT BALANCE, January 1	483,322	483,322	-	767,220	767,220	-
CASH AND INVESTMENT BALANCE, December 31	\$ 115,322	\$ 281,822	\$ 166,500	\$ 25,622	\$ 483,322	\$ 457,700

See accompanying notes.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>EMERGENCY 911 FUND</u>						
RECEIPTS						
Charges for services	\$ 273,958	\$ 294,820	\$ 20,862	\$ 262,173	\$ 275,072	\$ 12,899
Interest	60	61	1	100	63	(37)
TOTAL RECEIPTS	274,018	294,881	20,863	262,273	275,135	12,862
DISBURSEMENTS						
Central dispatch	286,800	307,743	(20,943)	267,298	267,298	-
TOTAL DISBURSEMENTS	286,800	307,743	(20,943)	267,298	267,298	-
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(12,782)	(12,862)	(80)	(5,025)	7,837	12,862
CASH AND INVESTMENT BALANCE, January 1	12,862	12,862	-	5,025	5,025	-
CASH AND INVESTMENT BALANCE, December 31	\$ 80	\$ -	\$ (80)	\$ -	\$ 12,862	\$ 12,862
<u>CHILD SUPPORT ENFORCEMENT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 157,291	\$ 131,925	\$ (25,366)	\$ 162,065	\$ 164,661	\$ 2,596
Interest	-	740	740	-	75	75
Transfer in	11,937	5,223	(6,714)	8,610	3,629	(4,981)
TOTAL RECEIPTS	169,228	137,888	(31,340)	170,675	168,365	(2,310)
DISBURSEMENTS						
Child support enforcement	169,228	156,070	13,158	162,565	160,743	1,822
Transfer out	3,184	-	3,184	-	-	-
TOTAL DISBURSEMENTS	172,412	156,070	16,342	162,565	160,743	1,822
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(3,184)	(18,182)	(14,998)	8,110	7,622	(488)
CASH AND INVESTMENT BALANCE, January 1	18,182	18,182	-	10,560	10,560	-
CASH AND INVESTMENT BALANCE, December 31	\$ 14,998	\$ -	\$ (14,998)	\$ 18,670	\$ 18,182	\$ (488)

See accompanying notes.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>PROSECUTING ATTORNEY</u>						
<u>BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	\$ 14,000	\$ 12,233	\$ (1,767)	\$ 14,000	\$ 14,480	\$ 480
Interest	-	40	40	120	67	(53)
Other	-	110	110	-	-	-
TOTAL RECEIPTS	14,000	12,383	(1,617)	14,120	14,547	427
DISBURSEMENTS						
MOPS	-	110	(110)	-	-	-
Transfer out	14,000	12,700	1,300	14,120	14,120	-
TOTAL DISBURSEMENTS	14,000	12,810	1,190	14,120	14,120	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(427)	(427)	-	427	427
CASH AND INVESTMENT BALANCE, January 1	427	427	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	\$ 427	\$ -	\$ (427)	\$ -	\$ 427	\$ 427
<u>RECORDER USER FEE FUND</u>						
RECEIPTS						
Charges for services	\$ 18,000	\$ 16,566	\$ (1,434)	\$ 20,000	\$ 15,700	\$ (4,300)
Interest	200	173	(27)	300	125	(175)
TOTAL RECEIPTS	18,200	16,739	(1,461)	20,300	15,825	(4,475)
DISBURSEMENTS						
Recorder of Deeds	30,000	22,276	7,724	29,000	7,442	21,558
TOTAL DISBURSEMENTS	30,000	22,276	7,724	29,000	7,442	21,558
RECEIPTS OVER (UNDER) DISBURSEMENTS	(11,800)	(5,537)	6,263	(8,700)	8,383	17,083
CASH AND INVESTMENT BALANCE, January 1	19,353	19,353	-	10,970	10,970	-
CASH AND INVESTMENT BALANCE, December 31	\$ 7,553	\$ 13,816	\$ 6,263	\$ 2,270	\$ 19,353	\$ 17,083

See accompanying notes.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SHERIFF CIVIL FEES FUND</u>						
RECEIPTS						
Charges for services	\$ 40,000	\$ 45,691	\$ 5,691	\$ 50,000	\$ 43,568	\$ (6,432)
Interest	300	387	87	500	939	439
Other	-	986	986	-	-	-
TOTAL RECEIPTS	40,300	47,064	6,764	50,500	44,507	(5,993)
DISBURSEMENTS						
Sheriff	80,000	34,484	45,516	75,000	59,482	15,518
TOTAL DISBURSEMENTS	80,000	34,484	45,516	75,000	59,482	15,518
RECEIPTS OVER (UNDER) DISBURSEMENTS	(39,700)	12,580	52,280	(24,500)	(14,975)	9,525
CASH AND INVESTMENT BALANCE, January 1	46,216	46,216	-	61,191	61,191	-
CASH AND INVESTMENT BALANCE, December 31	\$ 6,516	\$ 58,796	\$ 52,280	\$ 36,691	\$ 46,216	\$ 9,525
<u>MOORE CEMETERY TRUST FUND</u>						
RECEIPTS						
Charges for services	\$ -	\$ 100	\$ 100	\$ -	\$ -	\$ -
Interest	50	26	(24)	75	36	(39)
TOTAL RECEIPTS	50	126	76	75	36	(39)
DISBURSEMENTS						
Other	-	-	-	660	-	660
Transfer out	660	360	300	-	360	(360)
TOTAL DISBURSEMENTS	660	360	300	660	360	300
RECEIPTS OVER (UNDER) DISBURSEMENTS	(610)	(234)	376	(585)	(324)	261
CASH AND INVESTMENT BALANCE, January 1	3,513	3,513	-	3,837	3,837	-
CASH AND INVESTMENT BALANCE, December 31	\$ 2,903	\$ 3,279	\$ 376	\$ 3,252	\$ 3,513	\$ 261

See accompanying notes.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LOCAL EMERGENCY PLANNING</u>						
<u>COMMITTEE FUND</u>						
RECEIPTS						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	-	-	-
DISBURSEMENTS						
Transfer out	-	-	-	8,910	8,910	-
TOTAL DISBURSEMENTS	-	-	-	8,910	8,910	-
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	-	-	-	(8,910)	(8,910)	-
CASH AND INVESTMENT						
BALANCE, January 1	-	-	-	8,910	8,910	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>VETERANS MEMORIAL FUND</u>						
RECEIPTS						
Interest income	\$ 50	\$ 19	\$ (31)	\$ 50	\$ 27	\$ (23)
TOTAL RECEIPTS	50	19	(31)	50	27	(23)
DISBURSEMENTS						
Elections	200	-	200	200	-	200
TOTAL DISBURSEMENTS	200	-	200	200	-	200
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(150)	19	169	(150)	27	177
CASH AND INVESTMENT						
BALANCE, January 1	3,226	3,226	-	3,199	3,199	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 3,076	\$ 3,245	\$ 169	\$ 3,049	\$ 3,226	\$ 177

See accompanying notes.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Intergovernmental	\$ 1,500	\$ -	\$ (1,500)	\$ -	\$ -	\$ -
Charges for services	150	3,293	3,143	3,700	2,241	(1,459)
Interest	2,000	167	(1,833)	320	192	(128)
Other	-	6,238	6,238	2,200	3,144	944
TOTAL RECEIPTS	3,650	9,698	6,048	6,220	5,577	(643)
DISBURSEMENTS						
Election services	6,000	3,413	2,587	6,000	4,890	1,110
TOTAL DISBURSEMENTS	6,000	3,413	2,587	6,000	4,890	1,110
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,350)	6,285	8,635	220	687	467
CASH, January 1	22,083	22,083	-	21,396	21,396	-
CASH, December 31	\$ 19,733	\$ 28,368	\$ 8,635	\$ 21,616	\$ 22,083	\$ 467
<u>COLLECTOR TAX MAINTENANCE FUND</u>						
RECEIPTS						
Charges for services	\$ 30,000	\$ 29,301	\$ (699)	\$ 30,000	\$ 29,638	\$ (362)
Interest	400	278	(122)	850	440	(410)
Other	-	978	978	-	-	-
TOTAL RECEIPTS	30,400	30,557	157	30,850	30,078	(772)
DISBURSEMENTS						
Collector	30,575	31,690	(1,115)	30,060	36,251	(6,191)
Transfer out	7,000	7,000	-	-	-	-
TOTAL DISBURSEMENTS	37,575	38,690	(1,115)	30,060	36,251	(6,191)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,175)	(8,133)	(958)	790	(6,173)	(6,963)
CASH, January 1	32,155	32,155	-	38,328	38,328	-
CASH, December 31	\$ 24,980	\$ 24,022	\$ (958)	\$ 39,118	\$ 32,155	\$ (6,963)

See accompanying notes.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SENATE BILL 40 BOARD FUND</u>						
RECEIPTS						
Property taxes	\$ 48,500	\$ 55,471	\$ 6,971	\$ 48,000	\$ 55,051	\$ 7,051
Interest	500	284	(216)	1,000	409	(591)
TOTAL RECEIPTS	49,000	55,755	6,755	49,000	55,460	6,460
DISBURSEMENTS						
Contractual services	79,822	52,767	27,055	79,957	49,054	30,903
Office expenses	1,613	1,643	-	1,628	1,564	64
TOTAL DISBURSEMENTS	81,435	54,410	27,055	81,585	50,618	30,903
RECEIPTS OVER DISBURSEMENTS	(32,435)	1,345	33,810	(32,585)	4,842	37,363
CASH, January 1	56,067	56,067	-	51,225	51,225	-
CASH, December 31	\$ 23,632	\$ 57,412	\$ 33,810	\$ 18,640	\$ 56,067	\$ 37,363
<u>SHERIFF SPECIAL OPERATIONS FUND</u>						
RECEIPTS						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL RECEIPTS	-	-	-	-	-	-
DISBURSEMENTS						
Sheriff	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-
RECEIPTS OVER DISBURSEMENTS	-	-	-	-	-	-
CASH, January 1	-	3,583	3,583	-	3,583	3,583
CASH, December 31	\$ -	\$ 3,583	\$ 3,583	\$ -	\$ 3,583	\$ 3,583

See accompanying notes.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SENIOR SERVICE TAX FUND</u>						
RECEIPTS						
Property taxes	\$ 122,274	\$ 133,284	\$ 11,010	\$ 120,657	\$ 132,715	\$ 12,058
Other taxes	50	73	23	94	151	57
Interest income	500	470	(30)	1,111	548	(563)
TOTAL RECEIPTS	122,824	133,827	11,003	121,862	133,414	11,552
DISBURSEMENTS						
Contractual services	174,972	142,348	32,624	165,819	125,222	40,597
TOTAL DISBURSEMENTS	174,972	142,348	32,624	165,819	125,222	40,597
RECEIPTS OVER (UNDER) DISBURSEMENTS	(52,148)	(8,521)	43,627	(43,957)	8,192	52,149
CASH, January 1	57,148	57,148	-	48,956	48,956	-
CASH, December 31	\$ 5,000	\$ 48,627	\$ 43,627	\$ 4,999	\$ 57,148	\$ 52,149
<u>LAW ENFORCEMENT RESTITUTION FUND</u>						
RECEIPTS						
Charges for services	\$ 20,102	\$ 25,139	\$ 5,037	\$ 15,000	\$ 26,257	\$ 11,257
Interest	300	206	(94)	260	359	99
Other	100	100	-	-	-	-
Transfer in	-	370	370	-	-	-
TOTAL RECEIPTS	20,502	25,815	5,313	15,260	26,616	11,356
DISBURSEMENTS						
Sheriff	49,400	19,668	29,732	41,952	26,000	15,952
TOTAL DISBURSEMENTS	49,400	19,668	29,732	41,952	26,000	15,952
RECEIPTS OVER (UNDER) DISBURSEMENTS	(28,898)	6,147	35,045	(26,692)	616	27,308
CASH, January 1	28,899	28,899	-	28,283	28,283	-
CASH, December 31	\$ 1	\$ 35,046	\$ 35,045	\$ 1,591	\$ 28,899	\$ 27,308

See accompanying notes.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SPECIAL ELECTION FUND</u>						
RECEIPTS						
Intergovernmental	\$ -	\$ 50,181	\$ 50,181	\$ -	\$ 43,916	\$ 43,916
Other	-	519	519	-	20	20
TOTAL RECEIPTS	-	50,700	50,700	-	43,936	43,936
DISBURSEMENTS						
Election services	-	49,833	(49,833)	-	37,460	(37,460)
Transfer out	-	-	-	-	6,476	(6,476)
TOTAL DISBURSEMENTS	-	49,833	(49,833)	-	43,936	(43,936)
RECEIPTS OVER DISBURSEMENTS						
	-	867	867	-	-	-
CASH, January 1	-	500	500	-	500	500
CASH, December 31	\$ -	\$ 1,367	\$ 1,367	\$ -	\$ 500	\$ 500
<u>INMATE FEE FUND</u>						
RECEIPTS						
Intergovernmental	\$ -	\$ 2,202	\$ 2,202	\$ 1,500	\$ 2,628	\$ 1,128
Charges for services	1,500	-	(1,500)	-	-	-
Transfer in	-	-	-	-	964	964
TOTAL RECEIPTS	1,500	2,202	2,202	1,500	3,592	2,092
DISBURSEMENTS						
Jail	4,600	-	4,600	3,266	-	3,266
TOTAL DISBURSEMENTS	4,600	-	4,600	3,266	-	3,266
RECEIPTS OVER (UNDER) DISBURSEMENTS						
	(3,100)	2,202	6,802	(1,766)	3,592	5,358
CASH, January 1	5,358	5,358	-	1,766	1,766	-
CASH, December 31	\$ 2,258	\$ 7,560	\$ 6,802	\$ -	\$ 5,358	\$ 5,358

See accompanying notes.

POLK COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2011			2010		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SPECIAL TRUST FUND</u>						
RECEIPTS						
Intergovernmental	\$ 17,000	\$ -	\$ (17,000)	\$ 17,135	\$ 17,135	\$ -
Charges for services	8,100	7,142	(958)	7,520	8,309	789
TOTAL RECEIPTS	25,100	7,142	(17,958)	24,655	25,444	789
DISBURSEMENTS						
Contractual services	24,631	-	24,631	28,149	27,680	469
TOTAL DISBURSEMENTS	24,631	-	24,631	28,149	27,680	469
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	469	7,142	6,673	(3,494)	(2,236)	1,258
CASH, January 1	1,258	1,258	-	3,494	3,494	-
CASH, December 31	\$ 1,727	\$ 8,400	\$ 6,673	\$ -	\$ 1,258	\$ 1,258
<u>JUVENILE DETENTION FUND</u>						
RECEIPTS						
Charges for services	\$ 3,840	\$ 556	\$ (3,284)	\$ 28,900	\$ 4,022	\$ (24,878)
Transfers in	20,925	-	(20,925)	-	-	-
TOTAL RECEIPTS	24,765	556	(24,209)	28,900	4,022	(24,878)
DISBURSEMENTS						
Juvenile detention	34,381	-	34,381	34,381	-	34,381
Transfers out	-	-	-	29,000	29,000	-
TOTAL DISBURSEMENTS	34,381	-	34,381	63,381	29,000	34,381
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(9,616)	556	10,172	(34,481)	(24,978)	9,503
CASH, January 1	9,616	9,616	-	34,594	34,594	-
CASH, December 31	\$ -	\$ 10,172	\$ 10,172	\$ 113	\$ 9,616	\$ 9,503

See accompanying notes.

POLK COUNTY, MISSOURI
 STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS
 December 31, 2011

	Capital Improvement Special Road Fund	ESCHEAT Fund	Fees Due Others Fund	Missouri Office Prosecution Fund	School Fund	School Revolving Fund	Special Roads Control Fund	Jail Fund
ASSETS								
Cash and investments	\$ 169,931	\$ 4,695	\$ 19,972	\$ 30	\$ 110,911	\$ 4,809	\$ 144,822	\$ 3,765
TOTAL ASSETS	\$ 169,931	\$ 4,695	\$ 19,972	\$ 30	\$ 110,911	\$ 4,809	\$ 144,822	\$ 3,765
LIABILITIES								
Due to others	\$ -	\$ -	\$ -	\$ 30	\$ -	\$ -	\$ -	\$ 3,765
Due to other governments	169,931	4,695	-	-	110,911	4,809	144,822	-
Due to other funds	-	-	19,972	-	-	-	-	-
TOTAL LIABILITIES	\$ 169,931	\$ 4,695	\$ 19,972	\$ 30	\$ 110,911	\$ 4,809	\$ 144,822	\$ 3,765

See accompanying notes.

POLK COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

(CONTINUED)

December 31, 2011

	Collector's ACH Fund	Collector's Bankruptcy Fund	Collector of Revenue Fund	Collector's Protest Fund	Collector's Surtax Fund	Recorder User Fee Fund	Sheriff Fund	Prosecuting Attorney Fund	Total
ASSETS									
Cash and investments	\$ 43,687	\$ 1,368	\$ 10,525,324	\$ 1	\$ 20,075	\$ 69	\$ 11,822	\$ 9,873	\$ 11,071,154
TOTAL ASSETS	\$ 43,687	\$ 1,368	\$ 10,525,324	\$ 1	\$ 20,075	\$ 69	\$ 11,822	\$ 9,873	\$ 11,071,154
LIABILITIES									
Due to others	\$ -	\$ 1,368	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 5,164
Due to other governments	43,687	-	8,773,773	-	20,075	-	-	-	9,272,703
Due to other funds	-	-	1,751,551	-	-	69	11,822	9,873	1,793,287
TOTAL LIABILITIES	\$ 43,687	\$ 1,368	\$ 10,525,324	\$ 1	\$ 20,075	\$ 69	\$ 11,822	\$ 9,873	\$ 11,071,154

See accompanying notes.

POLK COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

December 31, 2010

	CERF Fund	Capital Improvement Special Road Fund	Deputy Sheriff Salary Fund	ESCHEAT Fund	Fees Due Others Fund	Financial Institution Tax Fund	School Fund	School Revolving Fund	Special Roads Control Fund
ASSETS									
Cash and investments	\$ 8,483	\$ 154,512	\$ 323	\$ 6,969	\$ 17,978	\$ 1,965	\$ 142,600	\$ 4,556	\$ 135,606
TOTAL ASSETS	\$ 8,483	\$ 154,512	\$ 323	\$ 6,969	\$ 17,978	\$ 1,965	\$ 142,600	\$ 4,556	\$ 135,606
LIABILITIES									
Due to others	\$ 8,483	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	154,512	-	6,969	-	1,965	142,600	4,556	135,606
Due to other funds	-	-	323	-	17,978	-	-	-	-
TOTAL LIABILITIES	\$ 8,483	\$ 154,512	\$ 323	\$ 6,969	\$ 17,978	\$ 1,965	\$ 142,600	\$ 4,556	\$ 135,606

See accompanying notes.

POLK COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

(CONTINUED)

December 31, 2010

	Collector's ACH Fund	Collector's Bankruptcy Fund	Collector of Revenue Fund	Collector's Protest Fund	Collector's Surtax Fund	Jail Fund	Recorder User Fee Fund	Sheriff Fund	Prosecuting Attorney Fund	Total
ASSETS										
Cash and investments	\$ 43,687	\$ 1,503	\$ 10,314,696	\$ 2	\$ 20,228	\$ 3,615	\$ 285	\$ 7,037	\$ 1,500	\$ 10,865,545
TOTAL ASSETS	<u>\$ 43,687</u>	<u>\$ 1,503</u>	<u>\$ 10,314,696</u>	<u>\$ 2</u>	<u>\$ 20,228</u>	<u>\$ 3,615</u>	<u>\$ 285</u>	<u>\$ 7,037</u>	<u>\$ 1,500</u>	<u>\$ 10,865,545</u>
LIABILITIES										
Due to others	\$ -	\$ 1,503	\$ -	\$ 2	\$ -	\$ 3,615	\$ -	\$ -	\$ -	\$ 13,603
Due to other governments	43,687	-	8,727,641	-	20,228	-	-	-	-	9,237,764
Due to other funds	-	-	1,587,055	-	-	-	285	7,037	1,500	1,614,178
TOTAL LIABILITIES	<u>\$ 43,687</u>	<u>\$ 1,503</u>	<u>\$ 10,314,696</u>	<u>\$ 2</u>	<u>\$ 20,228</u>	<u>\$ 3,615</u>	<u>\$ 285</u>	<u>\$ 7,037</u>	<u>\$ 1,500</u>	<u>\$ 10,865,545</u>

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Polk County, Missouri (“County”), is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk-Recorder, Coroner, Collector, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note A, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

The County’s operations include tax assessments and collections, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Polk County, Missouri, which consists of all funds, organizations, agencies, departments, and offices that comprise the County’s legal entity.

Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statements of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following funds are used by the County:

Governmental Funds – Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds (agency funds) are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector and other officeholders.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. 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 measureable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County adopts a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Adjustments made during the year were not significant and are reflected in the budget information in the financial statements. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.
8. Budgets are prepared and adopted on the regulatory basis of accounting.
9. Although adoption of a formal budget is required by law, the County did not adopt a formal budget for the following fund:
 - a. Special Election Fund
10. Section 50.740 RSMo, prohibits expenditures in excess of the approved budgets. Actual disbursements exceeded budgeted amounts for the year ended December 31, 2011, in the Collector Tax Maintenance Fund and the Emergency 911 Fund. For the year ended December 31, 2010, actual disbursements exceeded budgeted amounts for the Collector Tax Maintenance Fund.

Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund is readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2011 and 2010, all bank balances are entirely insured or collateralized with securities.

POLK COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE B –INVESTMENTS

The County’s investments at December 31, 2010, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificate of Deposit	12/27/2011	\$ 300,000
Certificate of Deposit	4/3/2012	3,226
Certificate of Deposit	6/27/2011	1,000,000
Certificate of Deposit	3/5/2011	500,000
		<u>\$ 1,803,226</u>

The County’s investments at December 31, 2011, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificate of Deposit	6/27/2012	\$ 300,000
Certificate of Deposit	4/3/2012	3,251
Certificate of Deposit	6/27/2013	1,000,000
Certificate of Deposit	3/5/2012	500,000
		<u>\$ 1,803,251</u>

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the County’s deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2011, and December 31, 2010, all certificates of deposit are entirely insured or collateralized with securities.

The County does not have a policy on interest rate risk.

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2011 and 2010, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

NOTE D – PENSION PLAN – CERF

STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND

Plan Description

Polk County participates in the County Employees' Retirement Fund (CERF), a cost-sharing multiple-employer pension plan. CERF is a defined benefit pension plan which provides retirement and death benefits to plan members and beneficiaries. CERF was created and is governed by state statute, RSMo. 50.1000 to 50.1300. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The County Employees' Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to CERF Plan Administrator 2121 Schotthill Woods Drive, Jefferson City, MO 65101.

Funding Policy

Polk County's full-time employees hired before February 25, 2002, are required by state statute to contribute 2% of annual payroll to the pension plan. Polk County's full-time employees hired after February 25, 2002, are required by state statute to contribute 6% of annual covered payroll to the pension plan. The County is required by state statute to remit the fees collected under RSMo. Sections 52.290, 150.150, 137.280, 137.345 and Chapters 59 and 54, RSMo, plus interest. The required contributions have been made.

POLK COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31.

The 2011 and 2010 assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per \$100 assessed valuation of that property were as follows:

	<u>2011</u>	<u>2010</u>
ASSESSED VALUATION		
Real estate	\$ 247,954,360	\$ 252,461,440
Personal property	<u>18,869,988</u>	<u>17,310,115</u>
	<u>\$ 266,824,348</u>	<u>\$ 269,771,555</u>
TAX LEVY		
General Revenue Fund	\$.3232	\$.3173
Senate Bill 40 Board	.0209	.0205
Senior Service Tax Fund	<u>.0500</u>	<u>.0493</u>
	<u>\$.3941</u>	<u>\$.3871</u>

The legal debt margin at December 31, 2011 and December 31, 2010, is computed as follows:

	<u>2011</u>	<u>2010</u>
Constitutional debt limit	\$ 26,682,435	\$ 26,977,156
General obligation bonds payable	<u>-</u>	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 26,682,435</u>	<u>\$ 26,977,156</u>

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

POLK COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE F – 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. The County has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

NOTE G – INTERFUND TRANSFERS

Interfund transfers for the years ended December 31, 2011 and 2010, consisted of the following:

	Transfers In (Out)	
	2011	2010
General Revenue Fund	\$ (687,888)	\$ (564,644)
Special Road and Bridge Fund	1,343,103	1,389,484
Assessment Fund	30,628	14,539
Law Enforcement Sales Tax Fund	671,727	604,378
Capital Improvement Sales Tax Fund	(1,343,103)	(1,389,484)
Child Support Enforcement Fund	5,223	3,629
Prosecuting Attorney Bad Check Fund	(12,700)	(14,120)
Moore Cemetery Trust Fund	(360)	(360)
Local Emergency Planning Committee Fund	-	(8,910)
Collector Tax Maintenance Fund	(7,000)	-
Law Enforcement Restitution Fund	370	-
Special Election Fund	-	(6,476)
Inmate Fee Fund	-	964
Juvenile Detention Fund	-	(29,000)
	\$ -	\$ -

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

POLK COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE H – LONG-TERM DEBT

In July 2008, the County entered into a cancelable lease purchase agreement to finance the purchase of a backhoe loader in the amount of \$70,746. The agreement requires annual payments of \$8,343 including interest at 3.4% through March 2012 and one payment of \$40,000 in March 2013.

The annual requirements to amortize the principal are as follows:

Year Ended December 31,	Amount Due		
	Principal	Interest	Total
2012	\$ 6,149	\$ 2,194	\$ 8,343
2013	40,000	-	40,000
	<u>\$ 46,149</u>	<u>\$ 2,194</u>	<u>\$ 48,343</u>

The following is the changes in long-term debt for the years ended December 31, 2011 and December 31, 2010:

	Balance December 31,			Balance December 31,			Balance December 31,
	2009	Additions	Retirements	2010	Additions	Retirements	2011
Capital Lease Obligation							
2008 John Deere Lease	<u>\$ 58,447</u>	<u>\$ -</u>	<u>\$ 6,149</u>	<u>\$ 52,298</u>	<u>\$ -</u>	<u>\$ 6,149</u>	<u>\$ 46,149</u>

NOTE I – COMPENSATED ABSENCES PAYABLE

Compensated absences payable consists of one half of the unused sick time and unused accumulated comp time up to 240 hours for employees. The balance at December 31, 2010 and 2011, totaled \$56,629 and \$53,889, respectively.

SUPPLEMENTARY SCHEDULE



DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343

www.dlmcpa.com
e-mail: cpa@dlmcpa.com

**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**

County Commission
Polk County
Bolivar, Missouri

We have audited the financial statements of Polk County, Missouri as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated June 22, 2012. The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. 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

Management of Polk County, Missouri, is responsible for establishing and maintaining effective internal controls over financial reporting. In planning and performing our audit of the financial statements of Polk County, Missouri, we considered the County'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 the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and, therefore, can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

County Commission
Polk County
Bolivar, Missouri

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 a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider deficiencies 11-1 and 11-2 described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of Polk County, Missouri, are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant 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 also noted certain other matters that we reported to management of Polk County, Missouri, in a separate letter dated June 22, 2012.

The 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 the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, management, 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.

A handwritten signature in black ink that reads "Davis, Lynn: Moots, PC". The signature is written in a cursive, slightly slanted style.

DAVIS, LYNN & MOOTS, P.C.
June 22, 2012



DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343

www.dlmcpa.com
e-mail: cpa@dlmcpa.com

**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

County Commission
Polk County
Bolivar, Missouri

Compliance

We have audited the compliance of Polk County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on Polk County's major federal program for the years ended December 31, 2011 and 2010. Polk County's major federal program is 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 its major federal program is the responsibility of Polk County's management. Our responsibility is to express an opinion on Polk 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 Polk 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 on Polk County's compliance with those requirements.

In our opinion, Polk County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal program for the years ended December 31, 2011 and 2010.

Internal Control over Compliance

The management of Polk County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Polk County's internal control over compliance with requirements that could have a direct and material effect on a major federal program 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 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 first paragraph of this section 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.

This report is intended solely for the information and use of the County Commission, management, 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.

Davis, Lynn; Moots, PC

DAVIS, LYNN & MOOTS, P.C.
June 22, 2012

POLK COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Years Ended December 31, 2011 and 2010

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	<u>Federal Expenditures</u> Year Ended December 31,	
			2011	2010
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Direct				
Schools and Roads Grants to States	10.665	N/A	\$ 25,523	\$ 25,314
TOTAL U.S. DEPARTMENT OF AGRICULTURE			25,523	25,314
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Missouri Department of Transportation				
Highway Planning and Construction	20.205	BRO-B084(10)	19,595	58,751
Highway Planning and Construction		BRO-B084(11)	73,233	1,042,031
Highway Planning and Construction		BRO-B084(12)	11,301	33,648
Missouri Department of Public Safety				
Intra-agency Harzardous Materials Public Sector Training and Planning Grant	20.703	N/A	-	2,000
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			104,129	1,136,430
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Missouri Department of Public Safety				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-LBGJ-066	-	8,640
City of Bolivar				
Edward Byrne Memorial Justice Assistance Grant Program	16.803	N/A	15,164	-
TOTAL U.S. DEPARTMENT OF JUSTICE			15,164	8,640
<u>U.S. ELECTION ASSISTANCE COMMISSION</u>				
Missouri Secretary of State's Office				
Help America Vote Act	90.401	N/A	569	-
	90.401	N/A	1,230	-
TOTAL U.S. ELECTION ASSISTANCE COMMISSION			1,799	-
<u>GENERAL SERVICES ADMINISTRATION</u>				
Voting Equipment and Maintenance Grant	39.011	N/A	7,075	-
TOTAL GENERAL SERVICES ADMINISTRATION			7,075	-
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Missouri Department of Social Services				
Child Support Enforcement	93.563	N/A	133,350	135,357
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			133,350	135,357

POLK COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Years Ended December 31, 2011 and 2010

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	<u>Federal Expenditures</u> Year Ended December 31,	
			2011	2010
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Missouri Department of Social Services ARRA-Homeless Prevention and Rapid Re-housing Program, Recovery Act	14.257	ER16410037A	20,819	49,601
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			20,819	49,601
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Missouri Department of Public Safety Emergency Management Preparedness Grant	97.042	N/A	-	17,142
		EMW-2011-EP-0004-501	24,494	-
Citizen Corp Grant	97.053	N/A	8,222	-
Disaster Grant - Public Assistance	97.036	FEMA 1961-DR-MO	18,406	-
		FEMA 1980-DR-MO	63,440	-
		FEMA 1728-DR-MO	96,688	-
		FEMA 1809-DR-MO	61,416	-
Missouri State University Homeland Security Grant Program	97.067	N/A	9,452	6,043
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			282,118	23,185
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 589,977</u>	<u>\$ 1,378,527</u>

N/A - Not Applicable

POLK COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE
Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Polk County, Missouri.

B Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

2. Subrecipients

The County provided no federal awards to subrecipients during the years ended December 31, 2011 and 2010.

POLK COUNTY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Years ended December 31, 2011 and 2010

Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on the regulatory basis of accounting:

Unqualified

Internal control over financial reporting:

Material weaknesses identified?

X Yes No

Significant deficiencies identified that are not considered to be material weaknesses?

 Yes X None reported

Noncompliance material to the financial statements noted?

 Yes X No

Federal Awards

Internal control over major programs:

Material weaknesses identified?

 Yes X No

Significant deficiencies identified that are not considered to be material weaknesses?

 Yes X None reported

Type of auditors' report issued on compliance for major program(s):

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

 Yes X No

Identification of major program:

CFDA or Other

Identifying Number Program Title

20.205 Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B program:

\$ 300,000

Auditee qualified as a low -risk auditee?

 Yes X No

Financial Statement Findings

11-1 Segregation of Duties

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Response: The limited number of available personnel prohibits segregation of incompatible duties.

11-2 Wire Transfers

Condition: The depository agreements with the County banking institutions do not address by whom and to whom a wire transfer may be made. They also do not include special instructions for wire transfers.

Criteria: The County should have written and signed instructions with banking institutions requiring the approval of two authorized individuals before a wire transfer is made and by whom and to whom a wire transfer may be made.

Effect: Risk is present that unauthorized wire transfers may be made.

Recommendation: The County should include in future depository agreements with its banking institutions, who is authorized to make wire transfers for the County, and to whom wire transfers are allowed, and require approval of two authorized individuals.

Response: The County will update its depository agreements with its banking institutions to include who is authorized to make wire transfers for the County, to whom wire transfers are allowed, and require approval of two authorized individuals.

POLK COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Years ended December 31, 2011 and 2010

Federal Award Findings and Questioned Costs

None

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

This section represents the summary schedule of prior audit findings. The prior audit period was for the two years ended December 31, 2009.

Item 3 Federal Grantor: U.S. Department of Homeland Security
Pass-Through Grantor: Missouri Department of Public Safety
Federal CFDA Numbers: 97.036
Program Title: Public Assistance Grants
Pass-Through Entity
Identifying Number: 167-99167-00
Award Years: 2009 and 2008
Questioned Costs: Not applicable

The County did not maintain adequate documentation of allowed costs.

Auditor's Recommendation:

The County obtain and maintain adequate documentation of allowed costs.

Status:

Corrective action has been taken.

Item 4 Federal Grantor: U.S. Department of Homeland Security
Pass-Through Grantor: Department of Public Safety
Federal CFDA Numbers: 97.036
Program Title: Public Assistance Grants
Pass-Through Entity
Identifying Number: 167-99167-00
Award Years: 2009 and 2008
Questioned Costs: Not applicable

The County incurred project costs after period of availability.

Auditor's Recommendation:

The County request an extension.

Status:

Corrective action has been taken.



DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

LARRY M. BROWN, CPA
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ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343

www.dlmcpa.com
e-mail: cpa@dlmcpa.com

Polk County Commission
Polk County
Bolivar, Missouri

In planning and performing our audit of the basic financial statements of Polk County, Missouri for the years ended December 31, 2011 and 2010, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the 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*, we identified deficiencies in internal control over financial reporting that we consider to be material weaknesses.

In addition to the material weaknesses discussed in the 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*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters.

1. Budgetary Compliance

The County was not in compliance with the budgetary statute, Chapter 50, RSMo, for the year ended December 31, 2011 as actual disbursements exceeded budgeted disbursements in the Emergency 911 Fund and Collector Tax Maintenance Fund. For the year ended December 31, 2010, actual disbursements exceeded budgeted disbursements for the Collector Tax Maintenance Fund. The budgetary statute prohibits actual disbursements exceeding budgeted disbursements. The County also did not adopt a budget for the Special Election Fund.

We Recommend:

The County review expenditures during the year and amend the budget as necessary to ensure compliance with the budgetary statute (Chapter 50, RSMo). We also recommend the County adopt a budget for the Special Election Fund.

2. General Fund Reserves

During our audit, we noted that the General Revenue Fund balance has decreased from a balance of \$1,558,671 as of January 1, 2010, to \$472,745 as of December 31, 2011. If current spending levels are maintained in fiscal 2012 the County could experience cash flow difficulties.

We Recommend:

The County review its budgeted receipts and disbursement for fiscal 2012 to ensure adequate reserves are maintained in the County's General Revenue Fund. One measure the County may consider as adequate reserves is three months payroll.

3. Prevailing Wage Documentation

During our audit, we noted the County's Engineers are maintaining prevailing wage documentation for the County. However, the documentation was not filed with the County Clerk's office.

We Recommend:

The County request of its engineers to file all prevailing wage compliance documentation with the County Clerk.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We appreciate this opportunity to serve as Polk County's independent auditor and the courtesies and assistance extended to us by the County's employees.

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
June 22, 2012



DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343

www.dlmcpa.com
e-mail: cpa@dlmcpa.com

County Commission
Polk County
Bolivar, Missouri

We have audited the basic financial statements of Polk County, Missouri for the years ended December 31, 2010 and 2011, and have issued our report thereon dated June 22, 2012. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated April 24, 2012, 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 U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated April 24, 2012.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Primary Government of Polk County, Missouri are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2011 or 2010.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not detect misstatements as a result of audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 22, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Polk County Commission
Polk County
Bolivar, Missouri
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This report is intended solely for the use of the County Commission and management of the Primary Government of Polk County, Missouri and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Davis, Lynn & Moots, PC". The signature is written in a cursive, slightly slanted style.

DAVIS, LYNN & MOOTS, P.C.
June 22, 2012