

*SINGLE AUDIT REPORTS*

**POLK COUNTY, TEXAS**

For the Year Ended  
September 30, 2010

# **POLK COUNTY, TEXAS**

## ***SINGLE AUDIT REPORTS***

**For the Year Ended September 30, 2010**

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

January 28, 2011

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

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Polk County, Texas (the "County") as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions 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.

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 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.

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

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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements 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 noted certain other matters that we reported to management of the County in a separate letter dated January 28, 2011.

This report is intended solely for the information and use of 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.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas



**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133, AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

January 28, 2011

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

**Compliance**

We have audited the compliance of Polk County, Texas (the "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 each of the County's major federal programs for the year ended September 30, 2010. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010.

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### **Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the 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 compliances in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of 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 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.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Polk County, Texas, (the "County") as of and for the year ended September 30, 2010, and have issued our report thereon dated January 28, 2011, which contained unqualified opinions on these financial statements. Our audit was performed for the purpose of forming opinions on those financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedure applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of 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.

*B*ELT *H*ARRIS *P*ECHACEK, LLLP

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas

**POLK COUNTY, TEXAS**  
***SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS***  
For the Year Ended September 30, 2010

**A. SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

**None.**



**POLK COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended September 30, 2010

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Polk County, Texas.
2. No significant deficiencies in internal control were disclosed by the audit of the financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. Significant deficiencies in internal control over major federal award programs were not disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the County are reported.
7. The programs included as a major program are:

<u>CFDA</u>	<u>Program Name</u>
14.228	Community Development Block Grant
90.401	Help America Vote Act

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The County did qualify as a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

**None.**

**C. FINDINGS – FEDERAL AWARDS**

**None.**

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# POLK COUNTY, TEXAS

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2010

Department/Pass-Through Agency/Program Name	Program/Grant/ Project Number	CFDA Number	Expenditures
<b>DEPARTMENT OF JUSTICE</b>			
<i>Pass-through Violence Against Women Office</i>			
Violence Against Women Act Court Training and Improvement Grant	2299301	16.588	\$ 18,643
<i>Pass-through Bureau of Justice Assistance</i>			
Edward Byone Memorial Justice Assistance	2237201	16.738	90,289
<i>Pass-through Texas Department of Public Safety</i>			
State Criminal Alien Assistance Program	2009-G4116-TX-AP	16.606	5,020
<b>Total Department of Justice</b>			113,953
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Pass-Through Deep East Texas Council of Governments</i>			
Title III Part B, Grants for Supportive Services and Senior Centers	6358	93.044	6,668
Title III Part C1, Nutrition Services	6358	93.045	69,093
Title III Part C2, Nutrition Services	6358	93.045	71,659
			140,752
<i>Pass-Through Texas Department of Health</i>			
Social Services Block Grant	1000824	93.667	114,569
<i>Pass-Through Texas Department of Family and Protective Services</i>			
Foster Care - Title IV E	23379452	93.658	1,641
<i>Pass-Through Texas Administration for Children and Families</i>			
Child Support Enforcement	174600162193030	93.563	55,620
<b>Total Department of Health and Human Services</b>			319,251
<b>U. S. ELECTION ASSISTANCE COMMISSION</b>			
<i>Pass-through TX Secretary of State</i>			
Help America Vote Act (HAVA)	78662	90.401	42,300
<b>DEPARTMENT OF INTERIOR</b>			
Bureau of Land Management			
Payments in Lieu of Taxes	PL 110-343	15.226	46,209
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Pass-through Texas Department of Rural Affairs</i>			
CDBG - Disaster Recovery Grant	DRS 06 0071	14.225	4,178
CDBG - Memorial Point Sewer Project	728340	14.228	205,248
<b>Total Department of Housing and Urban Development</b>			209,425
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
<i>Pass-Through Deep East Texas Council of Governments</i>			
State Homeland Security Program	2008-GE-TB-0034	97.073	51,270
<i>Pass-Through Texas Department of Public Safety's Division of Emergency Management</i>			
Disaster Grants - Public Assistance	FEMA 1791 DR TX	97.036	23,545
<i>Pass-Through Texas Department of Public Safety's Division of Emergency Management</i>			
Emergency Food and Shelter National Board Program	830400-004	97.024	5,667
<i>Pass-Through Texas Department of Public Safety's Division of Emergency Management</i>			
Emergency Management Performance Grant	09TX-EMPG-0441	97.042	32,823
Emergency Management Performance Grant	10TX-EMPG-0441	97.042	10,574
			43,397
<b>Total Department of Homeland Security</b>			123,878
<b>TOTAL FEDERAL EXPENDITURES</b>			\$ 855,016

**POLK COUNTY, TEXAS**  
***NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***  
**For the Year Ended 2010**

**NOTE 1: BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Polk County, Texas and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.