



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

To the County Commission
and
Officeholders of Polk County, Missouri

The Office of the State Auditor contracted for an audit of Polk County's financial statements for the year ended December 31, 2023, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

A handwritten signature in black ink that reads "Scott Fitzpatrick". The signature is written in a cursive style with a large, stylized "S" and "F".

Scott Fitzpatrick
State Auditor

February 2025
Report No. 2025-004



Scott Fitzpatrick
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Polk County

Investment Policy

The county adopt an investment policy and review compliance with this policy at least annually as required by state statute.

ANNUAL FINANCIAL REPORT

POLK COUNTY, MISSOURI

For the Year Ended
December 31, 2023

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

KANSAS CITY

POLK COUNTY, MISSOURI
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INTRODUCTORY SECTION

POLK COUNTY, MISSOURI
List of Elected Officials 2023

County Commission

Presiding Commissioner – Shannon Hancock
Commissioner, Northern District – Kyle Legan
Commissioner, Southern District – Melinda Robertson

Other Elected Officials

Assessor – Rita Lemmon
Circuit Clerk – Tiffany Phillips
Collector – Rachel Boyce
County Clerk – Rachel Lightfoot
Coroner – Jeff Witt
Prosecuting Attorney – Keaton R. Ashlock
Public Administrator – Barbara Davolt
Recorder – Carol Poindexter
Sheriff – Danny Morrison
Surveyor – Kevin Nelson
Treasurer – Shirley Allison

FINANCIAL SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Polk County, Missouri

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Polk County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2023, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Polk County, Missouri, as of December 31, 2023, and their respective cash receipts and disbursements, and budgetary results for the year then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri law as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Polk County, Missouri, as of December 31, 2023, or the changes in financial position thereof for the year then ended.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Polk County, Missouri, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Polk County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri law. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Polk County, Missouri's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the

financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Polk County, Missouri's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2025, on our consideration of Polk County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Polk County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Polk County, Missouri's internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
January 13, 2025

POLK COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

Fund	Cash and Investments January 1	Receipts	Disbursements	Cash and Investments December 31
General Revenue	\$ 3,479,381	\$ 2,361,813	\$ 2,463,895	\$ 3,377,299
Special Road and Bridge	271,823	3,576,735	3,789,161	59,397
Assessment	547,084	427,647	401,909	572,822
General Revenue Savings	1,050,542	119,422	-	1,169,964
Road & Bridge Capital Improvements	809,729	2,368,836	1,620,473	1,558,092
Law Enforcement Sales Tax	688,434	2,783,493	3,142,751	329,176
ARPA	5,852,435	168,713	219,961	5,801,187
Collector Tax Maintenance	21,602	44,765	17,697	48,670
Deputy Sheriff Salary	1,701	38,765	36,333	4,133
Election Services	90,564	18,757	14,014	95,307
Inmate Security	52,403	17,616	8,392	61,627
LEPC	9,134	7,014	52	16,096
Law Enforcement Restitution	75,764	48,159	93,922	30,001
Law Enforcement Training	11,123	6,042	10,869	6,296
Prosecuting Attorney Administration Handling Cost	101	2,115	2,000	216
Prosecuting Attorney Delinquent Tax	1,130	-	-	1,130
Prosecuting Attorney Training	7,371	5,003	1,010	11,364
Recorder User's Fee	75,215	24,629	8,186	91,658
Regional Child Support	56,924	176,913	175,175	58,662
Senior Services Board	147,924	206,636	202,603	151,957
Sheriff Civil Fee	40,334	15,602	27,645	28,291
Sheriff Special Operations	2,793	-	2,793	-
Sheriff Revolving	36,495	11,162	10,814	36,843
Special Trust	1,392	6,580	7,832	140
Veteran's Memorial	3,490	104	-	3,594
Senate Bill 40 Board	647,159	1,193,357	1,104,145	736,371
Total	<u>\$ 13,982,047</u>	<u>\$ 13,629,878</u>	<u>\$ 13,361,632</u>	<u>\$ 14,250,293</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

POLK COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 - BUDGET AND ACTUAL - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2023

	GENERAL REVENUE FUND	
	Budget	Actual
RECEIPTS		
Property taxes	\$ 2,030,000	\$ 1,329,498
Sales taxes	-	-
Intergovernmental	155,967	167,834
Charges for services	596,300	674,150
Interest	25,000	107,692
Other	96,950	82,233
Transfers in	13,160	406
Total Receipts	<u>\$ 2,917,377</u>	<u>\$ 2,361,813</u>
DISBURSEMENTS		
County Commission	\$ 121,019	\$ 113,638
County Clerk	170,650	156,562
Elections	153,020	120,860
Buildings and grounds	1,824,665	874,890
Employee fringe benefits	103,500	96,676
Treasurer	75,800	68,210
Collector	212,781	182,417
Recorder of Deeds	134,535	120,977
Circuit Court	223,160	101,813
Court Administration	25,509	17,296
Public Administrator	105,410	95,092
Court Reporter	953	763
Surveyor	3,800	3,739
Emergency Management	96,895	79,288
Other General County Government	362,369	295,435
Transfers out	295,439	136,239
Emergency fund	87,500	-
Total Disbursements	<u>\$ 3,997,005</u>	<u>\$ 2,463,895</u>
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	\$ (1,079,628)	\$ (102,082)
CASH AND INVESTMENTS, JANUARY 1	<u>3,479,381</u>	<u>3,479,381</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 2,399,753</u></u>	<u><u>\$ 3,377,299</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

POLK COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	SPECIAL ROAD AND BRIDGE FUND		ASSESSMENT FUND		GENERAL REVENUE SAVINGS FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ 729,700	\$ 778,613	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	4,248,000	1,431,124	63,792	64,294	-	-
Charges for services	-	-	293,590	305,873	-	-
Interest	1,500	3,519	4,200	17,980	6,000	31,922
Other	54,000	16,479	7,925	6,499	-	-
Transfers in	2,250,500	1,347,000	33,001	33,001	87,500	87,500
Total Receipts	<u>\$ 7,283,700</u>	<u>\$ 3,576,735</u>	<u>\$ 402,508</u>	<u>\$ 427,647</u>	<u>\$ 93,500</u>	<u>\$ 119,422</u>
DISBURSEMENTS						
Salaries	\$ 831,000	\$ 773,915	\$ 231,310	\$ 226,097	\$ -	\$ -
Employee fringe benefits	245,000	227,435	68,235	63,100	-	-
Materials and supplies	1,966,160	2,032,257	6,500	4,542	-	-
Services and other	218,300	182,328	41,300	31,892	500,000	-
Capital outlay	4,075,000	573,226	81,700	76,278	-	-
Construction	-	-	-	-	-	-
Transfers out	150,000	-	-	-	-	-
Total Disbursements	<u>\$ 7,485,460</u>	<u>\$ 3,789,161</u>	<u>\$ 429,045</u>	<u>\$ 401,909</u>	<u>\$ 500,000</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (201,760)	\$ (212,426)	\$ (26,537)	\$ 25,738	\$ (406,500)	\$ 119,422
CASH AND INVESTMENTS, JANUARY 1	<u>271,823</u>	<u>271,823</u>	<u>547,084</u>	<u>547,084</u>	<u>1,050,542</u>	<u>1,050,542</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 70,063</u>	<u>\$ 59,397</u>	<u>\$ 520,547</u>	<u>\$ 572,822</u>	<u>\$ 644,042</u>	<u>\$ 1,169,964</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

POLK COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	ROAD & BRIDGE CAPITAL IMPROVEMENTS FUND		LAW ENFORCEMENT SALES TAX FUND		ARPA FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	2,000,000	2,324,225	2,000,000	2,324,217	-	-
Intergovernmental	-	-	167,002	123,230	-	-
Charges for services	-	-	71,000	289,749	-	-
Interest	9,000	44,611	5,000	16,291	30,000	168,713
Other	-	-	447,240	17,376	-	-
Transfers in	-	-	266,170	12,630	-	-
Total Receipts	<u>\$ 2,009,000</u>	<u>\$ 2,368,836</u>	<u>\$ 2,956,412</u>	<u>\$ 2,783,493</u>	<u>\$ 30,000</u>	<u>\$ 168,713</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ 2,107,589	\$ 1,885,017	\$ -	\$ -
Employee fringe benefits	-	-	397,080	367,058	-	-
Materials and supplies	-	-	104,500	90,915	-	-
Services and other	-	-	554,674	392,475	5,880,000	217,054
Capital outlay	270,000	273,473	417,390	407,286	-	-
Construction	-	-	-	-	-	-
Transfers out	2,200,000	1,347,000	-	-	-	2,907
Total Disbursements	<u>\$ 2,470,000</u>	<u>\$ 1,620,473</u>	<u>\$ 3,581,233</u>	<u>\$ 3,142,751</u>	<u>\$ 5,880,000</u>	<u>\$ 219,961</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (461,000)	\$ 748,363	\$ (624,821)	\$ (359,258)	\$ (5,850,000)	\$ (51,248)
CASH AND INVESTMENTS, JANUARY 1	<u>809,729</u>	<u>809,729</u>	<u>688,434</u>	<u>688,434</u>	<u>5,852,435</u>	<u>5,852,435</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 348,729</u>	<u>\$ 1,558,092</u>	<u>\$ 63,613</u>	<u>\$ 329,176</u>	<u>\$ 2,435</u>	<u>\$ 5,801,187</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

POLK COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	COLLECTOR TAX MAINTENANCE FUND		DEPUTY SHERIFF SALARY FUND		ELECTION SERVICES FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	37,284	32,096	28,000	3,691
Charges for services	33,014	43,250	6,900	6,669	-	-
Interest	186	1,410	-	-	450	2,766
Other	-	105	-	-	-	-
Transfers in	-	-	-	-	5,175	12,300
Total Receipts	<u>\$ 33,200</u>	<u>\$ 44,765</u>	<u>\$ 44,184</u>	<u>\$ 38,765</u>	<u>\$ 33,625</u>	<u>\$ 18,757</u>
DISBURSEMENTS						
Salaries	\$ 8,225	\$ 8,222	\$ 32,115	\$ 29,101	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	12,000	7,049	-	-	-	-
Services and other	13,000	1,749	10,000	6,447	78,000	14,014
Capital outlay	10,000	677	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	10,000	-	870	785	-	-
Total Disbursements	<u>\$ 53,225</u>	<u>\$ 17,697</u>	<u>\$ 42,985</u>	<u>\$ 36,333</u>	<u>\$ 78,000</u>	<u>\$ 14,014</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (20,025)	\$ 27,068	\$ 1,199	\$ 2,432	\$ (44,375)	\$ 4,743
CASH AND INVESTMENTS, JANUARY 1	<u>21,602</u>	<u>21,602</u>	<u>1,701</u>	<u>1,701</u>	<u>90,564</u>	<u>90,564</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 1,577</u>	<u>\$ 48,670</u>	<u>\$ 2,900</u>	<u>\$ 4,133</u>	<u>\$ 46,189</u>	<u>\$ 95,307</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

POLK COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	INMATE SECURITY FUND		LEPC FUND		LAW ENFORCEMENT RESTITUTION FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	9,500	6,601	-	-
Charges for services	24,800	15,595	-	-	72,000	46,847
Interest	-	-	50	413	450	1,312
Other	300	2,021	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 25,100</u>	<u>\$ 17,616</u>	<u>\$ 9,550</u>	<u>\$ 7,014</u>	<u>\$ 72,450</u>	<u>\$ 48,159</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	28,000	8,392	3,200	52	60,000	14,163
Capital outlay	-	-	-	-	85,500	79,759
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 28,000</u>	<u>\$ 8,392</u>	<u>\$ 3,200</u>	<u>\$ 52</u>	<u>\$ 145,500</u>	<u>\$ 93,922</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,900)	\$ 9,224	\$ 6,350	\$ 6,962	\$ (73,050)	\$ (45,763)
CASH AND INVESTMENTS, JANUARY 1	<u>52,403</u>	<u>52,403</u>	<u>9,134</u>	<u>9,134</u>	<u>75,764</u>	<u>75,764</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 49,503</u></u>	<u><u>\$ 61,627</u></u>	<u><u>\$ 15,484</u></u>	<u><u>\$ 16,096</u></u>	<u><u>\$ 2,714</u></u>	<u><u>\$ 30,001</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

POLK COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	LAW ENFORCEMENT TRAINING FUND		PROSECUTING ATTORNEY ADMINISTRATION HANDLING COST FUND		PROSECUTING ATTORNEY DELINQUENT TAX FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	2,000	1,862	-	-	-	-
Charges for services	4,200	3,958	6,500	2,075	-	-
Interest	85	222	10	40	-	-
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 6,285</u>	<u>\$ 6,042</u>	<u>\$ 6,510</u>	<u>\$ 2,115</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	1,000	-	-	-	-	-
Services and other	14,000	10,869	-	-	1,130	-
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	6,500	2,000	-	-
Total Disbursements	<u>\$ 15,000</u>	<u>\$ 10,869</u>	<u>\$ 6,500</u>	<u>\$ 2,000</u>	<u>\$ 1,130</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (8,715)	\$ (4,827)	\$ 10	\$ 115	\$ (1,130)	\$ -
CASH AND INVESTMENTS, JANUARY 1	<u>11,123</u>	<u>11,123</u>	<u>101</u>	<u>101</u>	<u>1,130</u>	<u>1,130</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 2,408</u>	<u>\$ 6,296</u>	<u>\$ 111</u>	<u>\$ 216</u>	<u>\$ -</u>	<u>\$ 1,130</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

POLK COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 - BUDGET AND ACTUAL - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2023

	PROSECUTING ATTORNEY TRAINING FUND		RECORDER USER'S FEE FUND		REGIONAL CHILD SUPPORT FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	164,708	172,819
Charges for services	7,500	5,003	20,000	22,074	-	-
Interest	-	-	500	2,555	-	-
Other	-	-	20,000	-	-	-
Transfers in	-	-	-	-	3,438	4,094
Total Receipts	<u>\$ 7,500</u>	<u>\$ 5,003</u>	<u>\$ 40,500</u>	<u>\$ 24,629</u>	<u>\$ 168,146</u>	<u>\$ 176,913</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 112,960	\$ 113,456
Employee fringe benefits	-	-	-	-	21,000	19,716
Materials and supplies	-	-	5,000	-	4,900	1,181
Services and other	7,500	1,010	35,000	5,173	35,600	34,161
Capital outlay	-	-	5,000	3,013	8,400	6,661
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 7,500</u>	<u>\$ 1,010</u>	<u>\$ 45,000</u>	<u>\$ 8,186</u>	<u>\$ 182,860</u>	<u>\$ 175,175</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 3,993	\$ (4,500)	\$ 16,443	\$ (14,714)	\$ 1,738
CASH AND INVESTMENTS, JANUARY 1	<u>7,371</u>	<u>7,371</u>	<u>75,215</u>	<u>75,215</u>	<u>56,924</u>	<u>56,924</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 7,371</u></u>	<u><u>\$ 11,364</u></u>	<u><u>\$ 70,715</u></u>	<u><u>\$ 91,658</u></u>	<u><u>\$ 42,210</u></u>	<u><u>\$ 58,662</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

POLK COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	SENIOR SERVICES BOARD		SHERIFF CIVIL FEE FUND		SHERIFF SPECIAL OPERATIONS FUND	
	FUND					
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ 175,660	\$ 200,148	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	13,500	14,647	-	-
Interest	1,200	5,839	250	931	-	-
Other	900	649	-	24	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 177,760</u>	<u>\$ 206,636</u>	<u>\$ 13,750</u>	<u>\$ 15,602</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	2,000	2,000	-	-	-	-
Services and other	323,684	200,603	-	-	2,793	2,793
Capital outlay	-	-	30,000	27,645	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 325,684</u>	<u>\$ 202,603</u>	<u>\$ 30,000</u>	<u>\$ 27,645</u>	<u>\$ 2,793</u>	<u>\$ 2,793</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (147,924)	\$ 4,033	\$ (16,250)	\$ (12,043)	\$ (2,793)	\$ (2,793)
CASH AND INVESTMENTS, JANUARY 1	<u>147,924</u>	<u>147,924</u>	<u>40,334</u>	<u>40,334</u>	<u>2,793</u>	<u>2,793</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 151,957</u>	<u>\$ 24,084</u>	<u>\$ 28,291</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

POLK COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	SHERIFF REVOLVING FUND		SPECIAL TRUST FUND		VETERAN'S MEMORIAL FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	12,700	9,945	7,500	6,580	-	-
Interest	250	1,217	-	-	20	104
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 12,950</u>	<u>\$ 11,162</u>	<u>\$ 7,500</u>	<u>\$ 6,580</u>	<u>\$ 20</u>	<u>\$ 104</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	3,700	-	8,800	7,832	3,400	-
Capital outlay	6,000	2,814	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	8,000	8,000	-	-	-	-
Total Disbursements	<u>\$ 17,700</u>	<u>\$ 10,814</u>	<u>\$ 8,800</u>	<u>\$ 7,832</u>	<u>\$ 3,400</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,750)	\$ 348	\$ (1,300)	\$ (1,252)	\$ (3,380)	\$ 104
CASH AND INVESTMENTS, JANUARY 1	<u>36,495</u>	<u>36,495</u>	<u>1,392</u>	<u>1,392</u>	<u>3,490</u>	<u>3,490</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 31,745</u>	<u>\$ 36,843</u>	<u>\$ 92</u>	<u>\$ 140</u>	<u>\$ 110</u>	<u>\$ 3,594</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

POLK COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 - BUDGET AND ACTUAL - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2023

	SENATE BILL 40 BOARD FUND	
	Budget	Actual
RECEIPTS		
Property taxes	\$ 79,000	\$ 84,229
Sales taxes	-	-
Intergovernmental	1,000,000	1,108,632
Charges for services	-	-
Interest	140	496
Other	-	-
Transfers in	-	-
Total Receipts	<u>\$ 1,079,140</u>	<u>\$ 1,193,357</u>
DISBURSEMENTS		
Salaries	\$ -	\$ -
Employee fringe benefits	-	-
Materials and supplies	2,154	2,155
Services and other	1,120,916	1,101,990
Capital outlay	-	-
Construction	-	-
Transfers out	-	-
Total Disbursements	<u>\$ 1,123,070</u>	<u>\$ 1,104,145</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (43,930)	\$ 89,212
CASH AND INVESTMENTS, JANUARY 1	<u>647,159</u>	<u>647,159</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 603,229</u></u>	<u><u>\$ 736,371</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

POLK COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

Fund/Account	Cash and Cash Equivalents January 1	Receipts	Disbursements	Cash and Cash Equivalents December 31
Treasurer CERF	\$ -	\$ 304,481	\$ 304,465	\$ 16
Treasurer Criminal Costs	-	189,545	189,545	-
Treasurer Escheat	94,560	12,272	14,632	92,200
Treasurer Fees Due Others	3,870	-	1,971	1,899
Treasurer Financial Institution Tax	902	947	914	935
Treasurer Flood Control	138	6,135	6,135	138
Treasurer Library	-	970,617	970,617	-
Treasurer Bolivar R-1	-	9,547,028	9,547,028	-
Treasurer Fair Play R-2	-	1,207,339	1,207,339	-
Treasurer Halfway R-3	-	1,239,474	1,239,474	-
Treasurer Humansville R-4	-	1,099,416	1,099,416	-
Treasurer Marion C. Early R-5	-	1,697,376	1,697,376	-
Treasurer Pleasant Hope R-6	-	2,015,010	2,015,010	-
Treasurer Fair Grove R-10	-	101,912	101,912	-
Treasurer Dallas Co R-1	-	33,375	33,375	-
Treasurer Walnut Grove R-5	-	188,352	188,352	-
Treasurer Hickory Co R-1	-	52,522	52,522	-
Treasurer Dade Co R-2	-	97,304	97,304	-
Treasurer School Control Interest	336,386	219,713	436,884	119,215
Treasurer Blue Mound Special	5,806	25,518	25,000	6,324
Treasurer Bolivar Special	212,550	234,194	15,000	431,744
Treasurer Flemington Special	27,267	35,724	30,000	32,991
Treasurer Humansville Special	30,303	182,033	90,000	122,336
Treasurer Southwest Special	87,825	33,626	100,000	21,451
Treasurer Blue Mound Cap Imp	6,893	24,187	22,500	8,580
Treasurer Bolivar Cap Imp	64,793	25,514	-	90,307
Treasurer Flemington Cap Imp	71,762	50,691	30,000	92,453
Treasurer Humansville Cap Imp	21,706	132,197	90,000	63,903
Treasurer Southwest Cap Imp	128,833	49,262	150,000	28,095
Treasurer MOPS	5	60	65	-
Treasurer Moore Cemetery Fund	9,379	275	240	9,414
Treasurer Family Justice Fund	36,816	7,346	5,756	38,406
Collector	17,819,026	25,591,107	24,307,083	19,103,050
Recorder	-	233,491	233,491	-
Sheriff	29,823	132,371	134,033	28,161
Public Administrator	430,685	1,577,359	1,142,295	865,749
Total	<u>\$ 19,419,328</u>	<u>\$ 47,317,773</u>	<u>\$ 45,579,734</u>	<u>\$ 21,157,367</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

POLK COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. 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 eleven elected Constitutional Officers: Assessor, Circuit Clerk, Collector, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder, Sheriff, Surveyor, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

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

The financial statements referred to above include the primary government of Polk County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County’s legal entity under the regulatory basis of accounting. Financial data of other entities that may be considered to be component units of the County under generally accepted accounting principles is not included.

In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk (other than the portion that is funded by the General Revenue Fund) and all funds under their control.

B. Basis of Presentation

Governmental 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 that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County’s funds are 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 consist of custodial funds. Custodial funds account for assets held by the County as an agent of individuals, private organizations, taxing units, other governments and/or funds. Budgets are not adopted for the County’s custodial funds.

C. Basis of Accounting

The financial statements are prepared on the cash 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 measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. 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's policy is to adopt 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. 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.
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. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2023, for purposes of taxation were:

Real Estate	\$ 310,997,186
Personal Property	114,169,250
Railroad and Utilities	26,574,581
Total	<u>\$ 451,741,017</u>

For calendar year 2023, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

General Revenue	0.2994
Special Road and Bridge	0.2581
Senior Services Board	0.0461
Senate Bill 40 Board	0.0194

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, or any instrumentality thereof, certain municipal bonds authorized by Missouri statute, or time certificates of deposit. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2023, the County had the following cash and investment balances:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>FDIC Coverage</u>
Cash and Cash Equivalents	\$ 9,180,293	\$ 9,536,646	\$ 8,962,025
Investments	<u>5,070,000</u>	<u>5,070,000</u>	<u>250,000</u>
Total Governmental Funds	<u>\$ 14,250,293</u>	<u>\$ 14,606,646</u>	<u>\$ 9,212,025</u>
 Cash and Cash Equivalents - Fiduciary Funds	 <u>\$ 21,157,367</u>	 <u>\$ 15,792,148</u>	 <u>\$ 15,684,819</u>

The remainder of the balances not covered by FDIC deposit insurance at December 31, 2023 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name, except for \$107,329 held by the Public Administrator for one ward in one bank in excess of FDIC coverage.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. 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 50.1000(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 eleven 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 fifty-five. Any member with less than eight years of creditable service 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, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

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. During 2023, the County collected and remitted to CERF employee withholdings and fees collected of \$304,465.

B. Other Retirement Plans

Polk County has voluntary 457 and 401(a) plans administered by Empower Retirement which are paid by deductions from employees' salaries. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the year ended December 31, 2023 were \$34,723. Employee contributions collected and remitted by the County for the year ended December 31, 2023 for the 401(a) plan was \$23,165.

C. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$11,628 for the year ended December 31, 2023.

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. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. This ranges from one week after the first year of service, two weeks after two years of service, three weeks after ten years, and four weeks after 20 years. The vacation days accrued in any year must be taken prior to December 31 of the year they were earned. Vacation time not used prior to December 31 will be lost unless prior arrangements were made with the approval of the Elected Official and County Commission. Upon termination of employment from the County, employees will be compensated for any unused, earned vacation provided the employee provides two weeks' written notice and works all scheduled shifts during those two weeks. Upon involuntary termination, employees may not be eligible to receive compensation for any unused, earned vacation time.

Full-time employees begin earning sick time at a rate of four hours per month from the date of hire. While earning sick time from date of hire, employees are only able to use sick time after the successful completion of a 90 day introductory period. Employees may bank a maximum of 240 hours. Sick time carries over from one calendar year to the next. Upon termination of employment from the County, employees will be compensated for half of their unused, earned sick time at their current rate of pay provided the employee provides two weeks' written notice and works all scheduled shifts during those two weeks. Upon involuntary termination, employees may not be eligible to receive compensation for any unused, earned sick time.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. 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 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 \$2,500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG-TERM DEBT

On June 16, 2014, the County entered into a \$1,400,000 lease purchase agreement with U.S. Bancorp Government Leasing and Finance, Inc. for courthouse improvements, payable in ten annual payments of \$159,446 with a final payment due June 16, 2024. The lease agreement carries an interest rate of 2.411%.

Fiscal Year Ending			
December 31	Principal	Interest	Total
2024	\$ 155,652	\$ 3,794	\$ 159,446

The following schedule shows changes in long-term debt during the year ended December 31, 2023:

Description	Balance 12/31/2022	Additions	Payments	Balance 12/31/2023	Interest Paid
Courthouse Improvements	\$ 307,600	\$ -	\$ (151,948)	\$ 155,652	\$ 7,498

8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2023 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through January 13, 2025, the date the financial statements were available to be issued.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S 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, in accordance with the 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, the financial statements of Polk County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2023, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements, which collectively comprise Polk County, Missouri's basic financial statements and have issued our report thereon dated January 13, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Polk County, Missouri's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Polk County, Missouri's internal control.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Polk County, Missouri's financial statements are free from 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 financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
January 13, 2025

FINDINGS AND RECOMMENDATIONS

POLK COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

None

POLK COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Polk County, Missouri, on the applicable findings in the prior audit report issued for the year ended December 31, 2020.

2020-001: Documentation of the County's internal controls has not been prepared.

Status: Considered resolved.

2020-002: The County did not have a formal fraud risk assessment in place.

Status: Considered resolved.

2020-003: The Schedule of Expenditures of Federal Awards was prepared with incorrect information.

Status: Considered resolved.

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McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

January 13, 2025

To the County Commission
Polk County, Missouri

We have audited the regulatory basis financial statements of Polk County, Missouri for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 22, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Polk County, Missouri are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Since the County is reporting on the cash basis of accounting, there are no particularly sensitive estimates affecting the financial statements.

The financial statement disclosures 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 clearly trivial, and communicate them to the appropriate level of management. There were no misstatements detected during the audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is 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 January 13, 2025.

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.

In planning and performing our audit of the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis, the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the year ended December 31, 2023, we considered Polk County's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our report on our consideration of internal control over financial reporting dated January 13, 2025. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Investment Policy

The County has not adopted a formal investment policy as required by state statute. Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy that prioritizes safety, liquidity and yield;

prohibits derivatives, leveraging, and speculation with public funds; and requires collateralization of deposits. Adoption of a written investment policy commits a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and prohibits purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds of speculation. We recommend the County adopt an investment policy and review compliance with this policy at least annually as required by state statute.

Restriction on Use

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

Very truly yours,

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC