



**FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023**

POLK COUNTY
OFFICERS AND MEMBERS OF THE GOVERNING BODY

ADMINISTRATIVE OFFICER

Gregory P. Hansen

COMMISSIONERS

Craig Pope
15040 Airlie Road
Monmouth, Oregon 97361

Jeremy Gordon
180 Dayton Street
Fall City, Oregon 97344

Lyle Mordhorst
6030 Bethel Heights Road
Salem, Oregon 97304

ELECTED OFFICIALS

Valerie Patoine, Assessor
Valerie Unger, Clerk
Aaron Felton, District Attorney
Mark Garton, Sheriff
Steve Milligan, Treasurer

POLK COUNTY
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Independent Auditor’s Report Required by Oregon
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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Polk County
Dallas, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Polk County (the "County"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Polk County, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Public Works, Behavioral Health and American Rescue Plan funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 the County 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 the County's ability to continue as a going concern for 12 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 opinions. 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 GAAS and *Government Auditing Standards* will always detect material misstatements 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 the County'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages *i -viii* and the schedules on pages 59 – 63 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining statements, individual fund schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the County'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 the County's internal control over financial reporting and compliance.

Board of Commissioners
Polk County
Independent Auditor's Report
January 25, 2024

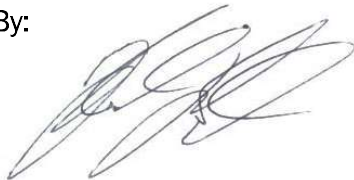
Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated January 25, 2024, on our consideration of the County's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Singer Lewak LLP

January 25, 2024

By:



Bradley G. Bingenheimer, Partner

MANAGEMENT'S DISCUSSION AND ANALYSIS

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**POLK COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

The management of Polk County, Oregon presents this narrative overview and analysis of the financial activities, for the fiscal year ended June 30, 2023. This discussion and analysis is intended to serve as an introduction to the basic financial statements as well as provide additional information to readers. We encourage readers to consider this information in conjunction with the accompanying financial statements. This narrative is based on currently known facts, decisions and conditions that existed as of the date of the independent auditors' report.

Financial Highlights

- The County's assets exceeded its liabilities by \$53,311,387 at June 30, 2023, on its government-wide statement of net position. Of this amount, \$49,649,387 is the net investment in capital assets and \$25,767,136 is restricted for various purposes.
- The County's total net position increased \$11,429,079 during the current fiscal year. This increase is attributable to revenue in excess of expenses. Expenses include \$4,232,580 for depreciation and amortization non-cash expenses. Expenses in the current year were decreased by pension cost adjustments of \$623,497 and increased for OPEB cost adjustments of \$106,050 as required by governmental accounting standards.
- At June 30, 2023, unassigned fund balance for the General Fund was \$6,352,369 or approximately 26% of total General Fund expenditures for the year.
- Actual pension contributions paid during this fiscal year were \$5,960,323, but due to adjustments required by GASB 68, pension expense for the year was a decrease of \$623,497. This standard is likely to produce large shifts in pension costs and pension liability from year to year in the future.

Overview of the Financial Statements

The County's basic financial statements are made up of three components:

1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also contains supplementary information in addition to the basic financial statements.

Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector business.

- The statement of net position presents information on all assets and liabilities of the County, with the difference between the two reported as net position. Over time, increases or decreases in net position may be a useful indicator of whether the financial position of the County is improving or deteriorating.
- The statement of activities presents a summary of current fiscal year income and expense and shows how the County's net position changed during the year on an accrual basis. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused employee vacation leave).

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Overview of the Financial Statements (continued)

It is required that both government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). All functions of Polk County are classified as governmental activities.

The government-wide financial statements can be found on pages 1 and 2 of this report.

Fund financial statements are financial reports that provide more detail than the government-wide financial statements. A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Polk County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the County can be divided into three categories: governmental, proprietary and fiduciary.

- **Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements are presented on a modified-accrual basis. The measurement focus for the fund statements is based on the acquisition and use of current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating the County's near-term financing requirements.

The County maintains 26 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Public Works, Behavioral Health, and American Rescue Plan, all of which are considered to be major governmental funds. Data for the other 22 governmental funds are combined into a single aggregated presentation. The Polk County Extension District is considered a component unit of the County and, for the purposes of the financial statements, is included with the County governmental funds. Financial information for governmental funds is included on pages 3 through 14 in this report and is reconciled to the government-wide statements on pages 4 and 6. Individual fund data for each of the non-major funds is provided in the form of combining and individual fund statements and schedules on pages 64 through 90 in this report.

- **Proprietary funds** are used by the County to allocate costs internally among various functions and to report business-type activities. The County currently maintains no business-type activities, but uses proprietary internal service funds to account for overall management activities including finance, Board of Commissioners, insurance and risk management, fleet management, telephone and data processing, mail processing and facilities management. Because these services benefit governmental functions, they have been included with governmental activities in the government-wide financial statements. Summary information about Polk County's internal service funds is contained on pages 15-17 and detailed fund information can be found on pages 91 through 97 of this report.
- **Fiduciary funds** (agency funds) are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds do not belong to the County and are not available to support County programs. The County maintains agency funds for taxing districts, for inmates at the jail and various other miscellaneous trust accounts as the need arises. Information about Agency fund activity for the year is located on pages 18 and 19 of this report.

The County adopts an annual appropriated budget for all governmental and proprietary funds. Budgetary comparison statements have been provided for each fund to demonstrate compliance with budget.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
Overview of the Financial Statements (continued)

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 20 of this report.

Required Supplementary Information

Accounting standards generally accepted in the United States of America provide for certain required supplementary information to supplement the County’s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board. This required supplementary information is presented on pages 59-63.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information required by State regulations and by the Federal government. This supplementary information is presented on pages 64-99.

Government-wide Financial Analysis

Assets exceeded liabilities by \$53,311,387 at June 30, 2023. Net investment in capital assets is \$49,649,387. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

NET POSITION

	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>Change</u>
Assets			
Current Assets	\$ 42,161,832	\$ 45,795,460	\$ 3,633,628
Capital Assets, net	63,069,601	66,856,283	3,786,682
Total Assets	<u>105,231,433</u>	<u>112,651,743</u>	<u>7,420,310</u>
Deferred Outflows	16,666,261	16,167,726	(498,535)
Total Assets and Deferred Outflows	<u>121,897,694</u>	<u>128,819,469</u>	<u>6,921,775</u>
Liabilities			
Current Liabilities	14,051,836	11,353,870	(2,697,966)
Long-Term Liabilities	22,030,393	20,793,114	(1,237,279)
Net Pension Liability	24,461,258	32,914,302	8,453,044
Total Liabilities	<u>60,543,487</u>	<u>65,061,286</u>	<u>4,517,799</u>
Deferred Inflows	19,471,899	10,446,796	(9,025,103)
Total Liabilities and Deferred Inflows	<u>80,015,386</u>	<u>75,508,082</u>	<u>(4,507,304)</u>
Net Position			
Net Investment in Capital Assets	45,071,470	49,649,387	4,577,917
Restricted Net Position	19,336,033	25,767,136	6,431,103
Unrestricted	(22,525,195)	(22,105,136)	420,059
Total Net Position	<u>\$ 41,882,308</u>	<u>\$ 53,311,387</u>	<u>\$ 11,429,079</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-wide Financial Analysis (continued)

During the year, current assets increased \$3,633,628. Net capital assets increased \$3,786,682. Details of capital assets acquired appears later in this narrative.

At June 30, 2023, the balance of deferred outflows relating to pension was \$15,946,864, a decrease of \$452,052 from the prior year. At June 30, 2023, the balance of deferred outflows related to other postemployment benefits was \$220,862, a decrease of \$46,483 from the prior year.

Liabilities increased \$4,517,799 during the year. This change includes a \$2,697,966 decrease in current liabilities, a \$1,237,279 decrease in long term liabilities and an \$8,453,044 increase in net pension liability. Accounts payable and accrued liabilities increased \$3,006,456, and unearned revenues decreased \$5,703,472 due to the use of coronavirus state and local fiscal recovery funds. Current portion of long-term debt, leases and SIBTA decreased \$118,514 and liability for compensated absences increased \$26,570. Long term liabilities for debt obligations decreased \$1,383,959 due to payments on debt obligations and amortization of lease and SBITA liabilities. However, there was an \$7,980,430 increase in net pension liability and other post-employment benefits.

Net position of the County increased \$11,429,079 during the year. This change includes an increase of \$4,577,917 in net investment in capital assets, increase of \$6,431,103 in restricted net position, and an increase of \$420,059 in unrestricted net position. Net investment in capital assets is defined as the total purchase price of the capital assets owned reduced by the accumulated depreciation on those assets, less the balance of debt relating to these assets. The remaining deficit net position of \$22,525,195 is unrestricted.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-wide Financial Analysis (continued)

Key elements of the net position increase and a comparison with the prior year are as follows.

CHANGES IN NET POSITION

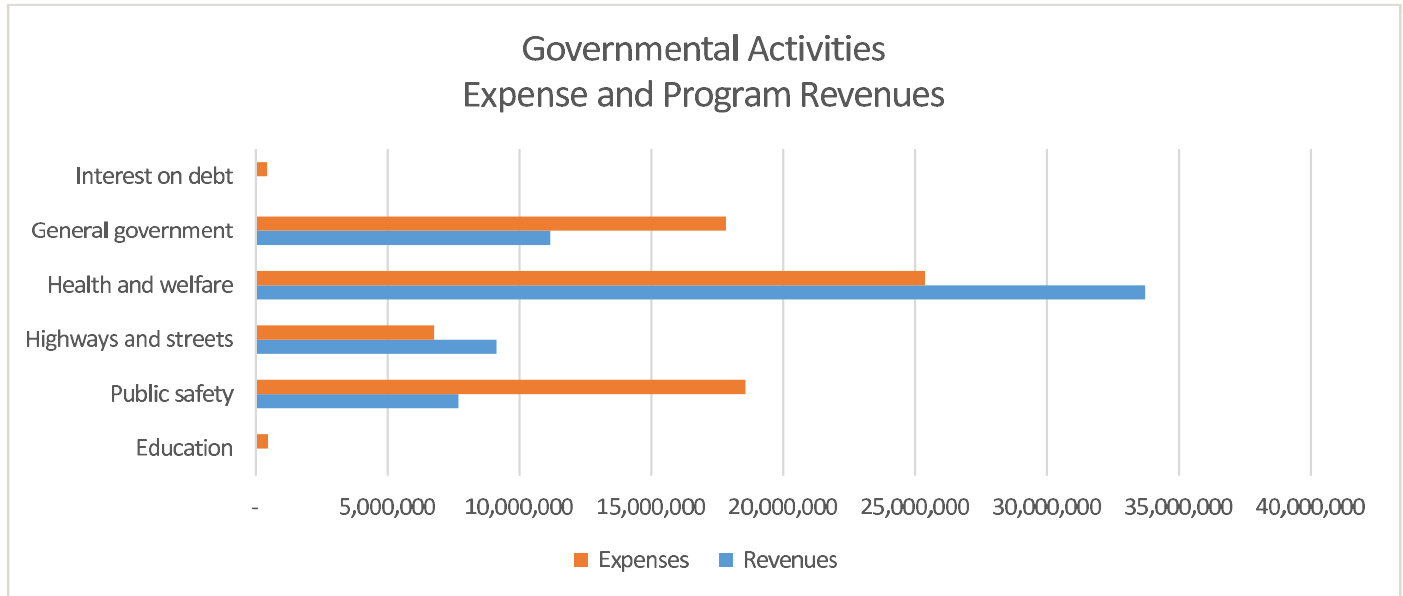
	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>Change</u>
Program revenues:			
Charges for services	\$ 6,013,577	\$ 6,786,911	\$ 773,334
Program grants and contributions	44,922,208	54,915,966	9,993,758
General revenues:			
Property taxes	15,034,209	15,638,848	604,639
Franchise fees	636,249	719,963	83,714
Other grants and contributions	842,229	805,012	(37,217)
Interest earnings	179,124	1,107,797	928,673
Miscellaneous	308,416	858,504	550,088
Total Revenues	<u>67,936,012</u>	<u>80,833,001</u>	<u>12,896,989</u>
Expenses:			
General government	16,134,834	17,825,373	1,690,539
Public safety	16,504,810	18,560,646	2,055,836
Highways and streets	6,081,500	6,757,626	676,126
Health and welfare	20,306,464	25,367,633	5,061,169
Education	472,294	467,904	(4,390)
Interest on long-term debt	433,014	424,740	(8,274)
Total Expense	<u>59,932,916</u>	<u>69,403,922</u>	<u>9,471,006</u>
Increase (decrease) in net position	<u>8,003,096</u>	<u>11,429,079</u>	<u>3,425,983</u>
Beginning net position	<u>33,879,212</u>	<u>41,882,308</u>	<u>8,003,096</u>
Ending net position	<u>\$ 41,882,308</u>	<u>\$ 53,311,387</u>	<u>\$ 11,429,079</u>

Total revenues for the year were \$80,833,001, an increase of \$12,896,989 over the prior year. Revenues include direct program revenue of \$61,702,877 and general revenue of \$19,130,124. Program revenue is defined as charges for services and operating grants and revenues, which are allocable directly to programs. Program revenue increased \$10,767,092 and general revenue increased by \$2,129,897 when compared to the prior year. Program revenue increased \$773,334 for charges for services and \$9,993,758 for grants and contributions. General revenues increased \$604,639 for property tax and \$83,714 for franchise fees. Other grants and contributions decreased \$37,217, interest earnings increased \$928,673, and miscellaneous revenues increased \$550,088.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Government-wide Financial Analysis (continued)

Total expenses increased \$9,471,006 this year when compared to the prior year. Per the Statement of Activities, expenses increased in most categories: General government \$1,690,539, Public safety \$2,055,836, Highways and streets \$676,126, and Health and welfare \$5,061,169. Education decreased \$4,390 and Interest on long term debt decreased \$8,274.



The chart above compares direct program revenue with program expenses. During the past year, there were increases in General government, Public safety, Health and welfare, and Highways and streets expenses due to the effects of the increase in pension liabilities, and an increase in Health and welfare operating grants and contributions due to increases in health services as full operations were resumed.

Financial Analysis of the County’s Funds

As required, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At June 30, 2023, the County’s governmental funds have combined ending fund balances of \$32,302,791, which includes an increase of \$6,342,757 during the current fiscal year. The ending fund balance consists of \$971,492 defined as nonspendable, \$24,877,103 defined as restricted and \$153,008 defined as committed. Nonspendable fund balances include inventory and prepaid expenses which are nonspendable due to the nature of the item. Restricted fund balances are restricted by agencies or funding sources outside the County organization. Committed fund balances are committed for designated purposes by the County Board of Commissioners. Fund balances not included in these defined categories are considered unassigned and available for appropriation in the subsequent year at the Board’s discretion. The County’s unassigned fund balance at June 30, 2023 is \$6,301,188, a decrease of \$90,857 increase over the \$6,392,045 unassigned fund balance at June 30, 2022.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Financial Analysis of the County’s Funds

The General Fund is the chief operating fund of the County. At June 30, 2023, unassigned General Fund balance was \$6,352,369, approximately 91% of the total General Fund balance. The General Fund balance increased \$154,684 during the current fiscal year, compared to an increase of \$732,402 in the prior year.

The fund balances of the County’s major funds changed during the year as follows: General Fund – increase \$154,684, Public Works – increase \$681,027, and Behavioral Health – increase \$4,109,063, American Rescue Plan – increase \$10,237. The fund increases were the result of revenues in excess of expenditures. Other non-major governmental funds combined showed a fund balance increase of \$1,387,746. The fund increases were the result of revenues in excess of expenditures.

General Fund Budgetary Highlights

During the fiscal year, two budget modifications were adopted by the Board. The modifications transferred \$1,203,000 from general fund operating contingency to various departments. Appropriation increases included the following: Community Development - \$25,000 Clerk Elections - \$70,000, District Attorney - \$10,000, Sheriff - \$375,000, Emergency Management - \$350,000 and Non-Departmental - \$5,000. There was also an increase in transfers to other funds in the amount of \$368,000.

Capital Assets and Debt Administration

The County’s investment in capital assets, net of depreciation at June 30, 2023, is \$66,856,283. This investment in capital assets includes land, building and improvements, machinery and equipment, roads and bridges, vehicles and construction in progress. The net increase during the current year was \$3,786,682.

New assets acquired include finishing construction on the Evidence and Public Works/Emergency Management Building (\$9,702,385), other improvements to buildings (\$228,790), machinery and equipment (\$338,622), vehicles (\$703,076), and computers (\$1,574,490). In addition, the implementation of GASB 96 added \$726,738 in right to use assets as of the beginning of the year. Currently, the county has a few large projects sitting in work in process. Of those projects, the largest one is FCO building which will be completed in the 2023-2024 fiscal year. In addition to the FCO building, the following are the larger county projects, Grand Ronde Road upgrade (\$942,848), Hankel Transitional Housing Project (\$657,014), Buena Vista Boat Launch and Park (\$380,170), Jail Cameras (\$1,196,302), Fairgrounds Upgrades (\$273,189) and HVAC Upgrade - Jail (\$73,829). Eleven new vehicles were purchased during the year for a total of \$703,076.18. Four of the vehicles belong to the Sheriff’s office, three of the vehicles to Public Works, one to Community Corrections, and the other vehicles were for Emergency Crisis.

The investment in capital assets balance for the year is increased by asset acquisitions net of reclassifications of CIP (\$7,311,927) and initial capitalization of right of use acquisitions in accordance with GASB 96 (\$726,738), decreased by depreciation expense (\$3,548,755) amortization expense (\$683,825), and asset dispositions (\$19,404). Additional detail about capital asset changes can be found in Note 5 labeled “Capital Assets” in the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Capital Assets and Debt Administration (continued)

At the end of the current fiscal year, the County owed \$13,134,531 in long-term obligations, which is the total of three bond issues and a land sales contract. Bonds (certificates of participation) in the amount of \$2,250,000 were issued in 2011 for the primary purpose of debt payoff and remodeling to the Academy Building. Additional bonds (\$790,000) were issued in April 2012 for the purpose of paying off debt which financed the 2004 Falls City road project. Additional bonds (\$14,300,000) were issued in 2019 for the remodel of the Courthouse and for construction of new Emergency Management and Public Works buildings. Principal payments of \$845,000 and interest of \$309,772 were paid on the bonds during the year. Bond payments for the certificates of participation are made from the Building Improvement Fund using savings in rental costs. Bond payments for the Falls City road project are made by the Public Works Fund from revenue. Bond payments for the Courthouse remodel and Emergency Management/Public Works complex were made from savings in rental costs.

During 2019, a land sales contract was incurred in the amount of \$525,000 for the purchase of land and buildings. Principal payments of \$17,620 and interest payments of \$23,957 were made during the year.

Additional details about debt and repayment terms are contained (Note 6) in notes to the financial statements.

Key Economic Factors and Next Year's Budget Information

- Polk County's fiscal year 2023-24 budgeted appropriations increased \$7,028,950 compared to the prior year budget.
- General Fund resources for fiscal year 2023-24 are budgeted at \$32,417,550. This includes a beginning fund balance of \$6,400,000.
- Significant changes in fiscal year 2023-24 budgeted expenses, including percentage change from the prior year's final budget are:
 - Public Works increase - \$4,022,000 (30%), increase as a result of receiving additional funding for projects previously completed and in progress.
 - Health Services increase - \$2,715,000 (44%), due to a budgeted inter-fund loan to finish construction of a new building and prevention monies from the State to address homelessness.
 - Public Health decrease – \$432,500 (11%) mainly due to the ramp down of COVID.
 - Behavioral Health increase - \$5,000,000 (14%) increase as a result of receiving additional federal and state funding due to new state programs and funding streams.

Requests for Information

This report is designed to provide a general overview of Polk County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to:

Katlyn D'Agostini
Polk County Finance Director
850 Main Street
Dallas, Oregon 97338
Phone: 503-623-9264

BASIC FINANCIAL STATEMENTS

POLK COUNTY
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 37,086,088
Receivables, net	6,066,675
Inventory	423,915
Assets held for sale	765,029
Prepaid items	803,257
Net other postemployment benefit asset	450,496
Deposit on property	200,000
Capital assets:	
Land and construction in progress	9,001,226
Other capital assets, net	<u>57,855,057</u>
 Total assets	 <u>112,651,743</u>
Deferred outflows of resources	
Pension related items	15,946,864
Other postemployment benefit related items	<u>220,862</u>
Total deferred outflows of resources	<u>16,167,726</u>
Liabilities	
Accounts payable and accrued liabilities	5,347,018
Deposits	3,300
Unearned revenue	6,003,552
Long-term liabilities:	
Due within one year	2,968,010
Due in more than one year	<u>50,739,406</u>
 Total liabilities	 <u>65,061,286</u>
Deferred inflows of resources	
Pension related items	9,412,958
Other postemployment benefit related items	<u>1,033,838</u>
 Total deferred inflows of resources	 <u>10,446,796</u>
Net position	
Net investment in capital assets	49,649,387
Restricted for:	
Highways and streets	3,950,298
Health and welfare	15,848,853
Public safety	608,500
Economic development	626,436
Community housing	3,327,786
Education	68,084
Other purposes	1,337,179
Unrestricted	<u>(22,105,136)</u>
 Total net position	 <u>\$ 53,311,387</u>

POLK COUNTY
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 17,825,373	\$ 2,626,885	\$ 8,536,778	\$ (6,661,710)
Public safety	18,560,646	1,247,532	6,442,317	(10,870,797)
Highways and streets	6,757,626	665,076	8,458,755	2,366,205
Health and welfare	25,367,633	2,247,418	31,478,116	8,357,901
Education	467,904	-	-	(467,904)
Interest	424,740	-	-	(424,740)
Total governmental activities	\$ 69,403,922	\$ 6,786,911	\$ 54,915,966	(7,701,045)
General revenues:				
Taxes levied for:				
General purposes				15,115,328
Education				523,520
Franchise fees				719,963
Grants and contributions not restricted to specific programs				805,012
Unrestricted investment earnings				1,107,797
Miscellaneous				753,895
Gain on sale of asset				104,609
Total general revenues and transfers				19,130,124
Change in net position				11,429,079
Net position - beginning				41,882,308
Net position - ending				\$ 53,311,387

POLK COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General	Public Works	Behavioral Health	American Rescue Plan	Total Nonmajor Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 6,430,114	\$ 4,068,913	\$ 12,909,888	\$ 6,942,567	\$ 6,155,781	\$ 36,507,263
Receivables	1,901,693	1,206,933	1,798,534	8,811	1,132,627	6,048,598
Inventory	-	423,915	-	-	-	423,915
Assets held for resale	-	-	765,029	-	-	765,029
Prepaid items	47,681	414,913	17,438	43,750	23,795	547,577
Due from other funds	232,925	-	-	-	-	232,925
Total assets	\$ 8,612,413	\$ 6,114,674	\$ 15,490,889	\$ 6,995,128	\$ 7,312,203	\$ 44,525,307
Liabilities, deferred inflows and fund balances						
Liabilities						
Accounts payable and accrued liabilities	\$ 972,749	\$ 1,325,548	\$ 1,088,149	\$ 1,324,831	\$ 446,100	\$ 5,157,377
Unearned revenue	-	-	-	5,660,060	343,492	6,003,552
Due to other funds	-	-	-	-	155,300	155,300
Consumer deposits	-	-	-	-	3,300	3,300
Total liabilities	972,749	1,325,548	1,088,149	6,984,891	948,192	11,319,529
Deferred inflows of resources						
Unavailable revenue	660,436	4,784	-	-	237,767	902,987
Fund balances						
Nonspendable	47,681	838,828	17,438	43,750	23,795	971,492
Restricted	579,178	3,945,514	14,385,302	-	5,967,109	24,877,103
Committed	-	-	-	-	153,008	153,008
Unassigned	6,352,369	-	-	(33,513)	(17,668)	6,301,188
Total fund balances	6,979,228	4,784,342	14,402,740	10,237	6,126,244	32,302,791
Total liabilities, deferred inflows and fund balances	\$ 8,612,413	\$ 6,114,674	\$ 15,490,889	\$ 6,995,128	\$ 7,312,203	\$ 44,525,307

POLK COUNTY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2023

Fund balances - total governmental funds	\$	32,302,791
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
The statement of net position reports a net other postemployment benefit asset for the County's participation in the Oregon PERS Retiree Health Insurance Account		450,496
The deposit on property is not a financial resource and therefore is not reported in the funds		200,000
Capital and lease assets used in governmental activities are not financial resources and therefore, are not reported in the funds		66,856,283
The government-wide statements report as a deferred outflow contributions made to OPERS subsequent to the measurement date of June 30, 2020 and changes in assumptions and investment returns related to its participation in OPERS		15,946,864
The government-wide statements report a deferred outflow related to changes in assumptions and investment returns related to participation in other postemployment benefit plans		220,862
Other long-term assets are not available for current period expenditures and, therefore, are reported as unavailable revenue in the funds		902,987
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds		(53,707,416)
The government-wide statements report as a deferred inflow the effect of difference between projected and actual earnings and changes in proportionate share of contributions to OPERS		(9,412,958)
The government-wide statements report as a deferred inflow the effect of difference between projected and actual earnings and changes in proportionate share of contributions to other postemployment benefit plans		(1,033,838)
Current assets and liabilities of internal service funds are included in governmental activities:		
Cash and cash equivalents	\$	596,493
Receivables, net		18,077
Prepaid items		255,680
Accounts payable		(189,641)
Due to other funds		(95,293)
		585,316
Net position of governmental activities	\$	<u>53,311,387</u>

POLK COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	General	Public Works	Behavioral Health	American Rescue Plan	Total Nonmajor Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 15,094,092	\$ 397	\$ -	\$ -	\$ 521,645	\$ 15,616,134
Franchise fees	474,658	-	-	-	245,305	719,963
Licenses, permits and fees	261,956	10	-	-	849,484	1,111,450
Fines and forfeitures	110,373	-	-	-	4,931	115,304
Charges for services	1,903,854	665,066	2,434,739	-	2,783,584	7,787,243
Donations	274	-	-	-	1,605,295	1,605,569
Intergovernmental	8,129,427	8,661,106	23,299,123	5,023,530	8,993,919	54,107,105
Interest	706,300	85,104	300,863	-	15,530	1,107,797
Miscellaneous	557,141	2,704	266,822	10,237	22,374	859,278
Total revenues	<u>27,238,075</u>	<u>9,414,387</u>	<u>26,301,547</u>	<u>5,033,767</u>	<u>15,042,067</u>	<u>83,029,843</u>
Expenditures						
Current						
General government	4,012,336	-	-	4,701,316	3,776,139	12,489,791
Public safety	19,878,806	-	-	-	1,608,307	21,487,113
Highways and streets	-	7,907,858	-	-	170,933	8,078,791
Health and welfare	265,485	-	21,649,156	-	9,482,575	31,397,216
Education	-	-	-	-	438,937	438,937
Debt service	9,440	66,120	261,235	-	1,162,001	1,498,796
Capital outlay	703,564	280,142	282,093	172,214	258,429	1,696,442
	-	-	-	-	-	-
Total expenditures	<u>24,869,631</u>	<u>8,254,120</u>	<u>22,192,484</u>	<u>4,873,530</u>	<u>16,897,321</u>	<u>77,087,086</u>
Excess (deficiency) of revenues over expenditures	<u>2,368,444</u>	<u>1,160,267</u>	<u>4,109,063</u>	<u>160,237</u>	<u>(1,855,254)</u>	<u>5,942,757</u>
Other financing sources (uses)						
Transfers in	-	20,760	-	-	3,243,000	3,263,760
Transfers out	(2,213,760)	(500,000)	-	(150,000)	-	(2,863,760)
Total other financing sources (uses)	<u>(2,213,760)</u>	<u>(479,240)</u>	<u>-</u>	<u>(150,000)</u>	<u>3,243,000</u>	<u>400,000</u>
Net change in fund balances	154,684	681,027	4,109,063	10,237	1,387,746	6,342,757
Fund balances at beginning of year	6,824,544	4,103,315	10,293,677	-	4,738,498	25,960,034
Fund balance at end of year	<u>\$ 6,979,228</u>	<u>\$ 4,784,342</u>	<u>\$ 14,402,740</u>	<u>\$ 10,237</u>	<u>\$ 6,126,244</u>	<u>\$ 32,302,791</u>

See notes to financial statements

POLK COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Net change in fund balances - total governmental funds	\$	6,342,757
 <i>Amounts reported for governmental activities in the Statement of Activities are different because of the following</i>		
 Governmental funds report the acquisition of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between those two amounts is:		
Acquisition of capital assets	\$ 7,311,928	
Depreciation	<u>(3,548,755)</u>	3,763,173
 The net effect of transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position		
		(19,404)
 Leases in which the County is the lessee in governmental activities, an expenditure is recorded in the governmental funds for the amount of the present value of future lease payments; however, in the statement of activities, the present value of future lease payments is recognized as an intangible asset and amortized over the lease term.		
Amortization	<u>(668,825)</u>	(668,825)
 In the statement of activities, revenues are recognized when earned. However, in the governmental fund statements, revenues are reported when the amount is measurable and available. This results in differences in amounts reported for other revenues.		
		275,266
 Repayment of long-term debt and lease payments is an expenditure in the governmental fund statements, but the repayment reduces long-term and lease liabilities in the statement of net position		
Payments on long-term debt	862,620	
Amortization	<u>640,353</u>	1,502,973
 Changes in net pension liability, and pension related deferred outflows and inflows increase the pension expense in the current year, but do not require the use of current financial resources		
		623,497
 Changes in the net other postemployment benefits asset, liability, and related deferred outflows and inflow increase the employee benefit expense in the year, but do not require the use of current financial resources		
		(106,050)
 Internal service funds are used to account for costs of the County's central services and insurance programs. The primary funding sources are charges to other funds		
Change in net position	(419,210)	
Depreciation and amortization expense included above	458,385	
Decrease in lease liability included above	(347,109)	
Decrease in pension expense included above	17,876	
Increase in employee benefit expense included above	11,665	
Increase in compensated absences included above	<u>20,654</u>	(257,739)
 Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences		<u>(26,569)</u>
Change in net position of governmental activities		<u>\$ 11,429,079</u>

POLK COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
Revenues				
Property taxes	\$ 15,120,000	\$ 15,120,000	\$ 15,094,092	\$ (25,908)
Franchise fees	420,000	420,000	474,658	54,658
Licenses, permits and fees	277,500	277,500	261,956	(15,544)
Fines and forfeitures	114,500	114,500	110,373	(4,127)
Charges for services	2,076,500	2,076,500	1,903,854	(172,646)
Intergovernmental	8,121,600	8,121,600	8,129,427	7,827
Donations	1,000	1,000	274	(726)
Interest	100,000	100,000	706,300	606,300
Miscellaneous	30,000	30,000	557,141	527,141
Total revenues	26,261,100	26,261,100	27,238,075	976,975
Expenditures				
County clerk				
Recording				
Personnel services	143,129	153,129	152,612	517
Materials and services	8,550	8,550	3,112	5,438
Interdepartment charges	77,816	77,816	77,816	-
Total recording	229,495	239,495	233,540	5,955
Elections				
Personnel services	197,890	197,890	199,582	(1,692)
Materials and services	120,000	180,000	169,607	10,393
Interdepartment charges	93,178	93,178	93,178	-
Total elections	411,068	471,068	462,367	8,701
Total County clerk	640,563	710,563	695,907	14,656
Treasurer				
Personnel services	48,460	48,460	25,703	22,757
Materials and services	7,400	7,400	2,381	5,019
Interdepartment charges	12,036	12,036	12,036	-
Total treasurer	67,896	67,896	40,120	27,776
Non-departmental				
Fund-wide				
Materials and services	6,500	11,500	6,436	5,064
Total non-departmental	6,500	11,500	6,436	5,064
O & C Timber Title III				
Personnel services	60,000	60,000	6,375	53,625
Total O & C Timber Title III	60,000	60,000	6,375	53,625

Continued on next page

See notes to financial statements

POLK COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
Assessor				
Personnel services	\$ 1,271,008	\$ 1,271,008	\$ 1,248,951	\$ 22,057
Materials and services	57,000	57,000	55,374	1,626
Interdepartment charges	<u>416,600</u>	<u>416,600</u>	<u>416,600</u>	<u>-</u>
Total assessment	<u>1,744,608</u>	<u>1,744,608</u>	<u>1,720,925</u>	<u>23,683</u>
Tax collector				
Personnel services	278,735	278,735	194,389	84,346
Materials and services	34,760	34,760	43,182	(8,422)
Interdepartment charges	<u>81,935</u>	<u>81,935</u>	<u>81,935</u>	<u>-</u>
Total tax collector	<u>395,430</u>	<u>395,430</u>	<u>319,506</u>	<u>75,924</u>
Community Development				
Environmental Health				
Personnel services	325,682	325,682	170,405	155,277
Materials and services	30,750	30,750	25,235	5,515
Interdepartment charges	<u>69,845</u>	<u>69,845</u>	<u>69,845</u>	<u>-</u>
Total environmental health	<u>426,277</u>	<u>426,277</u>	<u>265,485</u>	<u>160,792</u>
Planning				
Personnel services	493,426	493,426	458,741	34,685
Materials and services	36,750	61,750	73,816	(12,066)
Interdepartment charges	<u>147,029</u>	<u>147,029</u>	<u>147,029</u>	<u>-</u>
Total planning	<u>677,205</u>	<u>702,205</u>	<u>679,586</u>	<u>22,619</u>
Total community development	<u>1,103,482</u>	<u>1,128,482</u>	<u>945,071</u>	<u>183,411</u>
District Attorney				
Prosecution				
Personnel services	1,580,661	1,580,661	1,348,383	232,278
Materials and services	100,500	100,500	133,662	(33,162)
Interdepartment charges	<u>238,943</u>	<u>238,943</u>	<u>238,943</u>	<u>-</u>
Total prosecution	<u>1,920,104</u>	<u>1,920,104</u>	<u>1,720,988</u>	<u>199,116</u>
Support enforcement				
Personnel services	372,333	382,333	383,160	(827)
Materials and services	25,325	25,325	16,053	9,272
Interdepartment charges	<u>67,679</u>	<u>67,679</u>	<u>67,679</u>	<u>-</u>
Total support enforcement	<u>465,337</u>	<u>475,337</u>	<u>466,892</u>	<u>8,445</u>

Continued on next page

POLK COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
Victim's assistance				
Personnel services	\$ 347,518	\$ 347,518	\$ 282,179	\$ 65,339
Materials and services	15,300	15,300	27,958	(12,658)
Interdepartment charges	68,459	68,459	68,459	-
Total victim's assistance	<u>431,277</u>	<u>431,277</u>	<u>378,596</u>	<u>52,681</u>
Court appointed special advisor (CASA)				
Materials and services	25,000	25,000	25,000	-
Medical examiner				
Personnel services	59,584	59,584	49,698	9,886
Materials and services	12,550	12,550	12,438	112
Interdepartment charges	2,039	2,039	2,039	-
Total medical examiner	<u>74,173</u>	<u>74,173</u>	<u>64,175</u>	<u>9,998</u>
Total District Attorney	<u>2,915,891</u>	<u>2,925,891</u>	<u>2,655,651</u>	<u>270,240</u>
Sheriff				
Patrol				
Personnel services	5,247,209	5,247,209	4,738,890	508,319
Materials and services	1,051,500	1,051,500	1,098,634	(47,134)
Interdepartment charges	559,132	559,132	559,132	-
Capital outlay	125,000	175,000	406,953	(231,953)
Total patrol	<u>6,982,841</u>	<u>7,032,841</u>	<u>6,803,609</u>	<u>229,232</u>
Jail				
Personnel services	4,840,264	4,840,264	5,017,870	(177,606)
Materials and services	1,570,500	1,895,500	1,699,074	196,426
Interdepartment charges	733,935	733,935	733,935	-
Capital outlay	-	-	16,969	(16,969)
Total jail	<u>7,144,699</u>	<u>7,469,699</u>	<u>7,467,848</u>	<u>1,851</u>
Total sheriff	<u>14,127,540</u>	<u>14,502,540</u>	<u>14,271,457</u>	<u>231,083</u>
Emergency management				
Personnel services	213,285	213,285	215,028	(1,743)
Materials and services	321,900	671,900	598,535	73,365
Interdepartment charges	69,933	69,933	69,933	-
Capital outlay	-	-	27,500	(27,500)
Total emergency management	<u>605,118</u>	<u>955,118</u>	<u>910,996</u>	<u>44,122</u>

Continued on next page

See notes to financial statements

POLK COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
Community corrections				
Personnel services	\$ 1,742,681	\$ 1,742,681	\$ 1,799,385	\$ (56,704)
Materials and services	562,500	562,500	371,585	190,915
Interdepartment charges	330,594	330,594	330,594	-
Capital outlay	40,000	40,000	34,912	5,088
Total community corrections	<u>2,675,775</u>	<u>2,675,775</u>	<u>2,536,476</u>	<u>139,299</u>
Community service - diversion				
Personnel services	344,767	344,767	253,338	91,429
Materials and services	48,800	48,800	41,386	7,414
Interdepartment charges	26,351	26,351	26,351	-
Total community service - diversion	<u>419,918</u>	<u>419,918</u>	<u>321,075</u>	<u>98,843</u>
Parks Maintenance				
Materials and services	75,250	75,250	219,164	(143,914)
Interdepartment charges	3,242	3,242	3,242	-
Capital outlay	1,300,000	1,300,000	217,230	1,082,770
Total parks maintenance	<u>1,378,492</u>	<u>1,378,492</u>	<u>439,636</u>	<u>938,856</u>
Contingency	4,194,887	2,991,887	-	2,991,887
Total expenditures	<u>30,336,100</u>	<u>29,968,100</u>	<u>24,869,631</u>	<u>5,098,469</u>
Excess (deficiency) of revenues over expenditures	<u>(4,075,000)</u>	<u>(3,707,000)</u>	<u>2,368,444</u>	<u>6,075,444</u>
Other financing sources (uses)				
Sale of capital assets	5,000	5,000	-	(5,000)
Transfers out	(2,130,000)	(2,498,000)	(2,213,760)	284,240
Total other financing sources (uses)	<u>(2,125,000)</u>	<u>(2,493,000)</u>	<u>(2,213,760)</u>	<u>279,240</u>
Net change in fund balance	(6,200,000)	(6,200,000)	154,684	6,354,684
Fund balance at beginning of year	6,200,000	6,200,000	6,824,544	624,544
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,979,228</u>	<u>\$ 6,979,228</u>

POLK COUNTY
PUBLIC WORKS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ -	\$ -	\$ 397	\$ 397
Licenses, permits and fees	-	-	10	10
Charges for services	507,000	507,000	665,066	158,066
Intergovernmental	8,160,000	8,160,000	8,661,106	501,106
Interest	10,000	10,000	85,104	75,104
Miscellaneous	-	-	2,704	2,704
	<u>8,677,000</u>	<u>8,677,000</u>	<u>9,414,387</u>	<u>737,387</u>
Expenditures				
Administration				
Personnel services	407,100	407,100	422,735	(15,635)
Materials and services	141,350	141,350	113,283	28,067
Interdepartment charges	445,220	445,220	445,220	-
Capital outlay	-	-	8,379	(8,379)
	<u>993,670</u>	<u>993,670</u>	<u>989,617</u>	<u>4,053</u>
County shops				
Personnel services	347,486	387,486	361,557	25,929
Materials and services	307,000	367,000	330,554	36,446
Capital outlay	5,000	5,000	-	5,000
	<u>659,486</u>	<u>759,486</u>	<u>692,111</u>	<u>67,375</u>
Road maintenance				
Personnel services	1,613,156	1,613,156	1,514,099	99,057
Materials and services	3,883,000	3,883,000	2,734,257	1,148,743
Capital outlay	400,000	400,000	271,763	128,237
	<u>5,896,156</u>	<u>5,896,156</u>	<u>4,520,119</u>	<u>1,376,037</u>
Road construction				
Materials and services	675,500	1,075,500	1,127,444	(51,944)
Debt payment	65,000	65,000	66,120	(1,120)
Capital outlay	90,000	90,000	-	90,000
	<u>830,500</u>	<u>1,230,500</u>	<u>1,193,564</u>	<u>36,936</u>
Survey				
Personnel services	391,196	411,196	430,919	(19,723)
Materials and services	46,500	56,500	12,406	44,094
	<u>437,696</u>	<u>467,696</u>	<u>443,325</u>	<u>24,371</u>

Continued on next page

POLK COUNTY
PUBLIC WORKS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Engineering				
Personnel services	\$ 438,964	\$ 438,964	\$ 407,049	\$ 31,915
Materials and services	14,500	14,500	8,335	6,165
Total engineering	<u>453,464</u>	<u>453,464</u>	<u>415,384</u>	<u>38,080</u>
Contingency	<u>3,121,028</u>	<u>2,591,028</u>	-	<u>2,591,028</u>
Total expenditures	<u>12,392,000</u>	<u>12,392,000</u>	<u>8,254,120</u>	<u>4,137,880</u>
Excess (deficiency) of revenues over expenditures	<u>(3,715,000)</u>	<u>(3,715,000)</u>	<u>1,160,267</u>	<u>4,875,267</u>
Other financing sources (uses)				
Sale of capital assets	15,000	15,000	-	(15,000)
Transfers in	400,000	400,000	20,760	(379,240)
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	-
Total other financing sources (uses)	<u>(85,000)</u>	<u>(85,000)</u>	<u>(479,240)</u>	<u>(394,240)</u>
Net change in fund balance	(3,800,000)	(3,800,000)	681,027	4,481,027
Fund balance at beginning of year	<u>3,800,000</u>	<u>3,800,000</u>	<u>4,103,315</u>	<u>303,315</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,784,342</u>	<u>\$ 4,784,342</u>

POLK COUNTY
BEHAVIORAL HEALTH FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
Revenues				
Charges for services	\$ 2,330,000	\$ 2,330,000	\$ 2,434,739	\$ 104,739
Intergovernmental	21,461,000	21,461,000	23,299,123	1,838,123
Interest	50,000	50,000	300,863	250,863
Miscellaneous	-	-	266,822	266,822
Total revenues	23,841,000	23,841,000	26,301,547	2,460,547
Expenditures				
Support services				
Personnel services	1,830,278	1,830,278	1,434,909	395,369
Materials and services	67,500	67,500	140,715	(73,215)
Interdepartment charges	415,701	415,701	415,701	-
Capital outlay	1,750,000	1,750,000	107,144	1,642,856
Total administration	4,063,479	4,063,479	2,098,469	1,965,010
Addiction program				
Personnel services	1,058,783	1,208,783	1,233,692	(24,909)
Materials and services	68,100	218,100	174,500	43,600
Interdepartment charges	380,102	380,102	380,102	-
Total addiction program	1,506,985	1,806,985	1,788,294	18,691
Outpatient mental health services				
Personnel services	7,960,795	7,960,795	7,282,294	678,501
Materials and services	6,804,200	6,804,200	3,631,608	3,172,592
Interdepartment charges	3,735,624	3,735,624	3,735,624	-
Capital outlay	-	-	174,949	(174,949)
Total outpatient mental health services	18,500,619	18,500,619	14,824,475	3,676,144
Developmental disabilities				
Personnel services	3,005,615	3,005,615	2,806,604	199,011
Materials and services	145,200	145,200	173,398	(28,198)
Interdepartment charges	501,244	501,244	501,244	-
Total developmental disabilities	3,652,059	3,652,059	3,481,246	170,813
Contingency	4,117,858	3,817,858	-	3,817,858
Total expenditures	31,841,000	31,841,000	22,192,484	9,648,516
Net change in fund balance	(8,000,000)	(8,000,000)	4,109,063	12,109,063
Fund balance at beginning of year	8,000,000	8,000,000	10,293,677	2,293,677
Fund balance at end of year	\$ -	\$ -	\$ 14,402,740	\$ 14,402,740

POLK COUNTY
AMERICAN RESCUE PLAN
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 71,103	\$ 71,103
Miscellaneous	-	-	10,237	10,237
Total revenues	-	-	81,340	81,340
Expenditures				
American Rescue Plan				
Personnel services	-	-	483,030	(483,030)
Materials and services	2,850,000	2,850,000	4,218,286	(1,368,286)
Capital outlay	3,000,000	3,000,000	172,214	2,827,786
Contingency	5,300,000	5,300,000	-	5,300,000
Total expenditures	11,150,000	11,150,000	4,873,530	6,276,470
Excess (deficiency) of revenues over expenditures	(11,150,000)	(11,150,000)	(4,792,190)	6,357,810
Other financing sources (uses)				
Transfers out	(1,050,000)	(1,050,000)	(150,000)	900,000
Total other financing sources (uses)	(1,050,000)	(1,050,000)	(150,000)	900,000
Net change in fund balance	(12,200,000)	(12,200,000)	(4,942,190)	7,257,810
Fund balance at beginning of year	12,200,000	12,200,000	10,612,487	(1,587,513)
Fund balance at end of year	\$ -	\$ -	5,670,297	\$ 5,670,297
Reconciliation to generally accepted accounting principles				
Unearned revenue			(5,660,060)	
			\$ 10,237	

POLK COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Governmental Activities
	Internal Service Funds
Assets	
Current assets	
Cash and cash equivalents	\$ 596,493
Receivables, net	18,077
Prepaid items	255,680
Total current assets	870,250
Net other postemployment benefits asset	49,555
Capital assets, net	3,673,252
Total assets	4,593,057
Deferred outflows of resources	
Pension related items	1,729,553
Other postemployment benefit related items	24,295
Total deferred outflows of resources	1,753,848
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	189,641
Due to other funds	95,293
Long-term obligations:	
Long-term obligations due within one year	511,716
Long-term obligations due in more than one year	7,027,485
Total liabilities	7,824,135
Deferred inflows of resources	
Pension related items	1,020,903
Other postemployment benefit related items	113,722
Total deferred inflows of resources	1,134,625
Net position	
Net investment in capital assets	3,673,252
Unrestricted	(6,285,107)
Total net position	\$ (2,611,855)

See notes to financial statements

POLK COUNTY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Governmental Activities
	Internal Service Funds
Operating revenues	
Intergovernmental	\$ 11,520
Charges for services	8,055,904
Rents	19,380
Total operating revenues	8,086,804
Operating expenses	
Personnel services	4,648,475
Materials and services	2,582,787
Interdepartmental charges	334,559
Amortization and depreciation	458,385
Total operating expenses	8,024,206
Operating income (loss)	62,598
Nonoperating revenues (expenses)	
Interest expense	(81,808)
Total nonoperating revenue (expenses)	(81,808)
Income (loss) before transfers	(19,210)
Transfers in	100,000
Transfers out	(500,000)
Change in net position	(419,210)
Net position - beginning	(2,192,645)
Net position - ending	\$ (2,611,855)

See notes to financial statements

POLK COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Governmental Activities
	Internal Service Funds
Cash flows from operating activities	
Receipts from customers	\$ 9,659
Receipts from other funds	8,055,904
Miscellaneous receipts	19,380
Payments to suppliers	(2,758,013)
Payments to employees	(4,598,280)
	(334,559)
Net cash provided by (used in) operating activities	394,091
Cash flows from noncapital financing activities	
Loans from other funds	95,293
Transfers in	100,000
Transfers out	(500,000)
	(304,707)
Net cash provided by (used in) noncapital financing activities	(304,707)
Cash flows from capital and related financing activities	
Principal paid on lease liabilities	(347,109)
Interest paid on lease liabilities	(81,808)
	(428,917)
Net cash provided by (used in) capital and related financing activities	(428,917)
Net increase (decrease) in cash and cash equivalents	(339,533)
Cash and cash equivalents - beginning of year	936,026
Cash and cash equivalents - end of year	\$ 596,493
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income (loss)	\$ 62,598
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Depreciation	458,385
(Increase) decrease in assets and deferred outflows	
Receivables, net	(1,861)
Prepaid items	(117,705)
Net other postemployment benefits asset	3,156
Pension related items	(2,893)
Other postemployment benefit related items	5,113
Increase (decrease) in liabilities and deferred inflows	
Accounts payable and accrued liabilities	(57,521)
Compensated absences payable	20,654
Net pension liability	994,242
Net other postemployment benefits liability	(51,988)
Pension related items	(973,473)
Other postemployment benefit related items	55,384
Net cash provided by (used in) operating activities	\$ 394,091

See notes to financial statements

POLK COUNTY
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2023

	Custodial
Assets	
Cash and cash equivalents	\$ 1,373,611
Receivables	2,909,309
Total assets	4,282,920
Liabilities	
Due to local governments	1,373,611
Net position	
Net position held for individuals, organizations, and other governments	\$ 2,909,309

See notes to financial statements

POLK COUNTY
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2023

	Custodial
Additions	
Taxes collected for other governments	\$ 111,794,699
Other amounts collected	4,553,504
Total additions	116,348,203
Deductions	
Payments to other governments	113,918,402
Other payments	1,964,852
Total deductions	115,883,254
Change in net position	464,949
Net position - beginning of year	2,444,360
Net position - end of year	\$ 2,909,309

See notes to financial statements

NOTE 1 – FINANCIAL REPORTING ENTITY

Polk County (the “County”) was created by the Provincial Legislature from the original Yamhill district on December 22, 1845, and now operates under the provisions of Oregon Revised Statutes (ORS) title 20, Chapters 201 and 215 inclusive. The governing board is a Board of Commissioners, elected at-large from throughout the County. The Commissioners are full-time employees of the County. The Board votes on all ordinances and determines matters of County policy. The Administrative Officer acts as the Chief of Staff for the Commissioners and serves at the pleasure of the Board. Other elected officers of the County include the Assessor, Clerk, District Attorney, Sheriff, and Treasurer. Polk County provides a full range of services to the community which includes planning and zoning, sheriff services, incarceration, courts, tax collections and assessment, document recording, parks, and health and human services.

The accompanying basic financial statements present all activities, funds, and component units for which the County is considered to be financially accountable. The criteria used for making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government and fiscal dependency on the primary government. Based upon the evaluation of these criteria, the County is a primary government with one blended component unit— Polk County Extension Service District.

Blended component unit

The Polk County Extension Service District (PESD) was formed May 18, 2010, by a vote of the people, under ORS Chapter 451. The purpose of the PSED is to provide Oregon State University extension educational programs, training and information to Polk County residents. The County is not financially accountable for the PESD but, because the Board of County Commissioners acts as the governing board of the PSED, this entity has been included as a blended component in the basic financial statements of the County. Complete financial statements of the PSED can be obtained from the Treasurer at the courthouse.

Other component unit

The Grand Ronde Sanitary District (GRSD) was formed under ORS Chapter 450. The purpose of the GRSD is to provide wastewater disposal and treatment services. The County is not financially accountable for the GRSD, but the Board of County Commissioners acts as the governing board of the District. Separately issued financial statements of the GRSD can be obtained from the Treasurer at the courthouse. The County has opted not to include the GRSD’s financial information in the County financial statements as they have determined that the effect of excluding them is not material.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the functions of the County, the eliminations of which would distort the direct cost and program revenues reported for the various functions concerned. *Governmental activities* are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major governmental funds and major proprietary funds are reported in separate columns in the respective fund financial statements.

Measurement focus, basis of accounting and financial statement presentation

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

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting and financial statement presentation (continued)

Governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balances) are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The bases of accounting described above are in accordance with accounting principles generally accepted in the United States of America.

The County reports the following major governmental funds:

General - accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Public Works - accounts for the receipt and expenditure of state gasoline taxes for road repair and construction.

Behavioral Health - accounts for the receipt and expenditure of patient funds, and state and federal grants for the County's behavioral health programs including community treatment services, alcohol and drug rehabilitation, and developmental disability services.

American Rescue Plan - accounts for proceeds from the American Rescue Plan for Coronavirus relief.

Additionally, the County reports the following fund types:

Special Revenue - accounts for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make expenditures.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting and financial statement presentation (continued)

Capital Projects - accounts for expenditures on major construction projects or equipment acquisition. The principal sources of revenues for capital expenditures are general obligation bond proceeds and grant funds.

Internal Service - accounts for the cost of providing services to other funds which are charged a fee on a cost reimbursement basis for those services.

Custodial - accounts for resources received and held in a fiduciary capacity. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund.

Net Position

Government-wide fund reporting

On the statement of net position, equity is classified as net position and displayed in three components:

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

In the government-wide and proprietary fund financial statements, when both restricted and unrestricted resources are available for use it is the County’s policy to use restricted resources first, and then unrestricted resources as they are needed.

Fund balance

Governmental fund type fund balance reporting

Governmental type fund balance amounts are reported within one of the five fund balance categories list below:

- *Non-spendable* – Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund balance (continued)

Governmental fund type fund balance reporting

- *Restricted* — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- *Committed* — Amounts that can be used only for specific purposes determined by a formal action of the Board of Commissioners, as the highest level of decision-making authority for the County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Commissioners.
- *Assigned* — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Commissioners has granted authority to the County Administrator to assign fund balance amounts.
- *Unassigned* — The residual classification for the government’s general fund and any other spendable amounts not contained in other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

In the governmental fund financial statements, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Commissioners has provided otherwise in its commitment or assignment actions.

Budget policies and budgetary control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds of the County except agency funds. The County uses the modified accrual basis of accounting for all budgets. All annual appropriations lapse at fiscal year-end.

The County begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The County Commissioners adopt the budget, make appropriations, and declare the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget policies and budgetary control (continued)

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The County established the levels of budgetary control at the program or department level for all funds.

Budget amounts shown in the financial statements have been revised since the original budget amounts were adopted. The County Commissioners must authorize all appropriation transfers and supplementary budgetary appropriations.

Risk management

The County is exposed to various risks of loss related to errors and omissions; automobile; damage to and destruction of assets; bodily injury; and worker's compensation for which the County carries commercial insurance. There has been no significant reduction in insurance coverage from the prior year and settled claims have not reached the level of commercial coverage in any of the past three fiscal years.

Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any highly-liquid debt instruments purchased with a maturity of three months or less.

Property taxes

Uncollected property taxes in the governmental fund balance sheet as receivables; the portion which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as deferred inflows of resources. Property taxes collected within 60 days of the end of the current period are considered measurable and available and are recognized as revenue.

Property taxes receivable in the agency funds are offset by amounts held in trust and, accordingly, have not been recorded as revenue.

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Real and personal property taxes are levied upon all taxable property and become a lien against the property as of July 1 of each year. Property taxes are payable in three installments which are due on November 15, February 15, and May 15 following the lien date.

Grants and entitlements

Receivables for federal and state grants and state shared revenue are recorded as revenue in all fund types as earned.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other receivables

In governmental fund types, the portion of the receivable which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as unavailable revenue. Revenues are recorded when earned in proprietary fund types.

Capital assets

Capital assets, which include property, equipment, leased assets, infrastructure assets (such as, roads, bridges, sidewalks, sewers, street lighting, and similar items), and their improvements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the County are depreciated using the straight-line method over estimated useful lives as follows:

- | | |
|-------------------------|----------------|
| • Vehicles | 5 to 10 years |
| • Equipment | 5 to 30 years |
| • Building improvements | 50 years |
| • Infrastructure | 20 to 40 years |

Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation and resulting gains or losses are reflected in the statement of activities.

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term obligations (continued)

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

Leases and Subscription-Based Information Technology Arrangements (SBITA)

Lease contracts that provide the County with control of a non-financial asset, such as land, buildings, equipment, or subscription-based information technology arrangement, for a period of time in excess of 12 months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

SBITA contracts that provide the County with control of a software or similar asset for a period of time in excess of 12 months are reported as a right to use asset with a related SBITA liability. The SBITA liability is recorded at the present value of future payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible right to use asset is recorded for the same amount as the related SBITA liability plus any prepayments and initial direct costs to place the asset in service. SBITA assets are amortized over the shorter of the useful life of the asset or the contract term. The SBITA liability is reduced for payments made, less the interest portion of the contract payment.

Compensated absences

Vacation Leave – is accrued as it is earned. County employees earn vacation leave at the rate of 96 to 192 hours year, depending on position and length of service. The maximum accumulation, depending on position and length of service, ranges from 200 to 250 hours. For governmental funds, the non-current portion (the amount estimated to be used in subsequent fiscal years) is maintained separately and represents a reconciling item between the fund-level and government-wide presentations. Only the current portion is reported in the governmental funds and calculated based on historical trends.

Sick Leave – is earned at a rate of eight hours per month of service and is not limited as to accumulation. Sick leave, which does not vest, is recognized in all funds when leave is taken.

Holiday Leave – Sheriff's office employees earn holiday leave as required by contract and may accumulate from eighty to ninety-six hours depending on their position.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employee Retirement System (OPERS) and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other postemployment benefits

For purposes of measuring the net other postemployment benefits liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Oregon Public Employee Retirement System (OPERS) and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The other postemployment benefits liability for the Employee Benefits Plan for the Employees of Polk County is based on an actuarial valuation dated July 1, 2022.

Deferred outflows / inflows of resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. These include refunded debt charges, pension related items, and OPEB related items.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element represents amounts that apply to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Pension related items and OPEB related items which are amortized over specified periods are reported as deferred inflows of resources.

The balance sheet of governmental funds reports as deferred inflows, unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – CASH AND CASH EQUIVALENTS

The County’s cash and cash equivalents at June 30, 2023, are as follows:

Cash on hand	\$ 4,245
Deposits with financial institutions	3,238,470
State of Oregon Local Government Investment Pool	<u>35,216,984</u>
 Total deposits and investments	 <u>\$ 38,459,699</u>

The County maintains a pool of cash and cash equivalents that are available for use by all funds. Each fund’s portion of this pool is displayed on the financial statements as cash and cash equivalents. Interest earned on pooled cash and cash equivalent is allocated to participating funds based upon their combined cash and cash equivalent balances.

Deposits with financial institutions

Custodial Credit Risk – Deposits with Financial Institutions: This is the risk that in the event of a bank failure, the County’s deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the County’s deposits with financial institutions up to \$250,000 each for the aggregate of all noninterest-bearing accounts and the aggregate of all interest bearing accounts at each institution.

Deposits in excess of FDIC coverage with financial institutions participating in the Oregon Public Funds Collateralization Program are collateralized under the Public Funds Collateralization Program (PFCP) of the Oregon State Treasurer. The PFCP is a shared liability structure for participating financial institutions and is considered additional depository insurance as defined in GASB 40. Participating financial institutions are required to pledge securities, held by the Federal Home Loan Bank of Seattle in the name of the financial institution, with a value equal to at least 10%, with limited exceptions that may require up to 110%, of the amount of deposits of Oregon municipal corporations in excess of FDIC depository insurance. In the event of a failure of a participating financial institution the collective amount of all pledged securities under the PFCP are available to return the County’s deposits. As of June 30, 2023, none of the County’s deposits with financial institutions were exposed to custodial credit risk.

State of Oregon Local Government Investment Pool

Balances in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State’s short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the County’s position in the LGIP is the same as the value of the pool shares.

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)

Credit risk: Oregon statutes authorize the County to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

Concentration of Credit Risk: The County's formal policy places a limit on the amount that may be invested in any one issuer as follows:

U.S. Treasury Bills, Notes and Bonds	100%
Federal Agency Bonds and Discount Notes	100%
Local Government Investment Pool	100%
Time Certificates of Deposit:	
Commercial Banks	60%
Savings and Loans	10%

Interest Rate Risk: The County has a formal policy that limits investment maturities to a maximum of one year as a means of managing its exposure to fair-value losses arising from increases in interest rates.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of a counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. The County does not have a policy which limits the amount of investments that can be held by counterparties.

NOTE 4 – RECEIVABLES

The County's receivables at June 30, 2023, are as follows:

	Property				Total
	Taxes	Accounts	Grants	Assessments	
General	\$ 449,452	\$ 1,262,630	\$ 161,187	\$ 28,424	\$ 1,901,693
Public Works	3,145	1,203,788	-	-	1,206,933
Behavioral Health	-	1,798,534	-	-	1,798,534
American Rescue Plan	-	8,811	-	-	8,811
Nonmajor governmental funds	<u>15,259</u>	<u>959,703</u>	<u>157,665</u>	<u>-</u>	<u>1,132,627</u>
Total governmental funds	467,856	5,233,466	318,852	28,424	6,048,598
Internal service funds	<u>-</u>	<u>18,077</u>	<u>-</u>	<u>-</u>	<u>18,077</u>
Total governmental activities	467,856	5,251,543	318,852	28,424	6,066,675
Fiduciary Fund - Custodial	<u>2,909,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,909,309</u>
Totals	<u>\$3,377,165</u>	<u>\$ 5,251,543</u>	<u>\$ 318,852</u>	<u>\$ 28,424</u>	<u>\$ 8,975,984</u>

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended June 30, 2023, was as follows:

	Balances July 1, 2022	Additions	Deletions	Reclass- ifications	Balances June 30, 2023
Capital assets not being depreciated					
Land	\$ 2,424,551	\$ -	\$ -	\$ -	\$ 2,424,551
Construction in progress	<u>11,831,515</u>	<u>5,913,838</u>	<u>(19,404)</u>	<u>(11,149,274)</u>	<u>6,576,675</u>
Total capital assets not being depreciated	<u>14,256,066</u>	<u>5,913,838</u>	<u>(19,404)</u>	<u>(11,149,274)</u>	<u>9,001,226</u>
Capital assets being depreciated					
Infrastructure	97,691,311	-	-	-	97,691,311
Buildings	30,707,701	150,680	-	9,551,705	40,410,086
Improvements	4,637,001	162,900	-	65,890	4,865,791
Bridges	23,780,562	-	-	-	23,780,562
Equipment	<u>15,508,344</u>	<u>1,084,510</u>	<u>-</u>	<u>1,531,679</u>	<u>18,124,533</u>
Total capital assets being depreciated	<u>172,324,919</u>	<u>1,398,090</u>	<u>-</u>	<u>11,149,274</u>	<u>184,872,283</u>
Less accumulated depreciation for:					
Infrastructure	90,699,088	1,183,086	-	-	91,882,174
Buildings	14,510,607	814,837	-	-	15,325,444
Improvements	1,238,840	178,253	-	-	1,417,093
Bridges	10,353,164	436,264	-	-	10,789,428
Equipment	<u>10,655,334</u>	<u>936,315</u>	<u>-</u>	<u>-</u>	<u>11,591,649</u>
Total accumulated depreciation	<u>127,457,033</u>	<u>3,548,755</u>	<u>-</u>	<u>-</u>	<u>131,005,788</u>
Net capital assets being depreciated	<u>44,867,886</u>	<u>(2,150,665)</u>	<u>-</u>	<u>11,149,274</u>	<u>53,866,495</u>
Lease assets					
Leased buildings	4,177,784	-	-	-	4,177,784
Leased equipment	199,342	-	-	-	199,342
SBITAs	<u>726,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>726,738</u>
Total lease assets	<u>5,103,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,103,864</u>
Less accumulated amortization for:					
Leased buildings	426,493	426,493	-	-	852,986
Leased equipment	4,984	9,967	-	-	14,951
SBITAs	<u>-</u>	<u>247,365</u>	<u>-</u>	<u>-</u>	<u>247,365</u>
Total accumulated amortization	<u>431,477</u>	<u>683,825</u>	<u>-</u>	<u>-</u>	<u>1,115,302</u>
Net lease assets	<u>4,672,387</u>	<u>(683,825)</u>	<u>-</u>	<u>-</u>	<u>3,988,562</u>
Capital assets being depreciated and amortized, net	<u>49,540,273</u>	<u>(2,834,490)</u>	<u>-</u>	<u>11,149,274</u>	<u>57,855,057</u>
Governmental activities capital assets, net	<u>\$63,796,339</u>	<u>\$ 3,079,348</u>	<u>\$ (19,404)</u>	<u>\$ -</u>	<u>\$ 66,856,283</u>

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS (Continued)

For the year ended June 30, 2023, depreciation and amortization expense charged to functions/programs of the County was as follows:

Governmental Activities	
General government	\$ 725,338
Public safety	930,034
Highways and streets	1,918,737
Health and welfare	<u>658,471</u>
Total governmental activities	<u>\$ 4,232,580</u>

Capital asset activity in internal service funds, which are included in the governmental activities, for the year ended June 30, 2023, was as follows:

	Balances July 1, 2022	Additions	Deletions	Balances June 30, 2023
Capital assets being depreciated				
Buildings	\$ 25,190	\$ -	\$ -	\$ 25,190
Improvements	37,643	-	-	37,643
Equipment	<u>1,220,694</u>	-	-	<u>1,220,694</u>
Total capital assets being depreciated	<u>1,283,527</u>	-	-	<u>1,283,527</u>
Less accumulated depreciation for:				
Buildings	2,939	1,260	-	4,199
Improvements	26,665	1,811	-	28,476
Equipment	<u>1,004,727</u>	<u>69,485</u>	-	<u>1,074,212</u>
Total accumulated depreciation	<u>1,034,331</u>	<u>72,556</u>	-	<u>1,106,887</u>
Net capital assets being depreciated	<u>249,196</u>	<u>(72,556)</u>	-	<u>176,640</u>
Lease assets				
Leased buildings	3,736,208	-	-	3,736,208
SBITAs	<u>376,154</u>	-	-	<u>376,154</u>
Total lease assets	<u>4,112,362</u>	-	-	<u>4,112,362</u>
Less accumulated amortization for:				
Leased buildings	229,921	229,921	-	459,842
SBITAs	-	155,908	-	155,908
Total accumulated amortization	<u>229,921</u>	<u>385,829</u>	-	<u>615,750</u>
Net lease assets	<u>3,882,441</u>	<u>(385,829)</u>	-	<u>3,496,612</u>
Total capital assets, net	<u>\$ 4,131,637</u>	<u>\$ (458,385)</u>	<u>\$ -</u>	<u>\$ 3,673,252</u>

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2023, were as follows:

	Outstanding July 1, 2022	Additions	Reductions	Outstanding June 30, 2023	Balances Due Within One Year
<u>Governmental activities</u>					
Long-term debt obligations					
Bonded debt					
Full Faith and Credit Obligations, Series 2011	\$ 745,000	\$ -	\$ 175,000	\$ 570,000	\$ 180,000
Full Faith and Credit Obligations, Series 2012	305,000	-	55,000	250,000	60,000
Full Faith and Credit Obligations, Series 2019	12,460,000	-	615,000	11,845,000	630,000
Direct placement debt					
McMullin Contract	<u>487,151</u>	<u>-</u>	<u>17,620</u>	<u>469,531</u>	<u>18,521</u>
Total long-term debt obligations	13,997,151	-	862,620	13,134,531	888,521
Other long-term obligations					
Compensated absences	1,557,481	1,584,051	1,557,481	1,584,051	1,584,051
Net pension liability	24,461,258	8,453,044	-	32,914,302	-
Lease liability	4,000,980	-	382,617	3,618,363	238,206
SBITA liability	711,738	-	257,736	454,002	257,232
Other post-employment benefits	<u>2,474,781</u>	<u>-</u>	<u>472,614</u>	<u>2,002,167</u>	<u>-</u>
Total long-term obligations	<u>\$ 47,203,389</u>	<u>\$ 10,037,095</u>	<u>\$ 3,533,068</u>	<u>\$ 53,707,416</u>	<u>\$ 2,968,010</u>
<u>Internal service funds included in governmental activities</u>					
Other long-term obligations					
Compensated absences	\$ 144,233	\$ 164,887	\$ 144,233	\$ 164,887	\$ 164,887
Net pension liability	2,575,552	994,242	-	3,569,794	-
Lease liability	3,555,237	-	178,040	3,377,197	181,949
SBITA liability	376,154	-	169,069	207,085	164,880
Other post-employment benefits	<u>272,226</u>	<u>-</u>	<u>51,988</u>	<u>220,238</u>	<u>-</u>
	<u>\$ 6,923,402</u>	<u>\$ 1,159,129</u>	<u>\$ 543,330</u>	<u>\$ 7,539,201</u>	<u>\$ 511,716</u>

Full Faith and Credit Obligations, series 2011 – The County issued bonds for \$2,250,000 to pay off the Academy Building debt and provide funds for its remodel. Interest on the bonds range from 2% to 4% depending upon maturity dates.

Full Faith and Credit Obligations, series 2012 – The County issued bonds for \$790,000 to refund the Bank of New York Loan dated July 3, 2002. Interest on the bonds range from 1.85% to 3.8% depending upon maturity dates.

Full Faith and Credit Obligations, series 2019 – The County issued bonds for \$14,300,000 to finance remodeling of the Courthouse and a new Public Works/Emergency Management facility. Interest on the bonds range from 2.11% to 2.14% depending on maturity dates.

McMullin Contract – the County entered into a land sales contract on January 28, 2020, to purchase land and improvements for County purposes. Interest on the contract is 5%.

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - LONG-TERM OBLIGATIONS (Continued)

Government activities long-term debt obligations

As of June 30, 2023, maturities of government activities long-term debt obligations in future fiscal years are as follows:

Fiscal Year	Full Faith & Credit Obligations Series 2019		Full Faith & Credit Obligations Series 2011		Full Faith & Credit Obligations Series 2012	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	630,000	252,241	180,000	21,120	60,000	9,500
2025	640,000	238,759	190,000	12,980	60,000	7,220
2026	655,000	225,063	200,000	4,400	65,000	4,940
2027	670,000	211,046	-	-	65,000	2,470
2028	685,000	196,708	-	-	-	-
2029-2033	3,650,000	757,235	-	-	-	-
2034-2038	4,050,000	351,442	-	-	-	-
2039	865,000	18,252	-	-	-	-
	<u>\$ 11,845,000</u>	<u>\$ 2,250,746</u>	<u>\$ 570,000</u>	<u>\$ 38,500</u>	<u>\$ 250,000</u>	<u>\$ 24,130</u>

Fiscal Year	McMullin Contract		Totals	
	Principal	Interest	Principal	Interest
2024	18,521	23,056	888,521	305,917
2025	19,469	22,108	909,469	281,067
2026	20,465	21,112	940,465	255,515
2027	21,512	20,065	756,512	233,581
2028	22,613	18,964	707,613	215,672
2029-2033	366,951	48,331	4,016,951	805,566
2034-2038	-	-	4,050,000	351,442
2039	-	-	865,000	18,252
	<u>\$ 469,531</u>	<u>\$ 153,636</u>	<u>\$ 13,134,531</u>	<u>\$ 2,467,012</u>

Leases

The County has entered into lease agreements to obtain the right-to-use of buildings and telecommunications equipment.

The Oak Hills building lease is currently in the final extension period with no option to extend the terms of the lease. Monthly payment amounts are \$13,643 and escalate 2% each year.

The Church Street building lease has a 20-year term with an option to purchase. The option to purchase may not be exercised before January 1, 2024, and not after December 31, 2026. The County intends to exercise the purchase option during the appropriate option window. Monthly payment amounts are \$21,129 and escalate 2% each year beginning January 1, 2027.

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - LONG-TERM OBLIGATIONS (Continued)

Leases (continued)

The Ellendale Plaza building lease is currently in the final extension period with no option to extend the terms of the lease. Monthly payment amounts are \$2,920 and escalate 3% each year.

The telecommunication equipment lease has a 5-year initial term with 3 additional 5-year renewal terms, which are expected to be renewed. The payments for each renewal term escalate by 3%. Quarterly payment amounts are \$2,325.

As of June 30, 2023, minimum payments for noncancelable leases in future fiscal years are as follows:

Fiscal Year	Lease Liability	Interest Expense	Total
2024	\$ 238,206	\$ 76,156	\$ 314,362
2025	191,990	71,577	263,567
2026	196,511	67,360	263,871
2027	203,686	63,032	266,718
2028	213,654	58,508	272,162
2029-2033	1,229,738	216,702	1,446,440
2034-2038	1,291,651	69,055	1,360,706
2038-2042	52,930	2,216	55,146
	<u>\$3,618,366</u>	<u>\$ 624,606</u>	<u>\$4,242,972</u>

Subscription-based information technology arrangements (SBITA)

The County is obligated under contracts covering certain subscription-based information technology arrangements (SBITA) as the lessee for information technology (IT) software. These contracts have initial terms of up to five years and do not contain any material residual guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rate to discount the SBITA payments.

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - LONG-TERM OBLIGATIONS (Continued)

As of June 30, 2023, minimum payments for noncancelable contracts in future fiscal years are as follows:

Fiscal Year	SBITA Liability	Interest Expense	Total
2024	\$ 257,232	\$ 8,957	\$ 266,189
2025	128,816	3,412	132,228
2026	62,811	735	63,546
2027	5,143	110	5,253
	\$ 454,002	\$ 13,214	\$ 467,216

NOTE 7 - INTERFUND BALANCES AND TRANSFERS

For the year ended June 30, 2023 , interfund transfers used to reallocate financial resources to funds where they will be expended were as follows:

	Transfers in		
	Public Works	Nonmajor governmental	Total
Transfers out:			
General	\$ 20,760	\$2,193,000	\$2,213,760
Public works	-	500,000	500,000
America rescue plan	-	150,000	150,000
Internal service	-	500,000	500,000
	\$ 20,760	\$3,343,000	\$3,363,760

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - INTERFUND BALANCES AND TRANSFERS (continued)

The purpose of the General Fund transfer to the Public Works Fund was to supplement the resources of the fund for maintaining forest roads of the County. The purpose of the General Fund transfers to the nonmajor governmental funds was to supplement the resources of the funds for their respective activities. The purpose of the Public Works transfer to the Public Works Complex Construction Fund was to provide for debt service payments. The purpose of the American Rescue Plan transfer to Public Works, Fair, and Building Improvement was to support eligible costs incurred in these funds. The transfer from the Internal Service Fund to the Building Improvement fund was to provide for debt service payments.

NOTE 8 - UNAVAILABLE REVENUE

As of June 30, 2023 , resources owned by the County, which are measurable but not available, and are deferred in the governmental funds, consist of the following:

	General	Public Works	Nonmajor Governmental Funds	Totals
Property taxes	\$ 405,571	\$ 3,130	\$ 12,954	\$ 421,655
Accounts	254,865	1,654	224,813	481,332
	\$ 660,436	\$ 4,784	\$ 237,767	\$ 902,987

NOTE 9 - LITIGATION

The County, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these suits is not determinable at this time and the County does not believe that the ultimate resolution of these lawsuits will have a material adverse effect on the County's General Fund.

NOTE 10 - DEFINED BENEFIT PENSION PLAN

Plan Description

Employees of the County are provided with pensions through the Oregon Public Employees Retirement Systems (OPERS).

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Plan Description (continued)

The OPERS consists of a single cost-sharing multiple employer defined benefit pension plan. The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

OPERS produces an independently audited Comprehensive Annual Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at: <https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf>.

Description of benefit terms

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

Tier 1/Tier 2 retirement benefit (Chapter 238)

Tier 1/Tier 2 Retirement Benefit Plan is closed to new members hired on or after August 29, 2003.

Pension benefits

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67% for general service employees and 2% for police and fire employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55, and police and fire members after age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier 2 members are eligible for full benefits at age 60.

Death benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by an OPERS employer at the time of death,
- the member died within 120 days after termination of OPERS-covered employment,
- the member died as a result of injury sustained while employed in an OPERS-covered job, or
- the member was on an official leave of absence from an OPERS-covered job at the time of death.

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Disability benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit changes after retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes.

Oregon Public Service Retirement Plan (Chapter 238A) (OPSRP)

The OPSRP pension program provides benefits to members hired on or after August 29, 2003.

Pension benefits

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

General service: 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

Police and fire: 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 60, or age 53 with 25 years of retirement credit.

A member of the OPSRP pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50% of the pension that would otherwise have been paid to the deceased member.

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Disability benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit changes after retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes.

Contributions

OPERS funding policy provides for periodic member and employer contributions at actuarial determined rates, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the actuarial valuation as of December 31, 2019.

Tier 1/Tier 2 employer contribution rates are 26.31% and the OPSRP employer contribution rates are 20.83% for general service employees. Public safety employees OPSRP rates are 25.19%. Employer contributions for the year ended June 30, 2023, were \$5,960,323.

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

Net pension liability

At June 30, 2023, the County reported a liability of \$32,914,302 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The County's proportion of the net pension liability was actuarially determined based on a projection of the County's long-term contributions effort to the pension plan relative to the long-term projected contributions effort of all participating employers. The projected long-term contribution effort is equal to the sum of the present value of future normal costs (PVFNC) and the unfunded actuarial liability (UAL)

Normal Cost Rate: The PVFNC represents the portion of the projected long-term contribution effort related to future service. An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

UAL Rate: A UAL can arise when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year’s component of the cumulative amortization schedules, stated as a percent of payroll. The UAL represents the portion of the projected long-term contribution effort related to past service.

After the employer’s projected long-term contribution effort is calculated, that amount is reduced by the value of the employer’s supplemental lump-sum payments, known as side accounts, transition surpluses and pre-SLGRP (State and Local Government Rate Pool) surpluses as of the valuation date. Side accounts decrease the employer’s projected long-term contribution effort because side accounts are effectively prepaid contributions. The employer’s projected long-term contribution effort does not include payments toward the current value of transition liabilities and pre-SLGRP liabilities.

At June 30, 2022, the County’s proportion was 0.21495747%, which was an increase of 0.01054265% from its proportion measured as of June 30, 2021.

Pension expense

For the year ended June 30, 2023, the County recognized pension expense of \$5,336,826.

Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2022, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

- Difference between expected and actual experience
- Changes in assumptions
- Net differences between projected and actual investment earnings
- Changes in employer proportion since the prior measurement date
- Differences between employer contributions and employer’s proportionate share of system contributions
- Contributions subsequent to the measurement date

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension expense (Continued)

Differences between expected and actual experience, changes in assumptions and changes in employer proportionate are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are:

Fiscal Year ended June 30, 2022 - 5.5 years
 Fiscal Year ended June 30, 2021 - 5.4 years
 Fiscal Year ended June 30, 2020 - 5.3 years
 Fiscal Year ended June 30, 2019 - 5.2 years
 Fiscal Year ended June 30, 2018 - 5.2 years
 Fiscal Year ended June 30, 2017 - 5.3 years
 Fiscal Year ended June 30, 2016 - 5.3 years
 Fiscal Year ended June 30, 2015 - 5.4 years
 Fiscal Year ended June 30, 2014 - 5.6 years

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,597,724	\$ 205,260
Changes in assumptions	5,164,432	47,182
Net difference between projected and actual earnings on pension plan investments	-	5,884,440
Changes in proportionate share	3,081,484	238,018
Differences between employer contributions and employer's proportionate share of system contributions	142,901	3,038,058
Contributions subsequent to the measurement date	<u>5,960,323</u>	<u>-</u>
	<u>\$ 15,946,864</u>	<u>\$ 9,412,958</u>

Deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement in the amount of \$5,960,323 will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

As of June 30, 2023, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future years ending June 30 as follows:

2024	\$ 627,970
2025	(449,745)
2026	(2,267,919)
2027	2,736,299
2028	<u>(73,023)</u>
	 <u>\$ 573,583</u>

Actuarial methods and assumptions used in developing contribution rates and total pension liability

The total pension liability measured as of June 30, 2022 was based on an actuarial valuation as of December 31, 2020 using the following methods and assumptions:

Experience study report	2020, published July 20, 2021
Actuarial cost method	Entry age normal
Inflation rate	2.4%
Long-term expected rate of return	6.9%
Discount rate	6.9%
Administrative expenses – Tier 1/Tier 2	\$40.9 million per year added to normal cost
Administrative expenses – OPSRP	\$8 million per year added to normal cost
Projected salary increases	3.4%
Cost of living adjustments (COLA)	Blend of 2% COLA and graded COLA (1.25%/.015) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Health Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four years ended December 31, 2020.

UAL amortization

The Tier 1/Tier 2 UAL amortization period was reset to 20 years as of December 31, 2013. Gains and losses between subsequent odd-year valuations will be amortized as a level percentage of projected combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed 20-year period from the valuation in which they are first recognized. Senate Bill 1049 was signed into law in June 2019 and requires a one-time re-amortization of Tier 1/Tire 2 UAL over a closed 22-year period at the December 31, 2019 rate-setting actuarial valuation, which will set actuarially determined contribution rates for the 2021-2023 biennium.

The OPSRP UAL as of December 31, 2007 is amortized as a level percentage of projected combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed period 16-year period. Gains and losses between subsequent odd-year valuations are amortized as a level percentage of combined valuation payroll over 16 years from the valuation in which they are first recognized.

Discount rate

The discount rate used to measure the total pension liability was 6.9%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Assumed asset allocation

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	0.00%
Debt securities	20.00%
Public equity	30.00%
Private equity	20.00%
Real estate	12.50%
Real assets	7.50%
Diversifying strategies	7.50%
Risk parity	2.50%
Total	<u>100.00%</u>

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Long-Term Expected Rate of Return¹

Asset Class	Target Allocation	Annual	20-Year	Annual
		Arithmetic Return ²	Annualized Geometric Mean	Standard Deviation
Global Equity	30.62%	7.11%	5.85%	17.05%
Private Equity	25.50	11.35	7.71	30.00
Core Fixed Income	23.75	2.80	2.73	3.85
Real Estate	12.25	6.29	5.66	12.00
Master Limited Partnerships	0.75	7.65	5.71	21.30
Infrastructure	1.50	7.24	6.26	15.00
Commodities	0.63	4.68	3.10	18.85
Hedge Fund of Funds – Multistrategy	1.25	5.42	5.11	8.45
Hedge Fund Equity – Hedge	0.63	5.85	5.31	11.05
Hedge Fund – Macro	5.62	5.33	5.06	7.90
US Cash	-2.50 ³	1.77	1.76	1.20
Assumed Inflation – Mean			2.40%	1.65%

¹Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on June 2, 2021.

²The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

³Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.

Depletion date projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is OPERS independent actuary’s opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

Changes in actuarial methods and assumptions

There have been no changes in actuarial methods or assumptions since the December 31, 2020 valuation used for determining the collective net pension liability that are expected to have a significant effect on the County’s proportionate share of the collective net pension liability.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.9%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate:

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
Proportionate share of net pension liability	\$58,370,666	\$32,914,302	\$ 11,608,499

NOTE 11 – DEFINED CONTRIBUTION PLAN

Plan description

Individual account program (IAP) - Participants in OPERS defined benefit pension plan also participate in the defined contribution plan.

Pension benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions

Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit Pension Plan. If the member earns more than \$2,500 per month (increased to \$2,535 per month on January 1, 2021) 0.75% (if OPSRP member) or 2.5% (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

The County makes the employee contributions of 6% of covered payroll to the IAP. Contributions for the year ended June 30, 2023, were \$1,551,092.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – COUNTY DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT

Plan description and benefits provided

The County provides other postemployment benefits (OPEB) for employees, retirees, spouses and dependents through a single employer defined benefit plan in the form of group health insurance benefits. As required by ORS 243.303(2), retirees who were hired after July 1, 2003, are allowed to continue, at the retirees’ expense, coverage under the group health insurance plan until age 65. The difference between the premium actually paid by the retirees under the group insurance plan and the premium that they would pay if they were not included in the plan is considered to be an implicit subsidy under the provisions of GASB 75. The plan does not issue a separate stand-alone financial report.

Plan membership

As of July 1, 2022, there were 370 active employees, 4 eligible retirees, and no spouses of ineligible retirees for a total of 374 plan members.

Contributions

The County funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis. The average monthly premium requirements for the County are as follows:

For retirees	\$	748
For spouses of retirees		853

Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

At June 30, 2023, the County reported a total OPEB liability of \$2,002,167. The total OPEB liability was measured as of July 1, 2022, and determined by an actuarial valuation as of that date.

Changes in the total OPEB liability is as follows:

Balances at June 30, 2022	\$ 2,474,781
Changes for the year:	
Service cost	256,718
Interest	58,298
Effect of economic/demographic gains or losses	(398,245)
Effect of assumptions, changes, or inputs	(323,961)
Benefit payment	<u>(65,424)</u>
Balances at June 30, 2023	<u>\$ 2,002,167</u>

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – COUNTY DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (Continued)

Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB (continued)

For the year ended June 30, 2023, the County recognized OPEB expense of \$140,214. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 81,396	\$ 361,379
Changes of assumptions or inputs	49,555	610,879
County’s contributions subsequent to the measurement date	57,478	-
	\$ 188,429	\$ 972,258

Deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date in the amount of \$57,478 will be recognized as an adjustment to the Total OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ends June 30,

2024	\$ (117,324)
2025	(117,324)
2026	(117,324)
2027	(105,682)
2028	(90,837)
Thereafter	(292,816)
	\$ (841,307)

Actuarial valuation

The County contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. The present value of benefits is allocated over the service for each active employee from their date of hire to their expected retirement age, as a level percent of the employee’s pay. This level percent times pay is referred to as the service cost and is that portion of the present value of benefits attributable to an employee’s service in a current year. The service cost equals \$-0- for retired members. The total OPEB liability is the present value of benefits less the actuarial present value of future normal costs and represents the liabilities allocated to service up to the valuation date. For retirees, the total OPEB liability is equal to the present value of benefits.

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – COUNTY DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (Continued)

Actuarial methods and assumptions used in developing total OPEB liability

Valuation Date	July 1, 2022
Actuarial Cost Method	Entry Age Normal, Level Percent of Pay
Actuarial Assumptions:	
Inflation Rate	2.4%
Projected Salary Increases	3.4%
Mortality	Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees
Election and Lapse Rates	35% of eligible employees. 60% of male members and 35% of female members will elect spouse coverage. 5% annual lapse rate

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Discount rate

The discount rate used to measure the total OPEB liability was 3.54%. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 2.21%.

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – COUNTY DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (Continued)

Healthcare cost trend rate

The assumed healthcare cost trend for medical and vision costs is as follows:

<u>Year</u>	<u>Pre-65 Trend</u>
2022	4.25%
2023	6.75%
2024	6.50%
2025	6.00%
2026	5.25%
2027	5.00%
2028-2029	4.75%
2030	4.50%
2031-2065	4.25%
2066-2071	4.00%
2072+	3.75%

Dental costs are assumed to increase 4.0% per year until 2072, then 3.75% thereafter.

Sensitivity of the County’s total OPEB liability to changes in the discount and healthcare cost trend rates

The following presents the County total OPEB liability calculated using the discount rate of 3.54%, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	<u>1 Percentage Point Lower</u>	<u>Current Discount Rate</u>	<u>1 Percentage Point Higher</u>
County's total OPEB liability	\$ 2,176,242	\$ 2,002,167	\$ 1,841,220
	<u>1 Percentage Point Lower</u>	<u>Current Trend Rate</u>	<u>1 Percentage Point Higher</u>
County's total OPEB liability	\$ 1,770,221	\$ 2,002,167	\$ 2,278,544

NOTE 12 – COUNTY DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (Continued)

Changes since prior valuation

Expected Claims and Premiums was updated to reflect changes in available benefits and premium levels. If applicable, expected retiree and dependent costs were updated to reflect current health cost guidelines.

The health care cost trend was updated to reflect changes in current premium levels as well as future expected economic and regulatory conditions.

The mortality, withdrawal and retirement rates were updated to reflect assumptions used in the OPERS December 31, 2020, actuarial valuation.

The data processing assumptions for missing dates of hire and inconsistent or missing OPERS tier information were updated to provide a better approximation for missing or inconsistent data.

NOTE 13 – PERS DEFINED OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan description

The County contributes to the Oregon PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. The RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. Contributions are mandatory for each employer that is a member of PERS.

The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

OPERS produces an independently audited Comprehensive Annual Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at <https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf>.

Description of benefit terms

All benefits of the System are established by the legislature pursuant to Oregon Revised Statutes Chapters 238 and 238A.

The RHIA is closed to new members hired on or after August 29, 2003.

Other Postemployment Healthcare benefits

Eligible retired members receive a monthly healthcare benefit for life up to \$60 toward the monthly cost health insurance.

NOTE 13 – PERS DEFINED OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

To be eligible, the member must:

- 1) Have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had 8 years or more of creditable service in PERS
- 2) Receive both Medicare Parts A and B coverage
- 3) Enroll in a PERS-sponsored health plan

Surviving spouse or dependent benefits

A surviving spouse or dependent of a deceased retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she is receiving a retirement benefit or allowance from PERS or was insured at the time the member died and the member retired before May 1, 1991.

Contributions

OPERS funding policy provides for periodic member and employer contributions at the rates established by the Public Employees Retirement Board, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the actuarial valuation as of December 31, 2020.

The County contributed 0.06% of PERS-covered salaries for Tier 1 and Tier 2 members to fund the normal cost portion of RHIA benefits. Since the funded status of the RHIA UAL is in excess of 100%, no contributions were required to fund the RHIA UAL. For the year ended June 30, 2022, the County made contributions in the amount of \$3,033 to the RHIA.

Net OPEB liability/(asset), pension expense and deferred outflows of resources and deferred inflows of resources related to other postemployment benefits

Net OPEB liability (asset)

At June 30, 2023, the County reported an (asset) of \$(450,496) for its proportionate share of the net OPEB liability/(asset). The net OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2020. The County's proportion of the net OPEB liability/(asset) was based on its actual, legally required contributions made during the fiscal year with the total actual contributions of all employers during the fiscal year.

At June 30, 2022, the County's proportion was 0.12678049%, which was a decrease of 0.01276129% from its proportion measured as of June 30, 2021.

OPEB expense

For the year ended June 30, 2023, the County recognized a credit to OPEB expense of \$3,757.

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 13 – PERS DEFINED OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2022, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

- Difference between expected and actual experience
- Changes in assumptions
- Changes in employer proportion since the prior measurement date
- Net difference between projected and actual investment earnings
- Contributions subsequent to the measurement date

Differences between expected and actual experience, changes in assumptions and changes in employer proportionate are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period “layers” attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are described below:

- Fiscal Year ended June 30, 2022 – 2.5 years
- Fiscal Year ended June 30, 2021 – 2.7 years
- Fiscal Year ended June 30, 2020 – 2.9 years
- Fiscal Year ended June 30, 2019 – 3.1 years
- Fiscal Year ended June 30, 2018 – 3.3 years
- Fiscal Year ended June 30, 2017 – 3.7 years

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 12,208
Changes in assumptions	3,527	15,016
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportionate share	25,873	-
Contributions subsequent to the measurement date	3,033	-
	\$ 32,466	\$ 61,580

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 13 – PERS DEFINED OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Deferred outflows of resources related to OPEB resulting from the County’s contributions subsequent to the measurement date in the amount of \$3,033 will be recognized as an adjustment to the net OPEB (asset)/liability in the year ending June 30, 2024.

As of June 30, 2023, other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense for future years ending June 30 as follows:

2024	\$ (7,068)
2025	(14,435)
2026	(21,680)
2027	<u>11,003</u>
	<u>\$ (32,180)</u>

Actuarial methods and assumptions used in developing total OPEB liability

Except as identified below, actuarial methods and assumptions used in developing the total OPEB liability are the same as those used to develop the total PERS pension liability as discussed in Note 10.

Retiree healthcare participation

Healthy retirees are assumed to participate 32% of the time while disabled retirees are assumed to participate 20% of the time.

Healthcare cost trend rate

A healthcare cost trend rate is not utilized in the actuarial valuation as statute stipulates a \$60 monthly payment to retirees for health insurance.

Depletion date projection

GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 (paragraph 82) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

NOTE 13 – PERS DEFINED OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS (OPERS):

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is OPERS independent actuary’s opinion that the detailed depletion date projections outlined in GASB 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

Sensitivity of the proportionate share of the net OPEB liability/(asset) to changes in the discount rate

The following presents the proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.9%, as well as what the proportionate share of the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate:

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
Proportionate share of net OPEB liability/(asset)	\$ 406,024	\$ 450,496	\$ 488,619

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 14 – GOVERNMENTAL FUND BALANCES

Fund balance amounts for governmental funds have been reported in the categories of non-spendable, restricted, committed, assigned and unassigned. As of June 30, 2023 , the specific purposes for these amounts are as follows:

	<u>General</u>	<u>Public Works</u>	<u>Behavioral Health</u>	<u>American Rescue Plan</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
Nonspendable:						
Inventory	\$ -	\$ 423,915	\$ -	\$ -	\$ -	\$ 423,915
Prepays	47,681	414,913	17,438	43,750	23,795	547,577
Restricted for:						
Highways and streets	-	3,945,514	-	-	-	3,945,514
Public Safety	-	-	-	-	608,500	608,500
Health and welfare	-	-	14,385,302	-	1,238,738	15,624,040
Economic development	-	-	-	-	626,436	626,436
Community housing	-	-	-	-	3,327,786	3,327,786
Education	-	-	-	-	68,084	68,084
Other purposes	579,178	-	-	-	97,565	676,743
Committed for:						
Dog control	-	-	-	-	9,009	9,009
Fair and fairgrounds facility support	-	-	-	-	17,054	17,054
Construction of public improvements	-	-	-	-	126,945	126,945
Unassigned	<u>6,352,369</u>	<u>-</u>	<u>-</u>	<u>(33,513)</u>	<u>(17,668)</u>	<u>6,301,188</u>
Total Fund Balances	<u>\$ 6,979,228</u>	<u>\$ 4,784,342</u>	<u>\$ 14,402,740</u>	<u>\$ 10,237</u>	<u>\$ 6,126,244</u>	<u>\$ 32,302,791</u>

NOTE 15 – DEFICIT NET POSITION AND FUND BALANCES

As of June 30, 2023 , the Public Works Complex Construction fund has a deficit fund balance of \$17,668.

As of June 30, 2023, the Management Services fund had a deficit net position of \$2,486,974 and the Insurance fund had a deficit net position of \$124,881.

NOTE 16 – TAX ABATEMENTS

Polk County negotiates property tax abatement agreements on an individual basis. For the year ended June 30, 2023, the County had agreements which reduced property taxes levied on 12 properties for certified historic properties and for enterprise zone properties.

Property taxes for certified historic properties are abated for 15 consecutive years on the assessed value of qualifying improvements to the property pursuant to ORS 358.475-.545. The taxpayer is required to make qualified improvement to the property within the first five years in an amount of at least ten percent of the historic property’s real market value at the time of program qualification. The County has not made any commitments as part of these agreements other than to reduce taxes. State law provides for the recapture of taxes abated, in addition to interest and penalties, if the property is disqualified during the term of the agreement.

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 16 – TAX ABATEMENTS (Continued)

Enterprise zones are property areas designated by the Oregon Business Development Department and determined on a case-by-case basis based on requirements under ORS 285C.090 which includes criteria for zone resident household income and unemployment rates. Qualifying enterprise zone businesses are exempted from paying property taxes on qualifying new construction and equipment for 3 to 5 years. The County has not made any commitments as part of these agreements other than to reduce taxes. State law provides for the recapture of taxes abated if the business ceases to meet the requirements of the program.

The County is not subject to any tax abatement agreements entered into by other governmental entities. The County has chosen to disclose information about its tax abatement agreements in total by abatement program type.

Property taxes abated by Polk County for the year ended June 30, 2023, listed by abatement program are as follows:

<u>Abatement Program</u>	<u>Percentage of Taxes Abated</u>	<u>Total Property Taxes Abated</u>	<u>Polk County Share Taxes Abated</u>
Historic Property	30% - 55%	\$ 5,814	\$ 622
Enterprise Zone	100%	<u>44,640</u>	<u>5,203</u>
Total Abatement		<u>\$ 50,454</u>	<u>\$ 5,825</u>

NOTE 17 – COMMITMENTS

The County has entered into commitments for various projects as of June 30, 2023, as follows:

<u>Project</u>	<u>Contract</u>	<u>Disbursed to Date</u>	<u>Remaining Commitment</u>
Cascade Civil Corp	\$1,399,091	\$ 95,146	\$ 1,303,945
K&E Excavating Inc.	2,335,566	895,706	1,439,860
White Oak Construction	5,430,342	<u>1,813,903</u>	<u>3,616,439</u>
		<u>\$ 2,804,755</u>	<u>\$ 6,360,244</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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POLK COUNTY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Plan Years Ended June 30,

<u>Year Ended June 30,</u>	<u>County's proportion of the net pension liability (asset)</u>	<u>County's proportionate share of the net pension liability (asset)</u>	<u>County's covered payroll</u>	<u>County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2022	0.21495747%	\$ 32,914,302	\$ 23,545,924	140%	85%
2021	0.20441482%	24,461,258	23,138,167	106%	88%
2020	0.19304184%	42,128,369	21,031,089	200%	76%
2019	0.19682769%	34,046,477	19,958,827	171%	80%
2018	0.18228999%	27,614,532	18,802,869	147%	82%
2017	0.17902669%	24,132,865	17,173,056	141%	83%
2016	0.17810326%	26,737,435	15,389,727	174%	81%
2015	0.21117493%	12,124,527	13,843,399	88%	92%
2014	0.22053790%	(4,998,965)	14,470,863	-35%	104%
2013	0.22053790%	11,254,372	14,939,587	75%	92%

Notes to schedule

Changes in Benefit Terms and Assumptions

Benefit Terms: The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

Assumptions: The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. For June 30, 2021, the long-term expected rate of return was lowered to 6.90 percent, and the inflation rate was lowered from 2.5 to 2.4 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated.

POLK COUNTY
SCHEDULE OF CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Fiscal Years Ended June 30,

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percent of covered payroll
2023	\$ 5,960,323	\$ 5,960,323	\$ -	\$ 26,438,796	22.54%
2022	5,321,344	5,321,344	-	23,545,924	22.60%
2021	4,530,320	4,530,320	-	23,138,167	19.58%
2020	4,047,938	4,047,938	-	21,031,089	19.25%
2019	3,071,782	3,071,782	-	19,958,827	15.39%
2018	2,875,323	2,875,323	-	18,802,869	15.29%
2017	2,197,578	2,197,578	-	17,173,056	12.80%
2016	1,967,344	1,967,344	-	15,389,727	12.78%
2015	1,504,827	1,504,827	-	13,843,399	10.87%
2014	1,577,230	1,577,230	-	14,470,863	10.90%

POLK COUNTY

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Plan Years Ended June 30, *

Year Ended June 30,	County's proportion of the net pension liability (asset)	County's proportionate share of the net pension liability (asset)	County's covered payroll	County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.12678049%	\$ (450,496)	\$ 23,545,924	-2%	195%
2021	0.13954178%	(479,187)	23,138,167	-2%	184%
2020	0.15228373%	(310,294)	21,031,089	-1%	150%
2019	0.18191828%	(351,532)	19,958,827	-2%	144%
2018	0.17604880%	(196,518)	18,802,869	-1%	124%
2017	0.14647859%	(68,772)	17,173,056	0%	109%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Notes to schedule

Changes in Actuarial Assumptions Used to Determine Contributions:

Actuarial valuation Effective period	December 31, 2019 July 2021 - June 2023	December 31, 2017 July 2019 - June 2021	December 31, 2015 July 2017 - June 2019	December 31, 2013 July 2016 - June 2017
Actuarial assumptions:				
Inflation rate	2.40 percent	2.50 percent	2.50 percent	2.75 percent
Projected salary increase	3.40 percent	3.50 percent	3.50 percent	3.75 percent
Investment rate of return	6.90 percent	7.20 percent	7.20 percent	7.75 percent

POLK COUNTY
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFIT CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Fiscal Years Ended June 30,*

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percent of covered payroll
2023	\$ 3,033	\$ 3,033	\$ -	\$ 26,438,796	0.01%
2022	3,125	3,125	-	23,545,924	0.01%
2021	3,734	3,734	-	23,138,167	0.02%
2020	10,875	10,875	-	21,031,089	0.05%
2019	90,162	90,162	-	19,958,827	0.45%
2018	85,243	85,243	-	18,802,869	0.45%
2017	82,007	82,007	-	17,173,056	0.48%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

POLK COUNTY
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OTHER
POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
Last Ten Plan Years Ended June 30,*

	Years Ended June 30,					
	2023	2022	2021	2020	2019	2018
Service cost	\$ 256,718	\$ 249,304	\$ 194,008	\$ 172,634	\$ 186,967	\$ 199,811
Interest on total OPEB liability	58,298	54,265	84,343	83,859	78,316	62,815
Effect of economic/demographic gains or losses	(398,245)	-	(6,853)	-	178,301	-
Effect of assumptions changes or inputs	(323,961)	10,402	(192,964)	73,275	(315,529)	(133,908)
Benefit payments	(65,424)	(90,130)	(86,056)	(129,901)	(138,976)	(125,986)
Net change in total OPEB liability	(472,614)	223,841	(7,522)	199,867	(10,921)	2,732
Total OPEB liability - beginning of year	2,474,781	2,250,940	2,258,462	2,058,595	2,069,516	2,066,784
Total OPEB liability - end of year	\$ 2,002,167	\$ 2,474,781	\$ 2,250,940	\$ 2,258,462	\$ 2,058,595	\$ 2,069,516
Covered employee payroll	\$ 26,438,796	\$ 23,545,924	\$ 23,138,167	\$ 21,031,089	\$ 19,958,827	\$ 18,802,869
Total OPEB liability as a percentage of covered payroll	7.57%	10.51%	9.73%	10.74%	10.31%	11.01%

Notes to schedule

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Implicit rate subsidy

Contributions are not based on a measure of pay, therefore the covered-employee payroll is used in the percentages above.

Changes in assumptions

	2023	2022	2021	2020	2019	2018
Discount rate used	3.65%	2.21%	2.21%	3.50%	3.50%	3.58%

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**COMBINING FINANCIAL STATEMENTS AND
INDIVIDUAL FUND AND OTHER SCHEDULES**

POLK COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue	Capital Projects	Total
Assets			
Cash and cash equivalents	\$ 6,028,836	\$ 126,945	\$ 6,155,781
Receivables	1,132,627	-	1,132,627
Prepaid items	23,795	-	23,795
Total assets	\$ 7,185,258	\$ 126,945	\$ 7,312,203
Liabilities, deferred inflows and fund balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 446,100	\$ -	\$ 446,100
Due to other funds	137,632	17,668	155,300
Consumer deposits	3,300	-	3,300
Unearned revenue	343,492	-	343,492
Total liabilities	930,524	17,668	948,192
Deferred inflows of resources			
Unavailable revenue	237,767	-	237,767
Fund balances			
Nonspendable	23,795	-	23,795
Restricted	5,967,109	-	5,967,109
Committed	26,063	126,945	153,008
Unassigned	-	(17,668)	(17,668)
Total fund balances	6,016,967	109,277	6,126,244
Total liabilities, deferred inflows of resources and fund balances	\$ 7,185,258	\$ 126,945	\$ 7,312,203

POLK COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues			
Property taxes	\$ 521,645	\$ -	\$ 521,645
Franchise fees	245,305	-	245,305
Licenses, permits and fees	849,484	-	849,484
Fines and forfeitures	4,931	-	4,931
Charges for services	2,783,584	-	2,783,584
Donations	1,605,295	-	1,605,295
Intergovernmental	8,993,919	-	8,993,919
Interest	8,415	7,115	15,530
Miscellaneous	22,374	-	22,374
	<u>15,034,952</u>	<u>7,115</u>	<u>15,042,067</u>
Expenditures			
Current			
General government	3,711,420	64,719	3,776,139
Public safety	1,608,307	-	1,608,307
Highways and streets	170,933	-	170,933
Health and welfare	9,482,575	-	9,482,575
Education	438,937	-	438,937
Debt service	36,091	1,125,910	1,162,001
Capital outlay	100	258,329	258,429
	<u>15,448,363</u>	<u>1,448,958</u>	<u>16,897,321</u>
Excess (deficiency) of revenues over expenditures	<u>(413,411)</u>	<u>(1,441,843)</u>	<u>(1,855,254)</u>
Other financing sources (uses)			
Transfers in	<u>1,643,000</u>	<u>1,600,000</u>	<u>3,243,000</u>
Total other financing sources (uses)	<u>1,643,000</u>	<u>1,600,000</u>	<u>3,243,000</u>
Net change in fund balances	1,229,589	158,157	1,387,746
Fund balances at beginning of year	<u>4,787,378</u>	<u>(48,880)</u>	<u>4,738,498</u>
Fund balance at end of year	<u>\$ 6,016,967</u>	<u>\$ 109,277</u>	<u>\$ 6,126,244</u>

	Multi- Disciplinary Intervention	Domestic Mediation	Court Security	Public Land Corner	Dog Control	Marine Patrol	Law Library	Health Services
Assets								
Cash and cash equivalents	\$ 4,916	\$ 25,154	\$ 125,289	\$ 61,238	\$ 11,244	\$ -	\$ 9,574	\$ -
Receivables	33,223	-	491	-	540	40,032	-	550,391
Prepaid items	-	-	-	-	-	-	-	349
Total assets	\$ 38,139	\$ 25,154	\$ 125,780	\$ 61,238	\$ 11,784	\$ 40,032	\$ 9,574	\$ 550,740
Liabilities, deferred inflows and fund balances								
Liabilities								
Accounts payable and accrued liabilities	\$ 18,817	\$ 3,584	\$ 634	\$ 70	\$ 2,775	\$ 3,293	\$ 4,249	\$ 105,901
Due to other funds	-	-	-	-	-	26,883	-	105,257
Consumer deposits	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	18,817	3,584	634	70	2,775	30,176	4,249	211,158
Deferred inflows of resources								
Unavailable revenue	-	-	-	-	-	-	-	-
Fund balances								
Nonspendable	-	-	-	-	-	-	-	349
Restricted	19,322	21,570	125,146	61,168	-	9,856	5,325	339,233
Committed	-	-	-	-	9,009	-	-	-
Total fund balances	19,322	21,570	125,146	61,168	9,009	9,856	5,325	339,582
Total liabilities, deferred inflows of resources and fund balances	\$ 38,139	\$ 25,154	\$ 125,780	\$ 61,238	\$ 11,784	\$ 40,032	\$ 9,574	\$ 550,740

POLK COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2023

Public Health	Juvenile	Veterans' Services	Fair	Economic Development	Household Hazardous Waste	Coordinated Housing Fund	Building Inspection	Extension Service District	Total
\$ 953,261	\$ 110,376	\$ -	\$ 11,585	\$ 918,783	\$ 49,963	\$ 3,341,643	\$ 249,543	\$ 156,267	\$ 6,028,836
214,173	92,659	42,701	44,200	98,958	-	-	-	15,259	1,132,627
9,525	2,320	-	8,000	-	-	-	625	2,976	23,795
\$ 1,176,959	\$ 205,355	\$ 42,701	\$ 63,785	\$ 1,017,741	\$ 49,963	\$ 3,341,643	\$ 250,168	\$ 174,502	\$ 7,185,258
\$ 43,116	\$ 57,414	\$ 6,137	\$ 35,431	\$ 47,813	\$ 6,396	\$ 13,857	\$ 6,125	\$ 90,488	\$ 446,100
-	-	5,492	-	-	-	-	-	-	137,632
-	-	-	3,300	-	-	-	-	-	3,300
-	-	-	-	343,492	-	-	-	-	343,492
43,116	57,414	11,629	38,731	391,305	6,396	13,857	6,125	90,488	930,524
224,813	-	-	-	-	-	-	-	12,954	237,767
9,525	2,320	-	8,000	-	-	-	625	2,976	23,795
899,505	145,621	31,072	-	626,436	43,567	3,327,786	243,418	68,084	5,967,109
-	-	-	17,054	-	-	-	-	-	26,063
909,030	147,941	31,072	25,054	626,436	43,567	3,327,786	244,043	71,060	6,016,967
\$ 1,176,959	\$ 205,355	\$ 42,701	\$ 63,785	\$ 1,017,741	\$ 49,963	\$ 3,341,643	\$ 250,168	\$ 174,502	\$ 7,185,258

	Multi- Disciplinary Intervention	Domestic Mediation	Court Security	Public Land Corner	Dog Control	Marine Patrol	Law Library	Health Services
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise fees	-	-	-	-	-	-	-	-
Licenses, permits and fees	-	-	-	-	77,515	-	-	-
Fines and forfeitures	-	-	4,931	-	-	-	-	-
Charges for services	-	-	-	89,699	-	-	-	2,108,301
Donations	-	-	-	-	-	-	-	1,490,880
Intergovernmental	132,893	37,467	15,609	-	-	76,679	57,382	2,109,962
Interest	-	-	3,202	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	368
Total revenues	<u>132,893</u>	<u>37,467</u>	<u>23,742</u>	<u>89,699</u>	<u>77,515</u>	<u>76,679</u>	<u>57,382</u>	<u>5,709,511</u>
Expenditures								
Current								
General government	-	31,650	-	-	-	-	84,109	-
Public safety	178,681	-	20,044	-	222,677	52,211	-	-
Highways and streets	-	-	-	170,933	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	6,514,460
Education	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>178,681</u>	<u>31,650</u>	<u>20,044</u>	<u>170,933</u>	<u>222,677</u>	<u>52,211</u>	<u>84,109</u>	<u>6,514,460</u>
Excess (deficiency) of revenues over expenditures	<u>(45,788)</u>	<u>5,817</u>	<u>3,698</u>	<u>(81,234)</u>	<u>(145,162)</u>	<u>24,468</u>	<u>(26,727)</u>	<u>(804,949)</u>
Other financing sources (uses)								
Transfers in	-	-	-	-	140,000	5,000	28,000	350,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,000</u>	<u>5,000</u>	<u>28,000</u>	<u>350,000</u>
Net change in fund balances	(45,788)	5,817	3,698	(81,234)	(5,162)	29,468	1,273	(454,949)
Fund balances at beginning of year	<u>65,110</u>	<u>15,753</u>	<u>121,448</u>	<u>142,402</u>	<u>14,171</u>	<u>(19,612)</u>	<u>4,052</u>	<u>794,531</u>
Fund balance at end of year	\$ 19,322	\$ 21,570	\$ 125,146	\$ 61,168	\$ 9,009	\$ 9,856	\$ 5,325	\$ 339,582

POLK COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2023

Public Health	Juvenile	Veterans' Services	Fair	County School	Economic Development	Household Hazardous Waste	Coordinated Housing	Building Inspection	Extension Service District	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 521,645	\$ 521,645
-	-	-	-	171,802	-	73,503	-	-	-	245,305
-	-	-	-	-	-	-	-	771,969	-	849,484
-	-	-	-	-	-	-	-	-	-	4,931
262,047	31,578	-	291,959	-	-	-	-	-	-	2,783,584
19,688	-	61,406	33,321	-	-	-	-	-	-	1,605,295
2,090,396	333,094	123,699	353,001	875	1,206,490	-	2,456,372	-	-	8,993,919
-	-	-	-	-	-	-	-	-	5,213	8,415
-	-	-	4,506	-	17,500	-	-	-	-	22,374
<u>2,372,131</u>	<u>364,672</u>	<u>185,105</u>	<u>682,787</u>	<u>172,677</u>	<u>1,223,990</u>	<u>73,503</u>	<u>2,456,372</u>	<u>771,969</u>	<u>526,858</u>	<u>15,034,952</u>
-	45,236	311,176	990,255	172,677	1,094,389	49,748	128,586	803,594	-	3,711,420
-	1,134,694	-	-	-	-	-	-	-	-	1,608,307
-	-	-	-	-	-	-	-	-	-	170,933
2,968,115	-	-	-	-	-	-	-	-	-	9,482,575
-	-	-	-	-	-	-	-	-	438,937	438,937
-	-	-	-	-	-	-	-	-	36,091	36,091
-	-	-	100	-	-	-	-	-	-	100
<u>2,968,115</u>	<u>1,179,930</u>	<u>311,176</u>	<u>990,355</u>	<u>172,677</u>	<u>1,094,389</u>	<u>49,748</u>	<u>128,586</u>	<u>803,594</u>	<u>475,028</u>	<u>15,448,363</u>
(595,984)	(815,258)	(126,071)	(307,568)	-	129,601	23,755	2,327,786	(31,625)	51,830	(413,411)
<u>75,000</u>	<u>800,000</u>	<u>120,000</u>	<u>125,000</u>	-	-	-	-	-	-	<u>1,643,000</u>
<u>75,000</u>	<u>800,000</u>	<u>120,000</u>	<u>125,000</u>	-	-	-	-	-	-	<u>1,643,000</u>
(520,984)	(15,258)	(6,071)	(182,568)	-	129,601	23,755	2,327,786	(31,625)	51,830	1,229,589
<u>1,430,014</u>	<u>163,199</u>	<u>37,143</u>	<u>207,622</u>	-	<u>496,835</u>	<u>19,812</u>	<u>1,000,000</u>	<u>275,668</u>	<u>19,230</u>	<u>4,787,378</u>
\$ 909,030	\$ 147,941	\$ 31,072	\$ 25,054	\$ -	\$ 626,436	\$ 43,567	\$ 3,327,786	\$ 244,043	\$ 71,060	\$ 6,016,967

POLK COUNTY
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
June 30, 2023

	Building Improvement	Public Works Complex Construction	Total
Assets			
Cash and cash equivalents	\$ 126,945	\$ -	\$ 126,945
Total assets	<u>\$ 126,945</u>	<u>\$ -</u>	<u>\$ 126,945</u>
Liabilities, deferred inflows and fund balances			
Liabilities			
Due to other funds	\$ -	\$ 17,668	\$ 17,668
Total liabilities	<u>-</u>	<u>17,668</u>	<u>17,668</u>
Fund balances			
Committed	126,945	-	126,945
Unassigned	<u>-</u>	<u>(17,668)</u>	<u>(17,668)</u>
Total fund balances	<u>126,945</u>	<u>(17,668)</u>	<u>109,277</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 126,945</u>	<u>\$ -</u>	<u>\$ 126,945</u>

POLK COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
Year Ended June 30, 2023

	Building Improvement	Public Works Complex Construction	Total
Revenues			
Interest	\$ 4,208	\$ 2,907	\$ 7,115
Total revenues	<u>4,208</u>	<u>2,907</u>	<u>7,115</u>
Expenditures			
Current			
General government	54,719	10,000	64,719
Debt service	631,124	494,786	1,125,910
Capital outlay	<u>45,231</u>	<u>213,098</u>	<u>258,329</u>
Total expenditures	<u>731,074</u>	<u>717,884</u>	<u>1,448,958</u>
Excess (deficiency) of revenues over expenditures	<u>(726,866)</u>	<u>(714,977)</u>	<u>(1,441,843)</u>
Other financing sources (uses)			
Transfers in	<u>850,000</u>	<u>750,000</u>	<u>1,600,000</u>
Total other financing sources (uses)	<u>850,000</u>	<u>750,000</u>	<u>1,600,000</u>
Net change in fund balances	123,134	35,023	158,157
Fund balances at beginning of year	<u>3,811</u>	<u>(52,691)</u>	<u>(48,880)</u>
Fund balance at end of year	<u>\$ 126,945</u>	<u>\$ (17,668)</u>	<u>\$ 109,277</u>

POLK COUNTY
MULTI-DISCIPLINARY INTERVENTION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 130,000	\$ 132,893	\$ 2,893
Total revenues	<u>130,000</u>	<u>132,893</u>	<u>2,893</u>
Expenditures			
Multi-disciplinary intervention			
Personnel services	33,052	18,793	14,259
Materials and services	174,448	157,388	17,060
Interdepartment charges	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Total expenditures	<u>210,000</u>	<u>178,681</u>	<u>31,319</u>
Net change in fund balance	(80,000)	(45,788)	34,212
Fund balance at beginning of year	<u>80,000</u>	<u>65,110</u>	<u>(14,890)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 19,322</u>	<u>\$ 19,322</u>

POLK COUNTY
DOMESTIC MEDIATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 38,000	\$ 37,467	\$ (533)
Total revenues	<u>38,000</u>	<u>37,467</u>	<u>(533)</u>
Expenditures			
Domestic mediation			
Materials and services	61,147	29,797	31,350
Interdepartment charges	<u>1,853</u>	<u>1,853</u>	<u>-</u>
Total expenditures	<u>63,000</u>	<u>31,650</u>	<u>31,350</u>
Excess (deficiency) of revenues over expenditures	<u>(25,000)</u>	<u>5,817</u>	<u>30,817</u>
Other financing sources (uses)			
Transfers in	<u>5,000</u>	-	<u>(5,000)</u>
Total other financing sources (uses)	<u>5,000</u>	-	<u>(5,000)</u>
Net change in fund balance	(20,000)	5,817	25,817
Fund balance at beginning of year	<u>20,000</u>	<u>15,753</u>	<u>(4,247)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 21,570</u>	<u>\$ 21,570</u>

POLK COUNTY
COURT SECURITY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Fines and forfeitures	\$ 7,500	\$ 4,931	\$ (2,569)
Intergovernmental	14,000	15,609	1,609
Interest	<u>1,000</u>	<u>3,202</u>	<u>2,202</u>
Total revenues	<u>22,500</u>	<u>23,742</u>	<u>1,242</u>
Expenditures			
Court security			
Materials and services	90,646	3,190	87,456
Interdepartment charges	16,854	16,854	-
Capital outlay	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total court security	<u>132,500</u>	<u>20,044</u>	<u>112,456</u>
Total expenditures	<u>132,500</u>	<u>20,044</u>	<u>112,456</u>
Net change in fund balance	(110,000)	3,698	113,698
Fund balance at beginning of year	<u>110,000</u>	<u>121,448</u>	<u>11,448</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 125,146</u>	<u>\$ 125,146</u>

POLK COUNTY
PUBLIC LAND CORNER PRESERVATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 180,000	\$ 89,699	\$ (90,301)
Total revenues	<u>180,000</u>	<u>89,699</u>	<u>(90,301)</u>
Expenditures			
Public land corner preservation			
Materials and services	299,245	130,178	169,067
Interdepartment charges	<u>40,755</u>	<u>40,755</u>	<u>-</u>
Total expenditures	<u>340,000</u>	<u>170,933</u>	<u>169,067</u>
Net change in fund balance	(160,000)	(81,234)	78,766
Fund balance at beginning of year	<u>160,000</u>	<u>142,402</u>	<u>(17,598)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 61,168</u>	<u>\$ 61,168</u>

POLK COUNTY
DOG CONTROL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 65,000	\$ 77,515	\$ 12,515
Total revenues	<u>65,000</u>	<u>77,515</u>	<u>12,515</u>
Expenditures			
Dog control			
Personnel services	167,365	175,372	(8,007)
Materials and services	40,651	25,321	15,330
Interdepartment charges	<u>21,984</u>	<u>21,984</u>	<u>-</u>
Total expenditures	<u>230,000</u>	<u>222,677</u>	<u>7,323</u>
Excess (deficiency) of revenues over expenditures	<u>(165,000)</u>	<u>(145,162)</u>	<u>19,838</u>
Other financing sources (uses)			
Transfers in	<u>140,000</u>	<u>140,000</u>	<u>-</u>
Total other financing sources (uses)	<u>140,000</u>	<u>140,000</u>	<u>-</u>
Net change in fund balance	(25,000)	(5,162)	19,838
Fund balance at beginning of year	<u>25,000</u>	<u>14,171</u>	<u>(10,829)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 9,009</u>	<u>\$ 9,009</u>

POLK COUNTY
MARINE PATROL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 67,000	\$ 76,679	\$ 9,679
Total revenues	<u>67,000</u>	<u>76,679</u>	<u>9,679</u>
Expenditures			
Marine patrol			
Personnel services	47,316	30,117	17,199
Materials and services	19,958	17,368	2,590
Interdepartment charges	<u>4,726</u>	<u>4,726</u>	<u>-</u>
Total expenditures	<u>72,000</u>	<u>52,211</u>	<u>19,789</u>
Excess (deficiency) of revenues over expenditures	<u>(5,000)</u>	<u>24,468</u>	<u>29,468</u>
Other financing sources (uses)			
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total other financing sources (uses)	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balance	-	29,468	29,468
Fund balance at beginning of year	<u>-</u>	<u>(19,612)</u>	<u>(19,612)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 9,856</u>	<u>\$ 9,856</u>

POLK COUNTY
LAW LIBRARY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 58,000	\$ 57,382	\$ (618)
Total revenues	<u>58,000</u>	<u>57,382</u>	<u>(618)</u>
Expenditures			
Law library			
Materials and services	45,327	41,436	3,891
Interdepartment charges	<u>42,673</u>	<u>42,673</u>	<u>-</u>
Total expenditures	<u>88,000</u>	<u>84,109</u>	<u>3,891</u>
Excess (deficiency) of revenues over expenditures	<u>(30,000)</u>	<u>(26,727)</u>	<u>3,273</u>
Other financing sources (uses)			
Transfers in	<u>28,000</u>	<u>28,000</u>	<u>-</u>
Total other financing sources (uses)	<u>28,000</u>	<u>28,000</u>	<u>-</u>
Net change in fund balance	(2,000)	1,273	3,273
Fund balance at beginning of year	<u>2,000</u>	<u>4,052</u>	<u>2,052</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 5,325</u>	<u>\$ 5,325</u>

POLK COUNTY
HEALTH SERVICES - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 1,800,000	\$ 2,108,301	\$ 308,301
Intergovernmental	3,150,000	2,109,962	(1,040,038)
Donations	460,000	1,490,880	1,030,880
Miscellaneous	-	368	368
	<u>5,410,000</u>	<u>5,709,511</u>	<u>299,511</u>
Total revenues			
Expenditures			
Administration			
Personnel services	1,954,225	1,887,623	66,602
Materials and services	25,500	49,670	(24,170)
Interdepartment charges	205,023	205,023	-
	<u>2,184,748</u>	<u>2,142,316</u>	<u>42,432</u>
Total administration			
Family and community outreach			
Personnel services	2,611,885	2,437,454	174,431
Materials and services	1,588,807	1,760,130	(171,323)
Interdepartment charges	174,560	174,560	-
	<u>4,375,252</u>	<u>4,372,144</u>	<u>3,108</u>
Total family and community outreach			
Total expenditures			
	<u>6,560,000</u>	<u>6,514,460</u>	<u>45,540</u>
Excess (deficiency) of revenues over expenditures	<u>(1,150,000)</u>	<u>(804,949)</u>	<u>345,051</u>
Other financing sources (uses)			
Transfers in	<u>350,000</u>	<u>350,000</u>	<u>-</u>
Total other financing sources (uses)	<u>350,000</u>	<u>350,000</u>	<u>-</u>
Net change in fund balance	(800,000)	(454,949)	345,051
Fund balance at beginning of year	<u>800,000</u>	<u>794,531</u>	<u>(5,469)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 339,582</u>	<u>\$ 339,582</u>

POLK COUNTY
PUBLIC HEALTH - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 100,000	\$ 262,047	\$ 162,047
Intergovernmental	2,472,500	2,090,396	(382,104)
Donations	-	19,688	19,688
	<u>2,572,500</u>	<u>2,372,131</u>	<u>(200,369)</u>
Total revenues			
Expenditures			
Family planning			
Personnel services	98,604	25,227	73,377
Materials and services	16,025	24,443	(8,418)
Interdepartment charges	58,073	58,073	-
	<u>172,702</u>	<u>107,743</u>	<u>64,959</u>
Total family planning			
General health			
Personnel services	2,128,619	1,638,587	490,032
Materials and services	546,500	387,431	159,069
Interdepartment charges	467,518	467,518	-
	<u>3,142,637</u>	<u>2,493,536</u>	<u>649,101</u>
Total general health			
Womern, infants and children			
Personnel services	262,005	259,162	2,843
Materials and services	28,500	25,541	2,959
Interdepartment charges	82,133	82,133	-
	<u>372,638</u>	<u>366,836</u>	<u>5,802</u>
Total women, infants and children			
Contingency	234,523	-	234,523
	<u>3,922,500</u>	<u>2,968,115</u>	<u>954,385</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>(1,350,000)</u>	<u>(595,984)</u>	<u>754,016</u>
Other financing sources (uses)			
Transfers in	150,000	75,000	(75,000)
	<u>150,000</u>	<u>75,000</u>	<u>(75,000)</u>
Total other financing sources (uses)			
Net change in fund balance	(1,200,000)	(520,984)	679,016
Fund balance at beginning of year	1,200,000	1,430,014	230,014
	<u>1,200,000</u>	<u>1,430,014</u>	<u>230,014</u>
Fund balance at end of year	\$ -	\$ 909,030	\$ 909,030

POLK COUNTY
JUVENILE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 32,500	\$ 31,578	\$ (922)
Intergovernmental	<u>265,000</u>	<u>333,094</u>	<u>68,094</u>
Total revenues	<u>297,500</u>	<u>364,672</u>	<u>67,172</u>
Expenditures			
Juvenile community service			
Materials and services	46,500	44,760	1,740
Interdepartment charges	<u>476</u>	<u>476</u>	<u>-</u>
Total juvenile community service	<u>46,976</u>	<u>45,236</u>	<u>1,740</u>
Juvenile probations			
Personnel services	692,592	691,465	1,127
Materials and services	41,238	34,596	6,642
Interdepartment charges	<u>129,180</u>	<u>129,180</u>	<u>-</u>
Total juvenile probations	<u>863,010</u>	<u>855,241</u>	<u>7,769</u>
Juvenile sanctions			
Materials and services	265,500	277,439	(11,939)
Interdepartment charges	<u>2,014</u>	<u>2,014</u>	<u>-</u>
Total juvenile sanctions	<u>267,514</u>	<u>279,453</u>	<u>(11,939)</u>
Total expenditures	<u>1,177,500</u>	<u>1,179,930</u>	<u>(2,430)</u>
Excess (deficiency) of revenues over expenditures	<u>(880,000)</u>	<u>(815,258)</u>	<u>64,742</u>
Other financing sources (uses)			
Transfers in	<u>800,000</u>	<u>800,000</u>	<u>-</u>
Total other financing sources (uses)	<u>800,000</u>	<u>800,000</u>	<u>-</u>
Net change in fund balance	(80,000)	(15,258)	64,742
Fund balance at beginning of year	<u>80,000</u>	<u>163,199</u>	<u>83,199</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 147,941</u>	<u>\$ 147,941</u>

POLK COUNTY
VETERANS' SERVICES - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 120,000	\$ 123,699	\$ 3,699
Donations	<u>70,000</u>	<u>61,406</u>	<u>(8,594)</u>
Total revenues	<u>190,000</u>	<u>185,105</u>	<u>(4,895)</u>
Expenditures			
Veterans' services			
Personnel services	167,129	163,315	3,814
Materials and services	130,158	130,148	10
Interdepartment charges	<u>17,713</u>	<u>17,713</u>	<u>-</u>
Total veterans' services	<u>315,000</u>	<u>311,176</u>	<u>3,824</u>
Total expenditures	<u>315,000</u>	<u>311,176</u>	<u>3,824</u>
Excess (deficiency) of revenues over expenditures	<u>(125,000)</u>	<u>(126,071)</u>	<u>(1,071)</u>
Other financing sources (uses)			
Transfers in	<u>120,000</u>	<u>120,000</u>	<u>-</u>
Total other financing sources (uses)	<u>120,000</u>	<u>120,000</u>	<u>-</u>
Net change in fund balance	(5,000)	(6,071)	(1,071)
Fund balance at beginning of year	<u>5,000</u>	<u>37,143</u>	<u>32,143</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 31,072</u>	<u>\$ 31,072</u>

POLK COUNTY
FAIR - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 234,000	\$ 291,959	\$ 57,959
Intergovernmental	290,000	353,001	63,001
Donations	40,000	33,321	(6,679)
Miscellaneous	3,000	4,506	1,506
	<u>567,000</u>	<u>682,787</u>	<u>115,787</u>
Total revenues			
	<u>567,000</u>	<u>682,787</u>	<u>115,787</u>
Expenditures			
Annual fair			
Personnel services	107,867	91,327	16,540
Materials and services	102,800	110,794	(7,994)
Interdepartment charges	8,845	8,845	-
	<u>219,512</u>	<u>210,966</u>	<u>8,546</u>
Total annual fair			
	<u>219,512</u>	<u>210,966</u>	<u>8,546</u>
Year round operations			
Personnel services	274,613	343,767	(69,154)
Materials and services	234,567	397,214	(162,647)
Interdepartment charges	38,308	38,308	-
Capital outlay	200,000	100	199,900
	<u>747,488</u>	<u>779,389</u>	<u>(31,901)</u>
Total year round operations			
	<u>747,488</u>	<u>779,389</u>	<u>(31,901)</u>
Total expenditures			
	<u>967,000</u>	<u>990,355</u>	<u>(23,355)</u>
Excess (deficiency) of revenues over expenditures			
	<u>(400,000)</u>	<u>(307,568)</u>	<u>92,432</u>
Other financing sources (uses)			
Transfers in	<u>200,000</u>	<u>125,000</u>	<u>(75,000)</u>
Total other financing sources (uses)			
	<u>200,000</u>	<u>125,000</u>	<u>(75,000)</u>
Net change in fund balance			
	(200,000)	(182,568)	17,432
Fund balance at beginning of year			
	<u>200,000</u>	<u>207,622</u>	<u>7,622</u>
Fund balance at end of year			
	<u>\$ -</u>	<u>\$ 25,054</u>	<u>\$ 25,054</u>

POLK COUNTY
COUNTY SCHOOL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Franchise fees	\$ 173,500	\$ 171,802	\$ (1,698)
Intergovernmental	<u>1,500</u>	<u>875</u>	<u>(625)</u>
Total revenues	<u>175,000</u>	<u>172,677</u>	<u>(2,323)</u>
Expenditures			
County school			
Materials and services	<u>175,000</u>	<u>172,677</u>	<u>2,323</u>
Total expenditures	<u>175,000</u>	<u>172,677</u>	<u>2,323</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

POLK COUNTY
ECONOMIC DEVELOPMENT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance
Revenues			
Intergovernmental	\$ 350,000	\$ 455,445	\$ 105,445
Miscellaneous	-	17,500	17,500
	<u>350,000</u>	<u>472,945</u>	<u>122,945</u>
Expenditures			
Economic development			
Personnel services	24,497	25,423	(926)
Materials and services	1,660,365	1,053,828	606,537
Interdepartment charges	15,138	15,138	-
	<u>1,700,000</u>	<u>1,094,389</u>	<u>605,611</u>
Net change in fund balance	(1,350,000)	(621,444)	728,556
Fund balance at beginning of year	<u>1,350,000</u>	<u>1,591,372</u>	<u>241,372</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 969,928</u>	<u>\$ 969,928</u>
Reconciliation to generally accepted accounting principles			
Unearned revenue		<u>(343,492)</u>	
		<u>\$ 626,436</u>	

POLK COUNTY
HOUSEHOLD HAZARDOUS WASTE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Franchise fees	\$ 55,000	\$ 73,503	\$ 18,503
Total revenues	<u>55,000</u>	<u>73,503</u>	<u>18,503</u>
Expenditures			
Household hazardous waste			
Personnel services	29,262	12,711	16,551
Materials and services	53,333	34,632	18,701
Interdepartment charges	<u>2,405</u>	<u>2,405</u>	<u>-</u>
Total expenditures	<u>85,000</u>	<u>49,748</u>	<u>35,252</u>
Net change in fund balance	(30,000)	23,755	53,755
Fund balance at beginning of year	<u>30,000</u>	<u>19,812</u>	<u>(10,188)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 43,567</u>	<u>\$ 43,567</u>

POLK COUNTY
COORDINATED HOUSING FUND - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 2,500,000	\$ 2,456,372	\$ (43,628)
Total revenues	<u>2,500,000</u>	<u>2,456,372</u>	<u>(43,628)</u>
Expenditures			
Economic development			
Personnel services	106,000	77,140	28,860
Materials and services	844,000	51,446	792,554
Capital outlay	<u>1,200,000</u>	<u>-</u>	<u>1,200,000</u>
Total economic development	<u>2,150,000</u>	<u>128,586</u>	<u>2,021,414</u>
Contingency	<u>1,350,000</u>	<u>-</u>	<u>1,350,000</u>
Total expenditures	<u>3,500,000</u>	<u>128,586</u>	<u>3,371,414</u>
Net change in fund balance	(1,000,000)	2,327,786	3,327,786
Fund balance at beginning of year	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 3,327,786</u>	<u>\$ 3,327,786</u>

POLK COUNTY
BUILDING INSPECTION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 750,000	\$ 771,969	\$ 21,969
Total revenues	<u>750,000</u>	<u>771,969</u>	<u>21,969</u>
Expenditures			
Building inspection			
Personnel services	609,641	640,085	(30,444)
Materials and services	96,149	49,299	46,850
Interdepartment charges	<u>114,210</u>	<u>114,210</u>	<u>-</u>
Total academy building improvement	<u>820,000</u>	<u>803,594</u>	<u>16,406</u>
Contingency	<u>180,000</u>	<u>-</u>	<u>180,000</u>
Total expenditures	<u>1,000,000</u>	<u>803,594</u>	<u>196,406</u>
Net change in fund balance	(250,000)	(31,625)	218,375
Fund balance at beginning of year	<u>250,000</u>	<u>275,668</u>	<u>25,668</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 244,043</u>	<u>\$ 244,043</u>

POLK COUNTY
EXTENSION SERVICE DISTRICT- SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 543,000	\$ 521,645	\$ (21,355)
Donations	1,500	-	(1,500)
Interest	2,500	5,213	2,713
	<u>547,000</u>	<u>526,858</u>	<u>(20,142)</u>
Expenditures			
Extension services			
Materials and services	556,000	469,028	86,972
Interdepartment charges	6,000	6,000	-
	<u>562,000</u>	<u>475,028</u>	<u>86,972</u>
Contingency	15,000	-	15,000
	<u>577,000</u>	<u>475,028</u>	<u>101,972</u>
Net change in fund balance	(30,000)	51,830	81,830
Fund balance at beginning of year	30,000	19,230	(10,770)
Fund balance at end of year	<u>\$ -</u>	<u>\$ 71,060</u>	<u>\$ 71,060</u>

POLK COUNTY
BUILDING IMPROVEMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ -	\$ 4,208	\$ 4,208
Total revenues	<u>-</u>	<u>4,208</u>	<u>4,208</u>
Expenditures			
Academy building improvement			
Materials and services	-	36,107	(36,107)
Debt service	253,950	203,930	50,020
Capital outlay	-	935	(935)
Total academy building improvement	<u>253,950</u>	<u>240,972</u>	<u>12,978</u>
Courthouse building improvement			
Materials and services	42,500	18,612	23,888
Debt service	380,000	427,194	(47,194)
Capital outlay	1,048,550	44,296	1,004,254
Total courthouse building improvement	<u>1,471,050</u>	<u>490,102</u>	<u>980,948</u>
Total expenditures	<u>1,725,000</u>	<u>731,074</u>	<u>993,926</u>
Excess (deficiency) of revenues over expenditures	<u>(1,725,000)</u>	<u>(726,866)</u>	<u>998,134</u>
Other financing sources (uses)			
Transfers in	<u>1,675,000</u>	<u>850,000</u>	<u>(825,000)</u>
Total other financing sources (uses)	<u>1,675,000</u>	<u>850,000</u>	<u>(825,000)</u>
Net change in fund balance	(50,000)	123,134	173,134
Fund balance at beginning of year	<u>50,000</u>	<u>3,811</u>	<u>(46,189)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 126,945</u>	<u>\$ 126,945</u>

POLK COUNTY
PUBLIC WORKS COMPLEX CONSTRUCTION - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ -	\$ 2,907	\$ 2,907
Total revenues	<u>-</u>	<u>2,907</u>	<u>2,907</u>
Expenditures			
Public works complex construction			
Materials and services	15,000	-	15,000
Interdepartment charges	10,000	10,000	-
Debt service	500,000	494,786	5,214
Capital outlay	<u>250,000</u>	<u>213,098</u>	<u>36,902</u>
Total expenditures	<u>775,000</u>	<u>717,884</u>	<u>57,116</u>
Excess (deficiency) of revenues over expenditures	<u>(775,000)</u>	<u>(714,977)</u>	<u>60,023</u>
Other financing sources (uses)			
Transfers in	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Total other financing sources (uses)	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Net change in fund balance	(25,000)	35,023	60,023
Fund balance at beginning of year	<u>25,000</u>	<u>(52,691)</u>	<u>(77,691)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ (17,668)</u>	<u>\$ (17,668)</u>

POLK COUNTY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023

	Management Services	Insurance	Totals
Assets			
Current assets			
Cash and cash equivalents	\$ 596,493	\$ -	\$ 596,493
Receivables, net	18,077	-	18,077
Prepaid items	255,680	-	255,680
Total current assets	870,250	-	870,250
Net other postemployment benefits asset	49,555	-	49,555
Capital assets, net	3,673,252	-	3,673,252
Total assets	4,593,057	-	4,593,057
Deferred outflows of resources			
Pension related items	1,729,553	-	1,729,553
Other postemployment benefit related items	24,295	-	24,295
Total deferred outflows of resources	1,753,848	-	1,753,848
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	160,053	29,588	189,641
Due to other funds	-	95,293	95,293
Long-term obligations:			
Due within one year	511,716	-	511,716
Due in more than one year	7,027,485	-	7,027,485
Total liabilities	7,699,254	124,881	7,824,135
Deferred inflows of resources			
Pension related items	1,020,903	-	1,020,903
Other postemployment benefit related items	113,722	-	113,722
Total deferred inflows of resources	1,134,625	-	1,134,625
Net position			
Net investment in capital assets	3,673,252	-	3,673,252
Unrestricted	(6,160,226)	(124,881)	(6,285,107)
Total net position	\$ (2,486,974)	\$ (124,881)	\$ (2,611,855)

POLK COUNTY
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2023

	Management Services	Insurance	Totals
Operating revenues			
Intergovernmental	\$ 11,520	\$ -	\$ 11,520
Charges for services	7,306,723	749,181	8,055,904
Miscellaneous	19,380	-	19,380
	<u>7,337,623</u>	<u>749,181</u>	<u>8,086,804</u>
Total operation revenues			
	<u>7,337,623</u>	<u>749,181</u>	<u>8,086,804</u>
Operating expenses			
Personnel services	4,572,803	75,672	4,648,475
Materials and services	1,759,479	823,308	2,582,787
Interdepartmental charges	148,000	186,559	334,559
Amortization and depreciation	458,385	-	458,385
	<u>6,938,667</u>	<u>1,085,539</u>	<u>8,024,206</u>
Total operating expenses			
	<u>6,938,667</u>	<u>1,085,539</u>	<u>8,024,206</u>
Operating income (loss)	<u>398,956</u>	<u>(336,358)</u>	<u>62,598</u>
Nonoperating revenues (expenses)			
Interest expense	(81,808)	-	(81,808)
	<u>(81,808)</u>	<u>-</u>	<u>(81,808)</u>
Total nonoperating revenue (expenses)			
	<u>(81,808)</u>	<u>-</u>	<u>(81,808)</u>
Income (loss) before transfers	317,148	(336,358)	(19,210)
Transfers in	-	100,000	100,000
Transfers out	(500,000)	-	(500,000)
	<u>(182,852)</u>	<u>(236,358)</u>	<u>(419,210)</u>
Change in net position			
	<u>(182,852)</u>	<u>(236,358)</u>	<u>(419,210)</u>
Net position - beginning	(2,304,122)	111,477	(2,192,645)
	<u>(2,304,122)</u>	<u>111,477</u>	<u>(2,192,645)</u>
Net position - ending	\$ (2,486,974)	\$ (124,881)	\$ (2,611,855)

POLK COUNTY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2023

	Management Services	Insurance	Totals
Cash flows from operating activities			
Receipts from other governments	\$ 9,659	\$ -	\$ 9,659
Receipts from other funds	7,306,723	749,181	8,055,904
Miscellaneous receipts	19,380	-	19,380
Payments to suppliers	(1,791,245)	(966,768)	(2,758,013)
Payments to employees	(4,522,608)	(75,672)	(4,598,280)
Payments to other funds	(148,000)	(186,559)	(334,559)
	<u>873,909</u>	<u>(479,818)</u>	<u>394,091</u>
Net cash provided by (used in) operating activities			
Cash flows from noncapital financing activities			
Loans from other funds	-	95,293	95,293
Transfers in	-	100,000	100,000
Transfers out	(500,000)	-	(500,000)
	<u>(500,000)</u>	<u>195,293</u>	<u>(304,707)</u>
Net cash provided by (used in) noncapital financing activities			
Cash flows from capital and related financing activities			
Principal paid on lease liabilities	(347,109)	-	(347,109)
Interest paid on lease liabilities	(81,808)	-	(81,808)
	<u>(428,917)</u>	<u>-</u>	<u>(428,917)</u>
Net cash provided by (used in) capital and related financing activities			
Net increase (decrease) in cash and cash equivalents	(55,008)	(284,525)	(339,533)
Cash and cash equivalents - beginning of year	651,501	284,525	936,026
	<u>651,501</u>	<u>284,525</u>	<u>936,026</u>
Cash and cash equivalents - end of year	<u>\$ 596,493</u>	<u>\$ -</u>	<u>\$ 596,493</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 398,956	\$ (336,358)	\$ 62,598
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Amortization and depreciation	458,385	-	458,385
(Increase) decrease in assets and deferred outflows of resources			
Receivables, net	(1,861)	-	(1,861)
Prepaid items	(117,705)	-	(117,705)
Net other postemployment benefits asset	3,156	-	3,156
Pension related items	(2,893)	-	(2,893)
Other postemployment benefit related items	5,113	-	5,113
Increase (decrease) in liabilities and deferred inflows of resources			
Accounts payable and accrued liabilities	85,939	(143,460)	(57,521)
Compensated absences payable	20,654	-	20,654
Net pension liability	994,242	-	994,242
Net other postemployment benefits liability	(51,988)	-	(51,988)
Pension related items	(973,473)	-	(973,473)
Other postemployment benefit related items	55,384	-	55,384
	<u>873,909</u>	<u>(479,818)</u>	<u>394,091</u>
Net cash provided by (used in) operating activities	<u>\$ 873,909</u>	<u>\$ (479,818)</u>	<u>\$ 394,091</u>

POLK COUNTY
MANAGEMENT SERVICES - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 7,252,500	\$ 7,306,723	\$ 54,223
Intergovernmental	100,000	11,520	(88,480)
Miscellaneous	<u>6,000</u>	<u>19,380</u>	<u>13,380</u>
Total revenues	<u>7,358,500</u>	<u>7,337,623</u>	<u>(20,877)</u>
Expenditures			
Board of commissioners			
Personnel services	393,417	384,121	9,296
Materials and services	<u>16,750</u>	<u>22,768</u>	<u>(6,018)</u>
Total board of commissioners	<u>410,167</u>	<u>406,889</u>	<u>3,278</u>
GIS - computer mapping			
Personnel services	333,859	209,205	124,654
Materials and services	57,050	69,827	(12,777)
Interdepartment charges	<u>33,000</u>	<u>33,000</u>	<u>-</u>
Total GIS - computer mapping	<u>423,909</u>	<u>312,032</u>	<u>111,877</u>
Central services			
Personnel services	244,486	243,233	1,253
Materials and services	300,600	302,976	(2,376)
Capital outlay	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total central services	<u>575,086</u>	<u>546,209</u>	<u>28,877</u>
Academy building maintenance			
Personnel services	432,777	366,031	66,746
Materials and services	<u>111,000</u>	<u>146,949</u>	<u>(35,949)</u>
Total academy building maintenance	<u>543,777</u>	<u>512,980</u>	<u>30,797</u>
Jail maintenance			
Personnel services	236,858	202,498	34,360
Materials and services	200,800	225,009	(24,209)
Capital outlay	<u>-</u>	<u>6,982</u>	<u>(6,982)</u>
Total jail maintenance	<u>437,658</u>	<u>434,489</u>	<u>3,169</u>

Continued on next page

POLK COUNTY
MANAGEMENT SERVICES - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Courthouse building maintenance			
Personnel services	\$ 804,273	\$ 767,835	\$ 36,438
Materials and services	<u>196,950</u>	<u>224,180</u>	<u>(27,230)</u>
Total courthouse building maintenance	<u>1,001,223</u>	<u>992,015</u>	<u>9,208</u>
Buchanan building maintenance			
Personnel services	91,485	93,019	(1,534)
Materials and services	<u>352,150</u>	<u>293,101</u>	<u>59,049</u>
Total buchanan building maintenance	<u>443,635</u>	<u>386,120</u>	<u>57,515</u>
Information services			
Personnel services	906,139	928,489	(22,350)
Materials and services	554,200	530,162	24,038
Interdepartment charges	115,000	115,000	-
Capital outlay	<u>50,000</u>	<u>33,486</u>	<u>16,514</u>
Total information services	<u>1,625,339</u>	<u>1,607,137</u>	<u>18,202</u>
Finance			
Personnel services	648,292	659,818	(11,526)
Materials and services	<u>208,400</u>	<u>167,220</u>	<u>41,180</u>
Total finance	<u>856,692</u>	<u>827,038</u>	<u>29,654</u>
Personnel			
Personnel services	467,877	486,224	(18,347)
Materials and services	<u>186,000</u>	<u>162,804</u>	<u>23,196</u>
Total personnel	<u>653,877</u>	<u>649,028</u>	<u>4,849</u>
County legal counsel			
Personnel services	184,526	182,135	2,391
Materials and services	<u>7,450</u>	<u>2,932</u>	<u>4,518</u>
Total county legal counsel	<u>191,976</u>	<u>185,067</u>	<u>6,909</u>

Continued on next page

POLK COUNTY
MANAGEMENT SERVICES - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance
Non-departmental Special projects	\$ 346,661	\$ -	\$ 346,661
Total non-departmental	346,661	-	346,661
Total expenditures	7,510,000	6,859,004	650,996
Excess (deficiency) of revenues over expenditures	(151,500)	478,619	630,119
 Other financing sources (uses)			
Sale of capital assets	1,500	-	(1,500)
Transfers out	(750,000)	(500,000)	250,000
Total other financing sources (uses)	(748,500)	(500,000)	248,500
Net change in fund balance	(900,000)	(21,381)	878,619
Fund balance at beginning of year	900,000	731,578	(168,422)
Fund balance at end of year	\$ -	\$ 710,197	\$ 710,197
 Reconciliation to generally accepted accounting principles:			
Net other postemployment benefit asset		49,555	
Lease assets, net		3,496,612	
Capital assets, net		176,640	
Deferred outflows of resources		1,753,848	
Compensated absences		(164,887)	
Lease liability		(3,584,282)	
Net pension liability		(3,569,794)	
Other postemployment benefit		(220,238)	
Deferred inflows of resources		(1,134,625)	
Net position at end of year		\$ (2,486,974)	

POLK COUNTY
INSURANCE - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 1,025,000	\$ 749,181	\$ (275,819)
Total revenues	<u>1,025,000</u>	<u>749,181</u>	<u>(275,819)</u>
Expenditures			
Insurance			
Personnel services	74,400	75,672	(1,272)
Materials and services	660,600	823,308	(162,708)
Interdepartment charges	<u>470,000</u>	<u>186,559</u>	<u>283,441</u>
Total insurance	<u>1,205,000</u>	<u>1,085,539</u>	<u>119,461</u>
Contingency	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total expenditures	<u>1,405,000</u>	<u>1,085,539</u>	<u>319,461</u>
Excess (deficiency) of revenues over expenditures	<u>(380,000)</u>	<u>(336,358)</u>	<u>43,642</u>
Other financing sources (uses)			
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total other financing sources (uses)	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	(280,000)	(236,358)	43,642
Fund balance at beginning of year	<u>280,000</u>	<u>111,477</u>	<u>(168,523)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ (124,881)</u>	<u>\$ (124,881)</u>

POLK COUNTY
SCHEDULE OF ACCOUNTABILITY FOR INDEPENDENTLY ELECTED OFFICIALS
Year Ended June 30, 2023

Elected Official	Cash and Cash Equivalents Balances July 1, 2022	Cash Receipts	Cash Turnovers and Disbursements to County Treasurer and Others	Cash and Cash Equivalents Balances June 30, 2023
Assessor	\$ 25	\$ 13,238	\$ 13,238	\$ 25
Clerk	150	332,360	332,360	150
District Attorney	35	74,391	74,391	35
Sheriff	23,883	1,361,088	1,367,887	17,084
Treasurer	<u>39,043,993</u>	<u>213,996,669</u>	<u>214,598,257</u>	<u>38,442,405</u>
Totals	<u>\$ 39,068,086</u>	<u>\$ 215,777,746</u>	<u>\$ 216,386,133</u>	<u>\$ 38,459,699</u>

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COMPLIANCE SECTION

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**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS**

To the Board of County Commissioners
Polk County
Dallas, Oregon

We have audited the basic financial statements of Polk County (the "County") as of and for the year ended June 30, 2023, and have issued our report thereon dated January 25, 2024. Our audit was conducted 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.

Compliance

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 grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. As such, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Highway revenues used for public highways, roads and streets.**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

Board of County Commissioners
Polk County
Independent Auditor's Report Required by
Oregon State Regulations
January 25, 2024

In connection with our testing nothing came to our attention that caused us to believe the County was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following:

Budgets legally required (ORS Chapter 294.463)

- Appropriations for the American Rescue Plan fund did not separately appropriate transfers from other expenditures in the appropriation resolution.
- Expenditures in excess of appropriations occurred in the Juvenile fund in the Juvenile Sanctions appropriation category of \$11,939 and the Fair fund in the Year Round Operations appropriation category of \$31,901.

OAR 162-10-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Restriction on Use

This report is intended solely for the information and use of the Board of County Commissioners, management of Polk County, and the Oregon Secretary of State and is not intended to be, and should not be, used by anyone other than these parties.

Singer Lewak LLP

January 25, 2024

By:



Bradley G. Bingenheimer, Partner