



**FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022**

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
CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	A - D
MANAGEMENT'S DISCUSSION AND ANALYSIS	i - viii
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Governmental Funds	
Balance Sheet	3
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balances	5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
General	7 – 10
Public Works	11, 12
Behavioral Health	13
American Rescue Plan	14
Proprietary Funds	
Statement of Net Position	15
Statement of Revenues, Expenses and Changes in Net Position	16
Statement of Cash Flows	17
Fiduciary Funds	
Statement of Net Position	18
Statement of Changes in Net Position	19
Notes to Basic Financial Statements	20 – 57
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the Proportionate Share of the Net Pension Liability Oregon Public Employees Retirement System	58
Schedule of Contributions Oregon Public Employees Retirement System	59
Schedule of the Proportionate Share of the Net Other Postemployment Benefit Liability (Asset) Oregon Public Employees Retirement System	60
Schedule of Other Postemployment Benefit Contributions Oregon Public Employees Retirement System	61
Schedule of Changes in the County's Total Other Postemployment Benefit Liability and Related Ratios	62

POLK COUNTY
CONTENTS (Continued)

Page

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds	
Combining Balance Sheet	63
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	64
Special Revenue Funds	
Combining Balance Sheet	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	66
Capital Project Funds	
Combining Balance Sheet	67
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	68
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Multi-Disciplinary Intervention	69
Domestic Mediation	70
Court Security	71
Public Land Corner Preservation	72
Dog Control	73
Marine Patrol	74
Law Library	75
Health Services	76
Public Health	77
Juvenile	78
Veteran’s Services	79
Fair	80
County School	81
Economic Development	82
Household Hazardous Waste	83
Coordinated Housing	84
Building Inspection	85
Extension Service District	86
Debt Service	87
Building Improvement	88
Public Works Complex Construction	89
Internal Service Funds	
Combining Statement of Net Position	90
Combining Statement of Revenues, Expenses and Changes in Net Position	91
Combining Statement of Cash Flows	92
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Management Services	93 - 95
Insurance	96
Schedule of Accountability for Independently Elected Officials	97

	<u>Page</u>
<u>COMPLIANCE SECTION</u>	
Independent Auditor's Report Required by Oregon State Regulations	98, 99
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	100, 101
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance	102 - 104
Schedule of Findings and Questioned Costs	105
Schedule of Expenditures of Federal Awards	106, 107
Notes to Schedule of Expenditures of Federal Awards	108
Summary Schedule of Prior Findings	109

THIS PAGE LEFT INTENTIONALLY BLANK

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, 2022, 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, 2022, 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 –vii* and the schedules on pages 58 – 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 statements, individual fund schedules, and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 March 6, 2023, 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
March 6, 2023

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 March 6, 2023, 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

March 6, 2023

By:



Bradley G. Bingenheimer, Partner

MANAGEMENT'S DISCUSSION AND ANALYSIS

**POLK COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

The management of Polk County, Oregon presents this narrative overview and analysis of the financial activities, for the fiscal year ended June 30, 2022. 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 \$41,882,308 at June 30, 2022, on its government-wide statement of net position. Of this amount, \$45,071,470 is the net investment in capital assets and \$19,336,033 is restricted for various purposes.
- The County's total net position increased \$8,003,096 during the current fiscal year. This increase is attributable to revenue in excess of expenses. Expenses include \$3,890,940 for depreciation and amortization, non-cash expenses. Expenses in the current year were decreased by pension cost adjustments \$1,280,645 and for OPEB cost adjustments \$137,490 required by governmental accounting standards.
- At June 30, 2022, unassigned fund balance for the General Fund was \$6,529,973 or approximately 30% of total General Fund expenditures for the year.
- Actual pension costs paid during this fiscal year were \$6,811,125, but due to adjustments required by GASB 68, pension expense for the year was decreased by \$1,280,645. 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 58-63.

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 64-97.

Government-wide Financial Analysis

Assets exceeded liabilities by \$41,882,308 at June 30, 2022. Net investment in capital assets is \$45,071,470 which is greater than the total net position. 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, 2021</u>	<u>June 30, 2022</u>	<u>Change</u>
Assets			
Current Assets	\$ 35,539,545	\$ 42,161,832	\$ 6,622,287
Capital Assets, net	<u>55,212,779</u>	<u>63,069,601</u>	<u>7,856,822</u>
Total Assets	90,752,324	105,231,433	14,479,109
Deferred Outflows	<u>15,402,875</u>	<u>16,666,261</u>	<u>1,263,386</u>
Total Assets and Deferred Outflows	<u>106,155,199</u>	<u>121,897,694</u>	<u>15,742,495</u>
Liabilities			
Current Liabilities	9,883,903	14,051,836	4,167,933
Long-Term Liabilities	18,524,210	22,030,393	3,506,183
Net Pension Liability	<u>42,128,369</u>	<u>24,461,258</u>	<u>(17,667,111)</u>
Total Liabilities	70,536,482	60,543,487	(9,992,995)
Deferred Inflows	<u>1,739,505</u>	<u>19,471,899</u>	<u>17,732,394</u>
Total Liabilities and Deferred Inflows	<u>72,275,987</u>	<u>80,015,386</u>	<u>7,739,399</u>
Net Position			
Net Investment in Capital Assets	40,378,866	45,071,470	4,692,604
Restricted Net Position	16,430,739	19,336,033	2,905,294
Unrestricted	<u>(22,930,393)</u>	<u>(22,525,195)</u>	<u>405,198</u>
Total Net Position	<u>\$ 33,879,212</u>	<u>\$ 41,882,308</u>	<u>\$ 8,003,096</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-wide Financial Analysis (continued)

During the year, current assets increased \$6,622,287. Net capital assets increased \$7,856,822. Details of capital assets acquired appears later in this narrative.

At June 30, 2022, the balance of deferred outflows relating to pension was \$16,398,916, an increase of \$1,332,132 from the prior year. At June 30, 2022, the balance of deferred outflows related to other postemployment benefits was \$267,345, a decrease of \$68,746 from the prior year.

Liabilities decreased \$9,992,995 during the year. This change includes \$4,167,933 increase in current liabilities, \$3,506,183 increase in long term liabilities and \$17,667,111 decrease in net pension liability. Accounts payable and accrued liabilities increased \$10,978, and unearned revenues increased \$4,015,509 due to the receipt of additional coronavirus state and local fiscal recovery funds. Current portion of long term debt and leases increased \$408,475 and liability for compensated absences increased \$118,124. Long term liabilities for debt obligations increased \$3,618,362 due to the recognition of lease liabilities. However, there was an \$17,443,270 decrease in net pension liability and other post-employment benefits.

Net position of the County increased \$8,003,096 during the year. This change includes an increase of \$4,692,604 in net investment in capital assets, increase of \$2,905,294 in restricted net position, and an increase of \$405,198 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

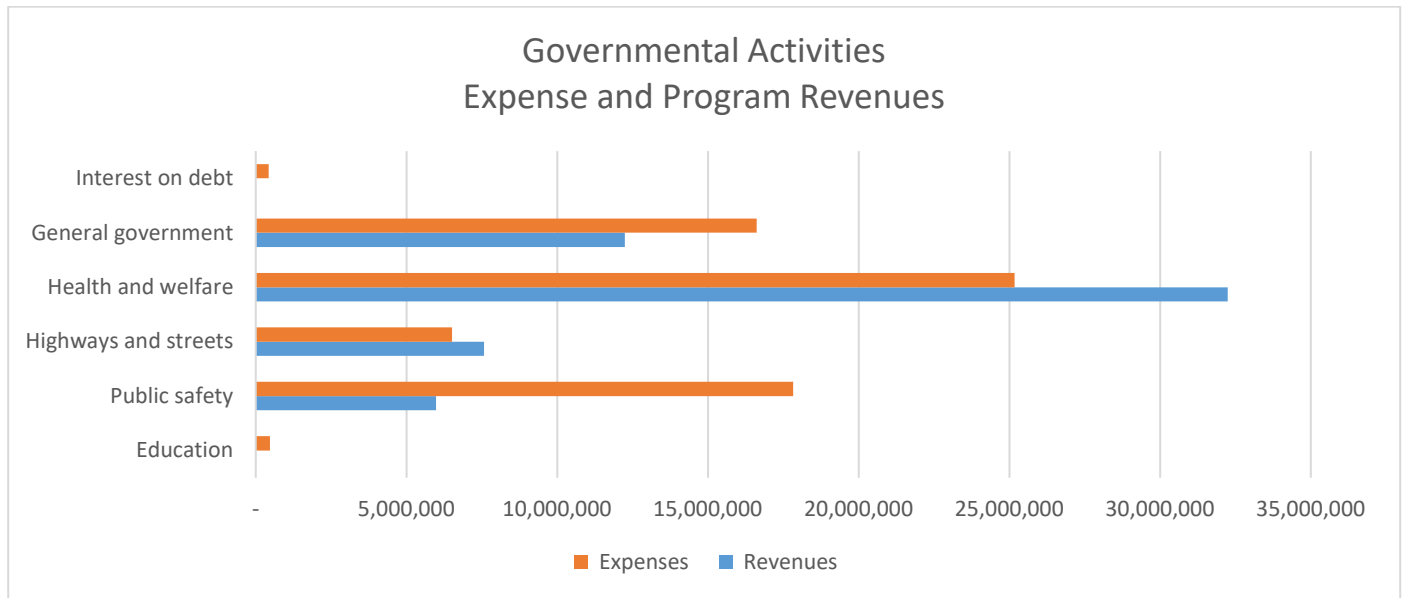
	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>Change</u>
Program revenues:			
Charges for services	\$ 12,862,101	\$ 13,116,976	\$ 254,875
Program grants and contributions	43,509,836	44,922,208	1,412,372
General revenues:			
Property taxes	14,321,198	15,034,209	713,011
Franchise fees	657,353	636,249	(21,104)
Other grants and contributions	702,632	842,229	139,597
Interest earnings	170,384	179,124	8,740
Miscellaneous	161,654	308,416	146,762
Total Revenues	<u>72,385,158</u>	<u>75,039,411</u>	<u>2,654,253</u>
Expenses:			
General government	15,913,177	16,617,971	704,794
Public safety	19,618,374	17,823,059	(1,795,315)
Highways and streets	9,376,510	6,515,494	(2,861,016)
Health and welfare	26,898,547	25,174,483	(1,724,064)
Education	501,888	472,294	(29,594)
Interest on long-term debt	374,665	433,014	58,349
Total Expense	<u>72,683,161</u>	<u>67,036,315</u>	<u>(5,646,846)</u>
Increase (decrease) in net position	<u>(298,003)</u>	<u>8,003,096</u>	<u>8,301,099</u>
Beginning net position	34,177,215	33,879,212	(298,003)
Ending net position	<u>\$ 33,879,212</u>	<u>\$ 41,882,308</u>	<u>\$ 8,003,096</u>

Total revenues for the year were \$70,039,411, an increase of \$2,654,253 over the prior year. Revenues include direct program revenue of \$58,039,184 and general revenue of \$17,000,227. Program revenue is defined as charges for services and operating grants and revenues, which are allocable directly to programs. Program revenue increased \$1,667,247 and general revenue increased by \$987,006 when compared to the prior year. Program revenue increased \$254,875 for charges for services and increased \$1,412,372 for grants and contributions. General revenues increased \$713,011 for property tax. General revenue decreased \$21,104 for other franchise fees, an increase of \$139,597 for other grants and contributions, an increase of \$8,740 for interest earnings, and an increase of \$146,762 for miscellaneous revenues.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Government-wide Financial Analysis (continued)

Total expenses decreased \$5,646,846 this year when compared to the prior year. Per the Statement of Activities, expenses decreased in most categories: Highways and streets \$2,861,016, Education \$29,594, Public safety \$1,795,315 and Health and welfare \$1,724,064. General government increased \$704,794 and Interest on long term debt increased by \$58,349.



The chart above compares direct program revenue with program expenses. During the past year, there was an increase in General government, and decreases in Public safety, and Highways and streets expenses due to the effects of the decrease in pension liabilities and an increase in general government operating grants and contributions due to recognition of coronavirus state and local fiscal recovery funds and recognition of related revenues.

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, 2022, the County’s governmental funds have combined ending fund balances of \$25,960,034, which includes an increase of \$3,000,668 during the current fiscal year. The ending fund balance consists of \$595,661 defined as nonspendable, \$18,746,724 defined as restricted and \$225,604 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, 2022 is \$6,392,045, an increase of \$329,503 increase over the \$6,062,542 unassigned fund balance at June 30, 2021.

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, 2022, unassigned General Fund balance was \$6,529,973, approximately 96% of the total General Fund balance. The General Fund balance increased \$732,402 during the current fiscal year, compared to an increase of \$756,724 in the prior year.

The fund balances of the County’s major funds changed during the year as follows: General Fund – increase \$732,402, Public Works – increase \$1,330,536, and Behavioral Health – increase \$2,517,777, American Rescue Plan – recognized revenue equal to expenditures in the current fiscal year. The fund increases were the result of revenues in excess of expenditures. Other non-major governmental funds combined showed a fund balance decrease of \$1,580,047. The fund decreases were the result of expenditures in excess of revenues.

General Fund Budgetary Highlights

During the fiscal year, three budget modifications were adopted by the Board. The modifications transferred \$855,000 from general fund operating contingency to various departments. Appropriation increases included the following: Assessor - \$30,000 Clerk Elections - \$15,000, Parks – \$300,000, Sheriff - \$250,000, Emergency Management - \$200,000, Tax Collector - \$20,000 and O&C Title III - \$5,000. There was also an increase in transfers to other funds in the amount of \$335,000.

Capital Assets and Debt Administration

The County’s investment in capital assets, net of depreciation at June 30, 2022, is \$63,069,601. 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 \$3,679,038.

New assets acquired include purchase of land and building (\$723,769), other improvements to buildings (\$40,578), infrastructure (\$585,270), machinery and equipment (\$249,649), vehicles (\$596,387), furniture and fixtures (\$16,294), and computers (\$55,250). In addition, the implementation of GASB 87 added \$4,177,784 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 the Public Works building which will be completed in the 2022-2023 fiscal year. In addition to the public works building, the following are the larger county projects, Eagle Crest tower upgrade (\$1,257,170), Hankel Transitional Housing Project (\$657,014), Buena Vista Boat Launch and Park (\$162,940) and HVAC Upgrade - Jail (\$67,500). Eight new vehicles were purchased during the year for a total of \$596,387. Six of the vehicles belong to the Sheriff’s office, one of the vehicles to Public Works, and the other vehicle went to Emergency Management/Public Works.

The investment in capital assets balance for the year is increased by asset acquisitions net of reclassifications of CIP (\$7,385,261) and initial capitalization of right of use acquisitions in accordance with GASB 87 (\$4,377,126), decreased by depreciation expense (\$3,459,463) amortization expense (\$431,477), and asset dispositions (\$14,625). The dispositions included sale of vehicles, and public works equipment. 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 \$13,997,151 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 \$820,000 and interest of \$327,656 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 \$16,762 and interest payments of \$24,815 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 2022-23 budgeted appropriations increased \$9,952,856 compared to the prior year budget.
- General Fund resources for fiscal year 2022-23 are budgeted at \$32,466,100. This includes a beginning fund balance of \$6,200,000.
- Significant changes in fiscal year 2022-23 budgeted expenses, including percentage change from the prior year’s final budget are:
 - Public Works increase - \$1,512,000 (13%), increase as a result of receiving additional federal funding and gas tax revenue
 - Health Services increase - \$1,555,994 (33%), increase due to carryover of monies resulting from COVID and increased personnel expenses.
 - Behavioral Health increase - \$7,633,500 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

THIS PAGE LEFT INTENTIONALLY BLANK

POLK COUNTY
STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 37,666,488
Receivables, net	3,082,521
Inventory	483,974
Prepaid items	249,662
Net other postemployment benefit asset	479,187
Deposit on property	200,000
Capital assets:	
Land and construction in progress	14,256,066
Other capital assets, net	<u>48,813,535</u>
 Total assets	 <u>105,231,433</u>
Deferred outflows of resources	
Pension related items	16,398,916
Other postemployment benefit related items	<u>267,345</u>
Total deferred outflows of resources	<u>16,666,261</u>
Liabilities	
Accounts payable and accrued liabilities	2,340,562
Deposits	4,250
Unearned revenue	11,707,024
Long-term liabilities:	
Due within one year	2,802,718
Due in more than one year	<u>43,688,933</u>
 Total liabilities	 <u>60,543,487</u>
Deferred inflows of resources	
Pension related items	18,941,551
Other postemployment benefit related items	<u>530,348</u>
 Total deferred inflows of resources	 <u>19,471,899</u>
Net position	
Net investment in capital assets	45,071,470
Restricted for:	
Highways and streets	3,624,159
Health and welfare	12,713,755
Public safety	658,818
Economic development	482,084
Community housing	1,000,000
Education	19,230
Other purposes	837,987
Unrestricted	<u>(22,525,195)</u>
 Total net position	 <u>\$ 41,882,308</u>

POLK COUNTY
STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 16,617,971	\$ 2,524,953	\$ 9,719,545	\$ (4,373,473)
Public safety	17,823,059	1,206,234	4,773,154	(11,843,671)
Highways and streets	6,515,494	833,575	6,735,720	1,053,801
Health and welfare	25,174,483	8,552,214	23,688,289	7,066,020
Education	472,294	-	5,500	(466,794)
Interest	433,014	-	-	(433,014)
Total governmental activities	\$ 67,036,315	\$ 13,116,976	\$ 44,922,208	(8,997,131)
General revenues:				
Taxes levied for:				
General purposes				14,531,759
Education				500,321
Debt service				2,129
Franchise fees				636,249
Grants and contributions not restricted to				
specific programs				842,229
Unrestricted investment earnings				179,124
Miscellaneous				286,965
Gain on sale of asset				<u>21,451</u>
Total general revenues and transfers				<u>17,000,227</u>
Change in net position				8,003,096
Net position - beginning				<u>33,879,212</u>
Net position - ending				\$ <u>41,882,308</u>

See notes to financial statements

POLK COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General	Public Works	Behavioral Health	American Rescue Plan	Total Nonmajor Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 6,765,939	\$ 3,570,297	\$ 9,841,254	\$ 10,581,499	\$ 5,971,473	\$ 36,730,462
Receivables	1,098,929	614,756	613,149	-	739,471	3,066,305
Inventory	-	483,974	-	-	-	483,974
Prepaid items	9,262	52	244	65,625	36,504	111,687
Due from other funds	78,098	-	-	-	-	78,098
Total assets	<u>\$ 7,952,228</u>	<u>\$ 4,669,079</u>	<u>\$ 10,454,647</u>	<u>\$ 10,647,124</u>	<u>\$ 6,747,448</u>	<u>\$ 40,470,526</u>
Liabilities, deferred inflows and fund balances						
Liabilities						
Accounts payable and accrued liabilities	\$ 739,072	\$ 560,894	\$ 160,970	\$ 34,637	\$ 597,827	\$ 2,093,400
Unearned revenue	-	-	-	10,612,487	1,094,537	11,707,024
Due to other funds	-	-	-	-	78,098	78,098
Consumer deposits	-	-	-	-	4,250	4,250
Total liabilities	<u>739,072</u>	<u>560,894</u>	<u>160,970</u>	<u>10,647,124</u>	<u>1,774,712</u>	<u>13,882,772</u>
Deferred inflows of resources						
Unavailable revenue	388,612	4,870	-	-	234,238	627,720
Fund balances						
Nonspendable	9,262	484,026	244	65,625	36,504	595,661
Restricted	285,309	3,619,289	10,293,433	-	4,548,693	18,746,724
Committed	-	-	-	-	225,604	225,604
Unassigned	6,529,973	-	-	(65,625)	(72,303)	6,392,045
Total fund balances	<u>6,824,544</u>	<u>4,103,315</u>	<u>10,293,677</u>	<u>-</u>	<u>4,738,498</u>	<u>25,960,034</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 7,952,228</u>	<u>\$ 4,669,079</u>	<u>\$ 10,454,647</u>	<u>\$ 10,647,124</u>	<u>\$ 6,747,448</u>	<u>\$ 40,470,526</u>

POLK COUNTY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2022

Fund balances - total governmental funds	\$	25,960,034
<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		479,187
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		63,069,601
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		16,398,916
The government-wide statements report a deferred outflow related to changes in assumptions and investment returns related to participation in other postemployment benefit plans		267,345
Other long-term assets are not available for current period expenditures and, therefore, are reported as unavailable revenue in the funds		627,720
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds		(46,491,651)
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		(18,941,551)
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		(530,348)
Current assets and liabilities of internal service funds are included in governmental activities:		
Cash and cash equivalents	\$	936,026
Receivables, net		16,216
Prepaid items		137,975
Accounts payable		(247,162)
		843,055
Net position of governmental activities	\$	<u>41,882,308</u>

POLK COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	General	Public Works	Behavioral Health	American Rescue Plan	Total Nonmajor Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 14,491,424	\$ -	\$ -	\$ -	\$ 502,450	\$ 14,993,874
Franchise fees	431,582	-	-	-	204,667	636,249
Licenses, permits and fees	243,861	-	-	-	957,919	1,201,780
Fines and forfeitures	118,105	-	-	-	5,107	123,212
Charges for services	2,187,183	833,576	2,378,446	-	2,205,518	7,604,723
Donations	1,263	-	-	-	698,017	699,280
Intergovernmental	6,651,584	7,248,880	19,679,088	5,439,529	6,340,817	45,359,898
Interest	119,401	15,031	40,420	-	4,271	179,123
Miscellaneous	16,587	5,095	109,459	-	12,318	143,459
Total revenues	<u>24,260,990</u>	<u>8,102,582</u>	<u>22,207,413</u>	<u>5,439,529</u>	<u>10,931,084</u>	<u>70,941,598</u>
Expenditures						
Current						
General government	3,528,191	-	-	2,026,098	3,694,734	9,249,023
Public safety	17,551,991	-	-	-	1,419,361	18,971,352
Highways and streets	-	6,463,904	-	-	167,650	6,631,554
Health and welfare	271,687	-	19,518,527	-	7,123,375	26,913,589
Education	-	-	-	-	478,294	478,294
Debt service	4,650	68,004	163,449	-	1,156,270	1,392,373
Capital outlay	372,035	1,031,088	7,660	1,763,431	2,015,949	5,190,163
Total expenditures	<u>21,728,554</u>	<u>7,562,996</u>	<u>19,689,636</u>	<u>3,789,529</u>	<u>16,055,633</u>	<u>68,826,348</u>
Excess (deficiency) of revenues over expenditures	<u>2,532,436</u>	<u>539,586</u>	<u>2,517,777</u>	<u>1,650,000</u>	<u>(5,124,549)</u>	<u>2,115,250</u>
Other financing sources (uses)						
Financing of leases	199,342	-	-	-	-	199,342
Transfers in	25,000	1,184,400	-	-	3,622,500	4,831,900
Sale of capital assets	4,426	6,550	-	-	25,100	36,076
Transfers out	(2,028,802)	(400,000)	-	(1,650,000)	(103,098)	(4,181,900)
Total other financing sources (uses)	<u>(1,800,034)</u>	<u>790,950</u>	<u>-</u>	<u>(1,650,000)</u>	<u>3,544,502</u>	<u>885,418</u>
Net change in fund balances	732,402	1,330,536	2,517,777	-	(1,580,047)	3,000,668
Fund balances at beginning of year	<u>6,092,142</u>	<u>2,772,779</u>	<u>7,775,900</u>	<u>-</u>	<u>6,318,545</u>	<u>22,959,366</u>
Fund balance at end of year	<u>\$ 6,824,544</u>	<u>\$ 4,103,315</u>	<u>\$ 10,293,677</u>	<u>\$ -</u>	<u>\$ 4,738,498</u>	<u>\$ 25,960,034</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, 2022

Net change in fund balances - total governmental funds \$ 3,000,668

*Amounts reported for governmental activities in the
Statement of Activities are different because of the following*

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	\$ 7,385,261	
Depreciation	<u>(3,459,463)</u>	3,925,798

The net effect of transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position (14,625)

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.

Acquisition of leased assets	199,342	
Amortization	<u>(431,477)</u>	(232,135)

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. (265,580)

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	836,762	
Additions to lease liability	(199,342)	
Amortization	<u>376,146</u>	1,013,566

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 1,280,645

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 (137,490)

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	(259,733)	
Capitalized expenditures included above	(55,250)	
Depreciation and amortization expense included above	309,801	
Decrease In lease liability included above	(180,971)	
Decrease in pension expense included above	(290,757)	
Increase in employee benefit expense included above	15,123	
Increase in compensated absences included above	<u>12,161</u>	(449,626)

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>(118,125)</u>
----------------------	--	------------------

Change in net position of governmental activities \$ 8,003,096

POLK COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 14,460,000	\$ 14,460,000	\$ 14,491,424	\$ 31,424
Franchise fees	415,000	415,000	431,582	16,582
Licenses, permits and fees	236,500	236,500	243,861	7,361
Fines and forfeitures	137,000	137,000	118,105	(18,895)
Charges for services	2,212,000	2,212,000	2,187,183	(24,817)
Intergovernmental	5,757,100	6,057,100	6,651,584	594,484
Donations	1,000	1,000	1,263	263
Interest	100,000	100,000	119,401	19,401
Miscellaneous	26,000	26,000	16,587	(9,413)
Total revenues	<u>23,344,600</u>	<u>23,644,600</u>	<u>24,260,990</u>	<u>616,390</u>
Expenditures				
County clerk				
Recording				
Personnel services	138,827	148,827	139,283	9,544
Materials and services	8,450	8,450	15,077	(6,627)
Interdepartment charges	73,062	73,062	73,062	-
Total recording	<u>220,339</u>	<u>230,339</u>	<u>227,422</u>	<u>2,917</u>
Elections				
Personnel services	193,237	193,237	181,428	11,809
Materials and services	111,550	116,550	116,732	(182)
Interdepartment charges	87,003	87,003	87,003	-
Total elections	<u>391,790</u>	<u>396,790</u>	<u>385,163</u>	<u>11,627</u>
Total County clerk	<u>612,129</u>	<u>627,129</u>	<u>612,585</u>	<u>14,544</u>
Treasurer				
Personnel services	16,494	16,494	16,150	344
Materials and services	6,900	6,900	4,013	2,887
Interdepartment charges	11,584	11,584	11,584	-
Total treasurer	<u>34,978</u>	<u>34,978</u>	<u>31,747</u>	<u>3,231</u>
Non-departmental				
Fund-wide				
Materials and services	6,500	6,500	4,071	2,429
Total non-departmental	<u>6,500</u>	<u>6,500</u>	<u>4,071</u>	<u>2,429</u>
O & C Timber Title III				
Personnel services	55,000	60,000	44,648	15,352
Total O & C Timber Title III	<u>55,000</u>	<u>60,000</u>	<u>44,648</u>	<u>15,352</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, 2022

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Assessor				
Personnel services	1,085,987	1,085,987	1,070,831	15,156
Materials and services	32,900	62,900	65,958	(3,058)
Interdepartment charges	<u>385,247</u>	<u>385,247</u>	<u>385,247</u>	<u>-</u>
Total assessment	<u>1,504,134</u>	<u>1,534,134</u>	<u>1,522,036</u>	<u>12,098</u>
Tax collector				
Personnel services	255,117	255,117	230,259	24,858
Materials and services	19,360	39,360	29,453	9,907
Interdepartment charges	<u>74,874</u>	<u>74,874</u>	<u>74,874</u>	<u>-</u>
Total tax collector	<u>349,351</u>	<u>369,351</u>	<u>334,586</u>	<u>34,765</u>
Community Development				
Environmental Health				
Personnel services	320,887	320,887	180,720	140,167
Materials and services	28,950	28,950	25,095	3,855
Interdepartment charges	<u>65,872</u>	<u>65,872</u>	<u>65,872</u>	<u>-</u>
Total environmental health	<u>415,709</u>	<u>415,709</u>	<u>271,687</u>	<u>144,022</u>
Planning				
Personnel services	449,384	449,384	415,457	33,927
Materials and services	35,100	35,100	24,108	10,992
Interdepartment charges	<u>139,820</u>	<u>139,820</u>	<u>139,820</u>	<u>-</u>
Total planning	<u>624,304</u>	<u>624,304</u>	<u>579,385</u>	<u>44,919</u>
Total community development	<u>1,040,013</u>	<u>1,040,013</u>	<u>851,072</u>	<u>188,941</u>
District Attorney				
Prosecution				
Personnel services	1,464,141	1,464,141	1,275,047	189,094
Materials and services	96,000	96,000	90,220	5,780
Interdepartment charges	<u>225,682</u>	<u>225,682</u>	<u>225,682</u>	<u>-</u>
Total prosecution	<u>1,785,823</u>	<u>1,785,823</u>	<u>1,590,949</u>	<u>194,874</u>
Support enforcement				
Personnel services	336,145	336,145	332,088	4,057
Materials and services	25,350	25,350	14,650	10,700
Interdepartment charges	<u>70,842</u>	<u>70,842</u>	<u>70,842</u>	<u>-</u>
Total support enforcement	<u>432,337</u>	<u>432,337</u>	<u>417,580</u>	<u>14,757</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, 2022

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Victim's assistance				
Personnel services	328,128	328,128	278,118	50,010
Materials and services	15,300	15,300	18,717	(3,417)
Interdepartment charges	<u>65,774</u>	<u>65,774</u>	<u>65,774</u>	<u>-</u>
Total victim's assistance	<u>409,202</u>	<u>409,202</u>	<u>362,609</u>	<u>46,593</u>
Court appointed special advisor (CASA)				
Materials and services	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Medical examiner				
Personnel services	58,501	58,501	55,629	2,872
Materials and services	12,550	12,550	10,739	1,811
Interdepartment charges	<u>2,081</u>	<u>2,081</u>	<u>2,081</u>	<u>-</u>
Total medical examiner	<u>73,132</u>	<u>73,132</u>	<u>68,449</u>	<u>4,683</u>
Total District Attorney	<u>2,725,494</u>	<u>2,725,494</u>	<u>2,464,587</u>	<u>260,907</u>
Sheriff				
Patrol				
Personnel services	779,500	779,500	925,244	(145,744)
Materials and services	4,684,910	4,934,910	4,668,810	266,100
Interdepartment charges	546,204	546,204	546,204	-
Capital outlay	<u>105,000</u>	<u>105,000</u>	<u>172,693</u>	<u>(67,693)</u>
Total patrol	<u>6,115,614</u>	<u>6,365,614</u>	<u>6,312,951</u>	<u>52,663</u>
Jail				
Personnel services	4,553,240	4,553,240	4,484,489	68,751
Materials and services	1,187,700	1,187,700	583,090	604,610
Interdepartment charges	<u>707,252</u>	<u>707,252</u>	<u>707,252</u>	<u>-</u>
Total jail	<u>6,448,192</u>	<u>6,448,192</u>	<u>5,774,831</u>	<u>673,361</u>
Total sheriff	<u>12,563,806</u>	<u>12,813,806</u>	<u>12,087,782</u>	<u>726,024</u>
Emergency management				
Personnel services	226,067	226,067	218,101	7,966
Materials and services	274,400	474,400	479,442	(5,042)
Interdepartment charges	<u>66,178</u>	<u>66,178</u>	<u>66,178</u>	<u>-</u>
Total emergency management	<u>566,645</u>	<u>766,645</u>	<u>763,721</u>	<u>2,924</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, 2022

	Budget		Actual	Variance
	Original	Final		
Community corrections				
Personnel services	1,721,395	1,721,395	1,620,099	101,296
Materials and services	638,500	638,500	456,462	182,038
Interdepartment charges	336,683	336,683	336,683	-
Total community corrections	<u>2,696,578</u>	<u>2,696,578</u>	<u>2,413,244</u>	<u>283,334</u>
Community service - diversion				
Personnel services	344,767	344,767	241,195	103,572
Materials and services	48,800	48,800	40,830	7,970
Interdepartment charges	24,087	24,087	24,087	-
Total community service - diversion	<u>417,654</u>	<u>417,654</u>	<u>306,112</u>	<u>111,542</u>
Parks Maintenance				
Materials and services	72,750	372,750	89,541	283,209
Interdepartment charges	3,480	3,480	3,480	-
Total parks maintenance	<u>76,230</u>	<u>376,230</u>	<u>93,021</u>	<u>283,209</u>
Contingency	<u>4,066,088</u>	<u>3,211,088</u>	-	<u>3,211,088</u>
Total expenditures	<u>26,714,600</u>	<u>26,679,600</u>	<u>21,529,212</u>	<u>5,150,388</u>
Excess (deficiency) of revenues over expenditures	<u>(3,370,000)</u>	<u>(3,035,000)</u>	<u>2,731,778</u>	<u>5,766,778</u>
Other financing sources (uses)				
Sale of capital assets	5,000	5,000	4,426	(574)
Transfers in	25,000	25,000	25,000	-
Transfers out	(1,910,000)	(2,245,000)	(2,028,802)	216,198
Total other financing sources (uses)	<u>(1,880,000)</u>	<u>(2,215,000)</u>	<u>(1,999,376)</u>	<u>215,624</u>
Net change in fund balance	(5,250,000)	(5,250,000)	732,402	5,982,402
Fund balance at beginning of year	<u>5,250,000</u>	<u>5,250,000</u>	<u>6,092,142</u>	<u>842,142</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,824,544</u>	<u>\$ 6,824,544</u>

POLK COUNTY
PUBLIC WORKS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 470,000	\$ 470,000	\$ 833,576	\$ 363,576
Intergovernmental	7,805,000	7,805,000	7,248,880	(556,120)
Interest	10,000	10,000	15,031	5,031
Miscellaneous	-	-	5,095	5,095
	<u>8,285,000</u>	<u>8,285,000</u>	<u>8,102,582</u>	<u>(182,418)</u>
Total revenues				
Expenditures				
Administration				
Personnel services	380,668	410,668	388,404	22,264
Materials and services	141,350	161,350	147,635	13,715
Interdepartment charges	433,244	433,244	433,244	-
Capital outlay	-	800,000	733,116	66,884
	<u>955,262</u>	<u>1,805,262</u>	<u>1,702,399</u>	<u>102,863</u>
Total administration				
County shops				
Personnel services	336,555	336,555	327,661	8,894
Materials and services	257,000	357,000	329,353	27,647
Capital outlay	5,000	5,000	-	5,000
	<u>598,555</u>	<u>698,555</u>	<u>657,014</u>	<u>41,541</u>
Total county shops				
Road maintenance				
Personnel services	1,617,615	1,617,615	1,397,404	220,211
Materials and services	3,083,000	3,083,000	2,072,561	1,010,439
Capital outlay	540,000	540,000	295,519	244,481
	<u>5,240,615</u>	<u>5,240,615</u>	<u>3,765,484</u>	<u>1,475,131</u>
Total road maintenance				
Road construction				
Materials and services	1,000,500	1,000,500	612,182	388,318
Debt payment	65,000	65,000	68,004	(3,004)
Capital outlay	90,000	90,000	116	89,884
	<u>1,155,500</u>	<u>1,155,500</u>	<u>680,302</u>	<u>475,198</u>
Total road construction				
Survey				
Personnel services	391,197	481,197	471,840	9,357
Materials and services	31,500	31,500	18,143	13,357
	<u>422,697</u>	<u>512,697</u>	<u>489,983</u>	<u>22,714</u>
Total survey				

Continued on next page

POLK COUNTY
PUBLIC WORKS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Engineering				
Personnel services	434,112	434,112	259,701	174,411
Materials and services	14,500	14,500	5,776	8,724
Capital outlay	-	-	2,337	(2,337)
Total engineering	<u>448,612</u>	<u>448,612</u>	<u>267,814</u>	<u>180,798</u>
Contingency	<u>2,558,759</u>	<u>1,518,759</u>	-	<u>1,518,759</u>
Total expenditures	<u>11,380,000</u>	<u>11,380,000</u>	<u>7,562,996</u>	<u>3,817,004</u>
Excess (deficiency) of revenues over expenditures	<u>(3,095,000)</u>	<u>(3,095,000)</u>	<u>539,586</u>	<u>3,634,586</u>
Other financing sources (uses)				
Sale of capital assets	15,000	15,000	6,550	(8,450)
Transfers in	980,000	980,000	1,184,400	204,400
Transfers out	<u>(400,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>595,000</u>	<u>595,000</u>	<u>790,950</u>	<u>195,950</u>
Net change in fund balance	(2,500,000)	(2,500,000)	1,330,536	3,830,536
Fund balance at beginning of year	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,772,779</u>	<u>272,779</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,103,315</u>	<u>\$ 4,103,315</u>

POLK COUNTY
BEHAVIORAL HEALTH FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	Budget		Actual	Variance
	Original	Final		
Revenues				
Charges for services	\$ 2,326,000	\$ 2,326,000	\$ 2,378,446	\$ 52,446
Intergovernmental	16,306,500	16,306,500	19,679,088	3,372,588
Interest	75,000	75,000	40,420	(34,580)
Miscellaneous	-	-	109,459	109,459
Total revenues	18,707,500	18,707,500	22,207,413	3,499,913
Expenditures				
Support services				
Personnel services	1,550,962	1,550,962	1,554,681	(3,719)
Materials and services	67,500	67,500	114,403	(46,903)
Interdepartment charges	461,345	461,345	461,345	-
Capital outlay	500,000	500,000	7,660	492,340
Total administration	2,579,807	2,579,807	2,138,089	441,718
Addiction program				
Personnel services	987,402	987,402	950,110	37,292
Materials and services	68,100	68,100	94,819	(26,719)
Interdepartment charges	465,914	465,914	465,914	-
Total addiction program	1,521,416	1,521,416	1,510,843	10,573
Outpatient mental health services				
Personnel services	6,653,761	6,653,761	6,338,730	315,031
Materials and services	2,809,200	2,809,200	2,738,552	70,648
Interdepartment charges	4,292,991	4,292,991	4,267,991	25,000
Total outpatient mental health services	13,755,952	13,755,952	13,345,273	410,679
Developmental disabilities				
Personnel services	2,262,249	2,262,249	2,261,017	1,232
Materials and services	194,200	194,200	101,747	92,453
Interdepartment charges	332,667	332,667	332,667	-
Total developmental disabilities	2,789,116	2,789,116	2,695,431	93,685
Contingency	3,561,209	3,561,209	-	3,561,209
Total expenditures	24,207,500	24,207,500	19,689,636	4,517,864
Net change in fund balance	(5,500,000)	(5,500,000)	2,517,777	8,017,777
Fund balance at beginning of year	5,500,000	5,500,000	7,775,900	2,275,900
Fund balance at end of year	\$ -	\$ -	\$ 10,293,677	\$ 10,293,677

See notes to financial statements

POLK COUNTY
AMERICAN RESCUE PLAN
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	Budget		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental	\$ 8,350,000	\$ 8,350,000	\$ 8,360,501	\$ 10,501
Interest	100,000	100,000	-	(100,000)
Total revenues	<u>8,450,000</u>	<u>8,450,000</u>	<u>8,360,501</u>	<u>(89,499)</u>
Expenditures				
American Rescue Plan				
Personnel services	-	-	269,011	(269,011)
Materials and services	3,450,000	3,450,000	1,757,087	1,692,913
Capital outlay	1,500,000	1,500,000	1,763,431	(263,431)
Contingency	<u>9,000,000</u>	<u>9,000,000</u>	<u>-</u>	<u>9,000,000</u>
Total expenditures	<u>13,950,000</u>	<u>13,950,000</u>	<u>3,789,529</u>	<u>10,160,471</u>
Excess (deficiency) of revenues over expenditures	<u>(5,500,000)</u>	<u>(5,500,000)</u>	<u>4,570,972</u>	<u>10,070,972</u>
Other financing sources (uses)				
Transfers out	<u>(2,400,000)</u>	<u>(2,400,000)</u>	<u>(1,650,000)</u>	<u>750,000</u>
Total other financing sources (uses)	<u>(2,400,000)</u>	<u>(2,400,000)</u>	<u>(1,650,000)</u>	<u>750,000</u>
Net change in fund balance	(7,900,000)	(7,900,000)	2,920,972	10,820,972
Fund balance at beginning of year	<u>7,900,000</u>	<u>7,900,000</u>	<u>7,691,515</u>	<u>(208,485)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>10,612,487</u>	<u>\$ 10,612,487</u>
Reconciliation to generally accepted accounting principles				
Unearned revenue			<u>(10,612,487)</u>	
			<u>\$ -</u>	

POLK COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

	Governmental Activities
	Internal Service Funds
Assets	
Current assets	
Cash and cash equivalents	\$ 936,026
Receivables, net	16,216
Prepaid items	137,975
Total current assets	1,090,217
Net other postemployment benefits asset	52,711
Capital assets, net	3,755,483
Total assets	4,898,411
Deferred outflows of resources	
Pension related items	1,726,660
Other postemployment benefit related items	29,408
Total deferred outflows of resources	1,756,068
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	247,162
Long-term obligations:	
Long-term obligations due within one year	144,233
Long-term obligations due in more than one year	6,224,975
Total liabilities	6,616,370
Deferred inflows of resources	
Pension related items	1,994,376
Other postemployment benefit related items	58,338
Total deferred inflows of resources	2,052,714
Net position	
Net investment in capital assets	3,755,483
Unrestricted	(5,770,088)
Total net position	\$ (2,014,605)

POLK COUNTY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2022

	Governmental Activities
	Internal Service Funds
Operating revenues	
Intergovernmental	\$ 27,500
Charges for services	7,514,786
Rents	143,856
Total operating revenues	7,686,142
Operating expenses	
Personnel services	4,022,605
Materials and services	2,501,480
Interdepartmental charges	389,411
Amortization and depreciation	309,801
Total operating expenses	7,223,297
Operating income (loss)	462,845
Nonoperating revenues (expenses)	
Interest expense	(72,578)
Total nonoperating revenue (expenses)	(72,578)
Income (loss) before transfers	390,267
Transfers out	(650,000)
Change in net position	(259,733)
Net position - beginning	(1,932,912)
Net position - ending	\$ (2,192,645)

POLK COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2022

	Governmental Activities
	Internal Service Funds
Cash flows from operating activities	
Receipts from customers	\$ 40,175
Receipts from other funds	7,514,786
Miscellaneous receipts	143,856
Payments to suppliers	(2,476,518)
Payments to employees	(4,286,078)
	(389,411)
Net cash provided by (used in) operating activities	546,810
Cash flows from noncapital financing activities	
Transfers out	(650,000)
Net cash provided by (used in) noncapital financing activities	(650,000)
Cash flows from capital and related financing activities	
Acquisition of capital assets	(55,250)
Principal paid on long-term obligations	(180,971)
Interest paid on long-term obligations	(72,578)
	(308,799)
Net cash provided by (used in) capital and related financing activities	(308,799)
Net increase (decrease) in cash and cash equivalents	(411,989)
Cash and cash equivalents - beginning of year	1,348,015
Cash and cash equivalents - end of year	\$ 936,026
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income (loss)	\$ 462,845
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Depreciation	309,801
(Increase) decrease in assets and deferred outflows	
Receivables, net	12,675
Prepaid items	(112,234)
Net other postemployment benefits asset	(18,579)
Pension related items	(57,208)
Other postemployment benefit related items	7,562
Increase (decrease) in liabilities and deferred inflows	
Accounts payable and accrued liabilities	137,196
Compensated absences payable	12,161
Net pension liability	(2,092,418)
Net other postemployment benefits liability	24,623
Pension related items	1,858,869
Other postemployment benefit related items	1,517
Net cash provided by (used in) operating activities	\$ 546,810

See notes to financial statements

POLK COUNTY
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2022

	<u>Custodial</u>
Assets	
Cash and cash equivalents	\$ 1,401,598
Receivables	<u>2,444,360</u>
 Total assets	 <u>3,845,958</u>
 Liabilities	
Due to local governments	<u>1,401,598</u>
 Net position	
Restricted for other governments and individuals	<u>\$ 2,444,360</u>

See notes to financial statements

POLK COUNTY
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2022

	Custodial
Additions	
Taxes collected for other governments	\$ 108,088,050
Other amounts collected	<u>3,237,601</u>
Total additions	<u>111,325,651</u>
Deductions	
Payments to other governments	108,873,109
Other payments	<u>2,546,607</u>
Total deductions	<u>111,419,716</u>
Change in net position	(94,065)
Net position - beginning of year	<u>2,538,425</u>
Net position - end of year	<u><u>\$ 2,444,360</u></u>

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.

Debt Service - accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

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

Lease contracts that provide the County with control of a non-financial asset, such as land, buildings or equipment, 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.

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.

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.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2020.

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.

NOTE 3 – CASH AND CASH EQUIVALENTS

The County’s cash and cash equivalents at June 30, 2022, are as follows:

Cash on hand	\$	11,785
Deposits with financial institutions		1,594,791
State of Oregon Local Government Investment Pool		<u>37,461,510</u>
 Total deposits and investments		 <u>\$ 39,068,086</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.

NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)

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, 2022, 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, 2022, are as follows:

	Property Taxes	Accounts	Grants	Assessments	Total
General	\$ 377,420	\$168,583	\$ 528,616	\$ 24,310	\$1,098,929
Public Works	3,476	31,126	580,154	-	614,756
Behavioral Health	-	42,396	570,753	-	613,149
Nonmajor governmental funds	<u>12,644</u>	<u>133,457</u>	<u>593,370</u>	<u>-</u>	<u>739,471</u>
Total governmental funds	393,540	375,562	2,272,893	24,310	3,066,305
Internal service funds	<u>-</u>	<u>16,216</u>	<u>-</u>	<u>-</u>	<u>16,216</u>
Total governmental activities	393,540	391,778	2,272,893	24,310	3,082,521
Fiduciary funds agency	<u>2,444,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,444,360</u>
Totals	<u>\$2,837,900</u>	<u>\$391,778</u>	<u>\$2,272,893</u>	<u>\$ 24,310</u>	<u>\$5,526,881</u>

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended June 30, 2022, was as follows:

	Balances July 1, 2021	Additions	Deletions	Reclass- ifications	Balances June 30, 2022
Capital assets not being depreciated					
Land	\$ 2,424,551	\$ -	\$ -	\$ -	\$ 2,424,551
Construction in progress	9,257,598	5,119,839	-	(2,545,922)	11,831,515
Total capital assets not being depreciated	<u>11,682,149</u>	<u>5,119,839</u>	<u>-</u>	<u>(2,545,922)</u>	<u>14,256,066</u>
Capital assets being depreciated					
Infrastructure	97,106,041	585,270	-	-	97,691,311
Buildings	29,451,850	723,769	-	532,082	30,707,701
Improvements	2,584,360	40,578	-	2,012,063	4,637,001
Bridges	23,780,562	-	-	-	23,780,562
Equipment	14,750,870	915,805	160,108	1,777	15,508,344
Total capital assets being depreciated	<u>167,673,683</u>	<u>2,265,422</u>	<u>160,108</u>	<u>2,545,922</u>	<u>172,324,919</u>
Less accumulated depreciation for:					
Infrastructure	89,487,037	1,212,051	-	-	90,699,088
Buildings	13,749,036	761,571	-	-	14,510,607
Improvements	1,106,275	132,565	-	-	1,238,840
Bridges	9,916,110	437,054	-	-	10,353,164
Equipment	9,884,595	916,222	145,483	-	10,655,334
Total accumulated depreciation	<u>124,143,053</u>	<u>3,459,463</u>	<u>145,483</u>	<u>-</u>	<u>127,457,033</u>
Net capital assets being depreciated	<u>43,530,630</u>	<u>(1,194,041)</u>	<u>14,625</u>	<u>2,545,922</u>	<u>44,867,886</u>
Lease assets					
Leased buildings	4,177,784	-	-	-	4,177,784
Leased equipment	-	199,342	-	-	199,342
Total lease assets	<u>4,177,784</u>	<u>199,342</u>	<u>-</u>	<u>-</u>	<u>4,377,126</u>
Less accumulated amortization for:					
Leased buildings	-	426,493	-	-	426,493
Leased equipment	-	4,984	-	-	4,984
Total accumulated amortization	<u>-</u>	<u>431,477</u>	<u>-</u>	<u>-</u>	<u>431,477</u>
Net lease assets	<u>4,177,784</u>	<u>(232,135)</u>	<u>-</u>	<u>-</u>	<u>3,945,649</u>
Capital assets being depreciated and amortized, net	<u>47,708,414</u>	<u>(1,426,176)</u>	<u>14,625</u>	<u>2,545,922</u>	<u>48,813,535</u>
Governmental activities capital assets, net	<u>\$59,390,563</u>	<u>\$ 3,693,663</u>	<u>\$ 14,625</u>	<u>\$ -</u>	<u>\$ 63,069,601</u>

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS (Continued)

For the year ended June 30, 2022, depreciation and amortization expense charged to functions/programs of the County was as follows:

Governmental Activities	
General government	\$ 727,796
Public safety	885,513
Highways and streets	1,953,139
Health and welfare	<u>324,492</u>
Total governmental activities	<u>\$ 3,890,940</u>

Capital asset activity in internal service funds, which are included in the governmental activities, for the year ended June 30, 2022, was as follows:

	Balances July 1, 2021	Additions	Deletions	Balances June 30, 2022
Capital assets being depreciated				
Buildings	\$ 25,190	\$ -	\$ -	\$ 25,190
Improvements	37,643	-	-	37,643
Equipment	<u>1,165,444</u>	<u>55,250</u>	-	<u>1,220,694</u>
Total capital assets being depreciated	<u>1,228,277</u>	<u>55,250</u>	-	<u>1,283,527</u>
Less accumulated depreciation for:				
Buildings	1,680	1,259	-	2,939
Improvements	24,854	1,811	-	26,665
Equipment	<u>927,918</u>	<u>76,809</u>	-	<u>1,004,727</u>
Total accumulated depreciation	<u>954,452</u>	<u>79,879</u>	-	<u>1,034,331</u>
Net capital assets being depreciated	<u>273,825</u>	<u>(24,629)</u>	-	<u>249,196</u>
Lease assets				
Leased buildings	<u>3,736,208</u>	-	-	<u>3,736,208</u>
Less accumulated amortization for:				
Leased buildings	-	<u>229,921</u>	-	<u>229,921</u>
Net lease assets	<u>3,736,208</u>	<u>(229,921)</u>	-	<u>3,506,287</u>
Total capital assets, net	<u>\$ 4,010,033</u>	<u>\$ (254,550)</u>	<u>\$ -</u>	<u>\$ 3,755,483</u>

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2022, were as follows:

	Outstanding July 1, 2021	Additions	Reductions	Outstanding June 30, 2022	Balances Due Within One Year
<u>Governmental activities</u>					
Long-term debt obligations					
Bonded debt					
Full Faith and Credit Obligations, Series 2011	\$ 910,000	\$ -	\$ 165,000	\$ 745,000	\$ 175,000
Full Faith and Credit Obligations, Series 2012	360,000	-	55,000	305,000	55,000
Full Faith and Credit Obligations, Series 2019	13,060,000		600,000	12,460,000	615,000
Direct placement debt					
McMullin Contract	503,913	-	16,762	487,151	17,620
Total long-term debt obligations	14,833,913	-	836,762	13,997,151	862,620
Other long-term obligations					
Compensated absences	1,439,357	1,557,481	1,439,357	1,557,481	1,557,481
Net pension liability	42,128,369	-	17,667,111	24,461,258	-
Lease liability	4,177,784	199,342	376,146	4,000,980	382,617
Other post-employment benefits	2,250,940	223,841	-	2,474,781	-
Total long-term obligations	\$ 64,830,363	\$ 1,980,664	\$ 20,319,376	\$ 46,491,651	\$ 2,802,718
<u>Internal service funds included in governmental activities</u>					
Other long-term obligations					
Compensated absences	\$ 132,072	\$ 144,233	\$ 132,072	\$ 144,233	\$ 144,233
Net pension liability	4,667,970	-	2,092,418	2,575,552	-
Lease liability	3,736,208	-	180,971	3,555,237	178,040
Other post-employment benefits	247,603	24,623	-	272,226	-
	\$ 8,783,853	\$ 168,856	\$ 2,405,461	\$ 6,547,248	\$ 322,273

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, 2022, 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
2023	\$ 615,000	\$ 265,402	\$ 175,000	\$ 28,930	\$ 55,000	\$ 11,590
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
2028-2032	3,575,000	833,740	-	-	-	-
2033-2037	3,965,000	435,564	-	-	-	-
2038-2039	1,710,000	54,333	-	-	-	-
	<u>\$ 12,460,000</u>	<u>\$ 2,516,148</u>	<u>\$ 745,000</u>	<u>\$ 67,430</u>	<u>\$ 305,000</u>	<u>\$ 35,720</u>

Fiscal Year	McMullin Contract		Totals	
	Principal	Interest	Principal	Interest
2023	\$ 17,620	\$ 23,957	\$ 862,620	\$ 329,879
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
2028-2032	389,564	67,295	3,964,564	901,035
2033-2037	-	-	3,965,000	435,564
2038-2039	-	-	1,710,000	54,333
	<u>\$ 487,151</u>	<u>\$ 177,593</u>	<u>\$ 13,997,151</u>	<u>\$ 2,796,891</u>

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – LONG-TERM OBLIGATIONS (Continued)

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.

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, 2022, minimum payments for noncancelable leases in future fiscal years are as follows:

Fiscal Year	Lease Liability	Interest Expense	Total
2023	\$ 382,617	\$ 83,180	\$ 465,797
2024	238,205	76,156	314,361
2025	191,990	71,577	263,567
2026	196,511	67,360	263,871
2027	203,689	63,032	266,721
2028-2032	1,174,725	242,775	1,417,500
2033-2037	1,468,417	99,871	1,568,288
2038-2042	144,826	3,835	148,661
	<u>\$ 4,000,980</u>	<u>\$ 707,786</u>	<u>\$ 4,708,766</u>

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - INTERFUND BALANCES AND TRANSFERS

For the year ended June 30, 2022 , interfund transfers used to reallocate financial resources to funds where they will be expended were as follows:

Fund	Transfers	
	In	Out
General	\$ 25,000	\$ 2,028,802
Public Works	1,184,400	400,000
American Rescue Plan	-	1,650,000
Nonmajor	3,622,500	103,098
Internal Service	-	650,000
	<u>\$ 4,831,900</u>	<u>\$ 4,831,900</u>

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 America 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, 2022 , 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	Behavioral Health	Nonmajor Governmental Funds	Totals
Property taxes	\$ 387,862	\$ -	\$ -	\$ 11,079	\$ 398,941
Accounts	<u>750</u>	<u>4,870</u>	<u>-</u>	<u>223,159</u>	<u>228,779</u>
	<u>\$ 388,612</u>	<u>\$ 4,870</u>	<u>\$ -</u>	<u>\$ 234,238</u>	<u>\$ 627,720</u>

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).

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 Annual Comprehensive Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at: www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.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.

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

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.

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.

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

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.

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, 2022, were \$5,321,344.

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

Net pension liability

At June 30, 2022, the County reported a liability of \$24,461,258 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. 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, 2021, the County's proportion was 0.20441482%, which was an increase of 0.01137298% from its proportion measured as of June 30, 2020.

Pension expense

For the year ended June 30, 2022, the County recognized pension expense of \$4,040,699.

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, 2021, 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, 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, 2022, 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	\$ 2,289,734	\$ -
Changes in assumptions	6,123,389	64,376
Net difference between projected and actual earnings on pension plan investments	-	18,108,480
Changes in proportionate share	2,397,012	341,503
Differences between employer contributions and employer's proportionate share of system contributions	267,437	427,192
Contributions subsequent to the measurement date	5,321,344	-
	<u>\$ 16,398,916</u>	<u>\$ 18,941,55</u>

Deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement in the amount of \$5,321,344 will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

As of June 30, 2022, 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:

2023	\$ (947,172)
2024	(1,276,516)
2025	(2,313,445)
2026	(4,038,382)
2027	<u>711,536</u>

\$(7,863,979)

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

The total pension liability measured as of June 30, 2021 was based on an actuarial valuation as of December 31, 2019 using the following methods and assumptions:

Experience study report	2018, published July 24, 2019
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	\$32.5 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

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.

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.

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.

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 2018 Experience Study which reviewed experience for the four years ended December 31, 2018.

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%, a reduction from 7.2% from the prior fiscal year. 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

Asset Class	Target Allocation
Cash	0.00%
Debt securities	20.00%
Public equity	32.50%
Private equity	17.50%
Real estate	12.50%
Alternatives portfolio	15.00%
Risk parity	2.50%
Total	100.00%

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Long-Term Expected Rate of Return¹

Asset Class	Target Allocation	20-Year		Annual Standard Deviation
		Annual Arithmetic Return ²	Annualized Geometric Mean	
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 – Multi strategy	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

Key changes implemented since the valuation as of December 31, 2017, are:

- On July 23, 2021, the PERS Board voted to set the assumed rate of return to 6.9%, down from 7.2%. The PERS Board reviews the assumed rate in odd-numbered years as part of the board’s adoption of actuarial methods and assumptions. The rate was then adopted in an administrative rule at the PERS Board’s October 1, 2021, meeting. The new assumed rate will be reflected in the actuarial valuation as of December 31, 2021, for funding, and decreases in the assumed rate typically increase the system’s unfunded actuarial liability as well as employer contribution rates. The new assumed rate was applied by the actuaries to the Net Pension Liability as of June 30, 2021.

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	\$48,036,060	\$24,461,258	\$ 4,737,706

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, 2022, were \$1,386,358.

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, 2020, there were 369 active employees, 7 eligible retirees, and 2 spouses of ineligible retirees for a total of 378 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	\$ 828
For spouses of retirees	840

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, 2022, the County reported a total OPEB liability of \$2,474,781. The total OPEB liability was measured as of July 1, 2021, and determined by an actuarial valuation as of that date.

Changes in the total OPEB liability is as follows:

Balances at June 30, 2021	\$ 2,250,940
Changes for the year:	
Service cost	249,304
Interest	54,265
Effect of changes to benefit terms	-
Effect of economic/demographic gains or losses	-
Effect of assumptions, changes, or inputs	10,402
Benefit payment	<u>(90,130)</u>
Balances at June 30, 2022	<u>\$ 2,474,781</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, 2022, the County recognized OPEB expense of \$196,051. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 100,777	\$ 5,363
Changes of assumptions or inputs	58,651	390,490
County's contributions subsequent to the measurement date	<u>65,424</u>	<u>-</u>
	<u>\$ 224,852</u>	<u>\$ 395,853</u>

Deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date in the amount of \$65,424 will be recognized as an adjustment to the Total OPEB liability in the year ended 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 as follows:

Year ends June 30,

2023	\$ (42,094)
2024	(42,094)
2025	(42,094)
2026	(42,094)
2027	(30,452)
Thereafter	<u>(37,597)</u>
	<u>\$ (236,425)</u>

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, 2020
Actuarial Cost Method	Entry Age Normal, Level Percent of Pay
Actuarial Assumptions:	
Inflation Rate	2.5%
Projected Salary Increases	3.5%
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	40% 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 2.16%. 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>
2020	3.5%
2021	5.75
2022	5.25
2023-2025	5.00
2026-2040	4.75
2041-2049	5.00
2050-2064	4.75
2065-2067	4.50
2068-2071	4.25
2072+	4.00

Dental costs are assumed to increase 4.0% in all future years.

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 2.16%, 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 (1.16%) or 1-percentage-point higher (3.16%) 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	\$ 2,687,847	\$ 2,474,781	\$ 2,275,806
	<u>1 Percentage Point Lower</u>	<u>Current Trend Rate</u>	<u>1 Percentage Point Higher</u>
County's total OPEB liability	\$ 2,169,140	\$ 2,474,781	\$ 2,841,254

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, 2019, 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 plan's fiduciary net position. The report can be found at: www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.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, 2019.

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 \$3,125 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, 2022, the County reported an (asset) of \$479,187 for its proportionate share of the net OPEB liability/(asset). The net OPEB liability/(asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2019. 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, 2021, the County's proportion was 0.13954178%, which was a decrease of 0.01274195% from its proportion measured as of June 30, 2020.

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

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

OPEB expense

For the year ended June 30, 2022, the County recognized OPEB revenue of \$58,561.

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, 2021, 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, 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, 2022, 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	\$ -	\$ 13,332
Changes in assumptions	9,429	7,129
Net difference between projected and actual earnings on pension plan investments	-	113,880
Changes in proportionate share	29,939	154
Contributions subsequent to the measurement date	3,125	-
	\$ 42,493	\$ 134,495

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 \$3,125 will be recognized as an adjustment to the net OPEB (asset)/liability in the year ending June 30, 2023.

As of June 30, 2022, 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:

2023	\$ (16,618)
2024	(16,537)
2025	(25,999)
2026	<u>(35,973)</u>
	<u>\$ (95,127)</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)	\$ 423,771	\$ 479,187	\$ 526,526

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, 2022 , the specific purposes for these amounts are as follows:

	General	Public Works	Behavioral Health	American Rescue Plan	Nonmajor Governmental Funds	Totals
Nonspendable:						
Inventory	-	483,974	-	-	-	483,974
Prepays	9,262	52	244	65,625	36,504	111,687
Restricted for:						
Highways and streets	-	3,619,289	-	-	-	3,619,289
Public Safety	-	-	-	-	658,818	658,818
Health and welfare	-	-	10,293,433	-	2,224,495	12,517,928
Economic development	-	-	-	-	482,084	482,084
Community housing	-	-	-	-	1,000,000	1,000,000
Education	-	-	-	-	19,230	19,230
Other purposes	285,309	-	-	-	164,066	449,375
Committed for:						
Dog control	-	-	-	-	14,171	14,171
Fair and fairgrounds facility support	-	-	-	-	207,622	207,622
Construction of public improvements	-	-	-	-	3,811	3,811
Unassigned	<u>6,529,973</u>	<u>-</u>	<u>-</u>	<u>(65,625)</u>	<u>(72,303)</u>	<u>6,392,045</u>
Total Fund Balances	<u>6,824,544</u>	<u>4,103,315</u>	<u>10,293,677</u>	<u>-</u>	<u>4,738,498</u>	<u>25,960,034</u>

NOTE 15 – DEFICIT NET POSITION AND FUND BALANCES

As of June 30, 2022 , the Marine Patrol has a deficit fund balance of \$19,612 and the Public Works Complex Construction fund has a deficit fund balance of \$52,691.

As of June 30, 2022, the Management Services Fund had a deficit net position of \$2,304,122.

NOTE 16 – TAX ABATEMENTS

Polk County negotiates property tax abatement agreements on an individual basis. For the year ended June 30, 2022, the County had agreements which reduced property taxes levied on 10 properties for certified historic properties and for enterprise zone properties.

POLK COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 16 – TAX ABATEMENTS (Continued)

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.

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, 2022, 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%	\$ 6,276	\$ 666
Enterprise Zone	100%	<u>53,065</u>	<u>5,979</u>
Total Abatement		<u>\$ 59,341</u>	<u>\$ 6,645</u>

NOTE 17 – COMMITMENTS

The County has entered into commitments for various projects as of June 30, 2022, as follows:

<u>Project</u>	<u>Contract</u>	<u>Disbursed to Date</u>	<u>Remaining Commitment</u>
Public Works	\$2,207,168	\$ 2,069,481	\$ 137,687
Fairgrounds Restroom Remodel	99,450	<u>49,600</u>	<u>49,850</u>
		<u>\$ 2,119,081</u>	<u>\$ 187,537</u>

REQUIRED SUPPLEMENTARY INFORMATION

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>
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%

* Information will be accumulated annually until 10 years is presented

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
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%

* Information will be accumulated annually until 10 years is presented

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, *

<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>
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%

* Information will be accumulated annually until 10 years is presented

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
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%

* Information will be accumulated annually until 10 years is presented

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,				
	2022	2021	2020	2019	2018
Service cost	\$ 249,304	\$ 194,008	\$ 172,634	\$ 186,967	\$ 199,811
Interest on total OPEB liability	54,265	84,343	83,859	78,316	62,815
Effect of economic/demographic gains or losses	-	(6,853)	-	178,301	-
Effect of assumptions changes or inputs	10,402	(192,964)	73,275	(315,529)	(133,908)
Benefit payments	(90,130)	(86,056)	(129,901)	(138,976)	(125,986)
Net change in total OPEB liability	223,841	(7,522)	199,867	(10,921)	2,732
Total OPEB liability - beginning of year	<u>2,250,940</u>	<u>2,258,462</u>	<u>2,058,595</u>	<u>2,069,516</u>	<u>2,066,784</u>
Total OPEB liability - end of year	<u>\$ 2,474,781</u>	<u>\$ 2,250,940</u>	<u>\$ 2,258,462</u>	<u>\$ 2,058,595</u>	<u>\$ 2,069,516</u>
Covered employee payroll	\$ 23,545,924	\$ 23,138,167	\$ 21,031,089	\$ 19,958,827	\$ 18,802,869
Total OPEB liability as a percentage of covered payroll	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.

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

POLK COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

	Special Revenue	Capital Projects	Total
Assets			
Cash and cash equivalents	\$ 5,836,068	\$ 135,405	\$ 5,971,473
Receivables	739,471	-	739,471
Prepaid items	36,504	-	36,504
Total assets	\$ 6,612,043	\$ 135,405	\$ 6,747,448
Liabilities, deferred inflows and fund balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 413,542	\$ 184,285	\$ 597,827
Due to other funds	78,098	-	78,098
Consumer deposits	4,250	-	4,250
Unearned revenue	1,094,537	-	1,094,537
Total liabilities	1,590,427	184,285	1,774,712
Deferred inflows of resources			
Unavailable revenue	234,238	-	234,238
Fund balances			
Nonspendable	36,504	-	36,504
Restricted	4,548,693	-	4,548,693
Committed	221,793	3,811	225,604
Unassigned	(19,612)	(52,691)	(72,303)
Total fund balances	4,787,378	(48,880)	4,738,498
Total liabilities, deferred inflows of resources and fund balances	\$ 6,612,043	\$ 135,405	\$ 6,747,448

POLK COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues				
Property taxes	\$ 500,321	\$ 2,129	\$ -	\$ 502,450
Franchise fees	204,667	-	-	204,667
Licenses, permits and fees	957,919	-	-	957,919
Fines and forfeitures	5,107	-	-	5,107
Charges for services	2,205,518	-	-	2,205,518
Donations	698,017	-	-	698,017
Intergovernmental	6,340,817	-	-	6,340,817
Interest	1,490	405	2,376	4,271
Miscellaneous	12,318	-	-	12,318
	<u>10,926,174</u>	<u>2,534</u>	<u>2,376</u>	<u>10,931,084</u>
Expenditures				
Current				
General government	3,684,734	-	10,000	3,694,734
Public safety	1,419,361	-	-	1,419,361
Highways and streets	167,650	-	-	167,650
Health and welfare	7,123,375	-	-	7,123,375
Education	478,294	-	-	478,294
Debt service	35,039	-	1,121,231	1,156,270
Capital outlay	317,423	-	1,698,526	2,015,949
	<u>13,225,876</u>	<u>-</u>	<u>2,829,757</u>	<u>16,055,633</u>
Excess (deficiency) of revenues over expenditures	<u>(2,299,702)</u>	<u>2,534</u>	<u>(2,827,381)</u>	<u>(5,124,549)</u>
Other financing sources (uses)				
Transfers in	1,672,500	-	1,950,000	3,622,500
Proceeds from sale of capital assets	25,100	-	-	25,100
Transfers out	(25,000)	(78,098)	-	(103,098)
	<u>1,672,600</u>	<u>(78,098)</u>	<u>1,950,000</u>	<u>3,544,502</u>
Net change in fund balances	(627,102)	(75,564)	(877,381)	(1,580,047)
Fund balances at beginning of year	5,414,480	75,564	828,501	6,318,545
Fund balance at end of year	<u>\$ 4,787,378</u>	<u>\$ -</u>	<u>\$ (48,880)</u>	<u>\$ 4,738,498</u>

POLK COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2022

	Multi-Disciplinary Intervention	Domestic Mediation	Court Security	Public Land Corner	Dog Control	Marine Patrol	Law Library	Health Services	Public Health	Juvenile	Veterans' Services	Fair	Economic Development	Household Hazardous Waste	Coordinated Housing Fund	Building Inspection	Extension	Total
Assets																		
Cash and cash equivalents	\$ 82,921	\$ 20,021	\$ 121,453	\$ 142,472	\$ 13,408	\$ -	\$ 7,346	\$ 625,625	\$ 1,457,229	\$ 103,453	\$ -	\$ 220,910	\$ 1,606,708	\$ 28,860	\$ 1,000,000	\$ 291,008	\$ 114,654	\$ 5,836,068
Receivables	33,223	-	476	-	1,632	47,718	-	276,022	228,143	81,307	58,006	-	-	-	-	300	12,644	739,471
Prepaid items	-	-	-	-	-	-	-	50	-	2,172	19,531	-	14,751	-	-	-	-	36,504
Total assets	\$ 116,144	\$ 20,021	\$ 121,929	\$ 142,472	\$ 15,040	\$ 47,718	\$ 7,346	\$ 901,697	\$ 1,685,372	\$ 186,932	\$ 77,537	\$ 220,910	\$ 1,621,459	\$ 28,860	\$ 1,000,000	\$ 291,308	\$ 127,298	\$ 6,612,043
Liabilities, deferred inflows and fund balances																		
Liabilities																		
Accounts payable and accrued liabilities	\$ 51,034	\$ 4,268	\$ 481	\$ 70	\$ 869	\$ 868	\$ 3,294	\$ 46,416	\$ 120,281	\$ 23,733	\$ 1,426	\$ 9,038	\$ 30,087	\$ 9,048	\$ -	\$ 15,640	\$ 96,989	\$ 413,542
Due to other funds	-	-	-	-	-	39,130	-	-	-	-	38,968	-	-	-	-	-	-	78,098
Consumer deposits	-	-	-	-	-	-	-	-	-	-	-	4,250	-	-	-	-	-	4,250
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-	1,094,537	-	-	-	-	1,094,537
Total liabilities	51,034	4,268	481	70	869	39,998	3,294	46,416	120,281	23,733	40,394	13,288	1,124,624	9,048	-	15,640	96,989	1,590,427
Deferred inflows of resources																		
Unavailable revenue	-	-	-	-	-	27,332	-	60,750	135,077	-	-	-	-	-	-	-	11,079	234,238
Fund balances																		
Nonspendable	-	-	-	-	-	-	-	50	-	2,172	19,531	-	14,751	-	-	-	-	36,504
Restricted	65,110	15,753	121,448	142,402	-	-	4,052	794,481	1,430,014	161,027	17,612	-	482,084	19,812	1,000,000	275,668	19,230	4,548,693
Committed	-	-	-	-	14,171	-	-	-	-	-	-	207,622	-	-	-	-	-	221,793
Unassigned	-	-	-	-	-	(19,612)	-	-	-	-	-	-	-	-	-	-	-	(19,612)
Total fund balances	65,110	15,753	121,448	142,402	14,171	(19,612)	4,052	794,531	1,430,014	163,199	37,143	207,622	496,835	19,812	1,000,000	275,668	19,230	4,787,378
Total liabilities, deferred inflows of resources and fund balances	\$ 116,144	\$ 20,021	\$ 121,929	\$ 142,472	\$ 15,040	\$ 47,718	\$ 7,346	\$ 901,697	\$ 1,685,372	\$ 186,932	\$ 77,537	\$ 220,910	\$ 1,621,459	\$ 28,860	\$ 1,000,000	\$ 291,308	\$ 127,298	\$ 6,612,043

POLK COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2022

	Multi-Disciplinary Intervention	Domestic Mediation	Court Security	Public Land Corner	Dog Control	Marine Patrol	Law Library	Health Services	Public Health	Juvenile	Veterans' Services	Fair	County School	Economic Development	Household Hazardous Waste	Coordinated Housing	Building Inspection	Extension	Total
Revenues																			
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,321	\$ 500,321
Franchise fees	-	-	-	-	-	-	-	-	-	-	-	-	156,438	-	48,229	-	-	-	204,667
Licenses, permits and fees	-	-	-	-	61,135	-	-	-	-	-	-	-	-	-	-	-	896,784	-	957,919
Fines and forfeitures	-	-	5,107	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,107
Charges for services	-	-	-	157,026	290	-	-	1,644,075	98,190	24,200	-	281,737	-	-	-	-	-	-	2,205,518
Donations	-	-	-	-	-	-	-	556,581	120	-	51,090	90,226	-	-	-	-	-	-	698,017
Intergovernmental	132,893	37,467	15,609	-	-	119,958	57,382	1,767,265	1,674,531	305,425	119,697	148,598	1,028	955,464	-	1,000,000	-	5,500	6,340,817
Interest	-	-	640	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	850
Miscellaneous	-	-	-	-	-	-	-	400	6,050	-	-	3,868	-	-	-	-	-	-	12,318
Total revenues	132,893	37,467	21,356	157,026	61,425	121,958	57,382	3,968,321	1,778,891	329,625	170,787	524,429	157,466	955,464	48,229	1,000,000	896,784	506,671	10,926,174
Expenditures																			
Current																			
General government	-	38,772	-	-	-	-	86,510	-	-	50,659	244,917	772,950	157,466	1,552,318	52,224	-	728,918	-	3,684,734
Public safety	146,013	-	25,590	-	190,259	50,997	-	-	-	1,006,502	-	-	-	-	-	-	-	-	1,419,361
Highways and streets	-	-	-	167,650	-	-	-	-	-	-	-	-	-	-	-	-	-	-	167,650
Health and welfare	-	-	-	-	-	-	-	4,504,006	2,619,369	-	-	-	-	-	-	-	-	-	7,123,375
Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	478,294	478,294
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35,039	35,039
Capital outlay	-	-	-	-	-	116,754	-	-	-	-	-	200,669	-	-	-	-	-	-	317,423
Total expenditures	146,013	38,772	25,590	167,650	190,259	167,751	86,510	4,504,006	2,619,369	1,057,161	244,917	973,619	157,466	1,552,318	52,224	-	728,918	513,333	13,225,876
Excess (deficiency) of revenues over expenditures	(13,120)	(1,305)	(4,234)	(10,624)	(128,834)	(45,793)	(29,128)	(535,685)	(840,478)	(727,536)	(74,130)	(449,190)	-	(596,854)	(3,995)	1,000,000	167,866	(6,662)	(2,299,702)
Other financing sources (uses)																			
Sale of capital assets	-	-	-	-	-	25,100	-	-	-	-	-	-	-	-	-	-	-	-	25,100
Transfers in	-	-	-	-	100,000	5,000	47,500	100,000	-	770,000	110,000	540,000	-	-	-	-	-	-	1,672,500
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(25,000)	-	(25,000)
Total other financing sources (uses)	-	-	-	-	100,000	30,100	47,500	100,000	-	770,000	110,000	540,000	-	-	-	-	(25,000)	-	1,672,600
Net change in fund balances	(13,120)	(1,305)	(4,234)	(10,624)	(28,834)	(15,693)	18,372	(435,685)	(840,478)	42,464	35,870	90,810	-	(596,854)	(3,995)	1,000,000	142,866	(6,662)	(627,102)
Fund balances at beginning of year	78,230	17,058	125,682	153,026	43,005	(3,919)	(14,320)	1,230,216	2,270,492	120,735	1,273	116,812	-	1,093,689	23,807	-	132,802	25,892	5,414,480
Fund balance at end of year	\$ 65,110	\$ 15,753	\$ 121,448	\$ 142,402	\$ 14,171	\$ (19,612)	\$ 4,052	\$ 794,531	\$ 1,430,014	\$ 163,199	\$ 37,143	\$ 207,622	\$ -	\$ 496,835	\$ 19,812	\$ 1,000,000	\$ 275,668	\$ 19,230	\$ 4,787,378

POLK COUNTY
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
June 30, 2022

	Building Improvement	Public Works Complex Construction	Total
Assets			
Cash and cash equivalents	\$ 101,150	\$ 34,255	\$ 135,405
Total assets	<u>\$ 101,150</u>	<u>\$ 34,255</u>	<u>\$ 135,405</u>
Liabilities, deferred inflows and fund balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 97,339	\$ 86,946	\$ 184,285
Total liabilities	<u>97,339</u>	<u>86,946</u>	<u>184,285</u>
Fund balances			
Committed	3,811	-	3,811
Unassigned	<u>-</u>	<u>(52,691)</u>	<u>(52,691)</u>
Total fund balances	<u>3,811</u>	<u>(52,691)</u>	<u>(48,880)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 101,150</u>	<u>\$ 34,255</u>	<u>\$ 135,405</u>

POLK COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
Year Ended June 30, 2022

	Building Improvement	Public Works Complex Construction	Total
Revenues			
Interest	\$ 374	\$ 2,002	\$ 2,376
Total revenues	<u>374</u>	<u>2,002</u>	<u>2,376</u>
Expenditures			
Current			
General government	-	10,000	10,000
Debt service	627,659	493,572	1,121,231
Capital outlay	550,234	1,148,292	1,698,526
Total expenditures	<u>1,177,893</u>	<u>1,651,864</u>	<u>2,829,757</u>
Excess (deficiency) of revenues over expenditures	<u>(1,177,519)</u>	<u>(1,649,862)</u>	<u>(2,827,381)</u>
Other financing sources (uses)			
Transfers in	<u>1,100,000</u>	<u>850,000</u>	<u>1,950,000</u>
Total other financing sources (uses)	<u>1,100,000</u>	<u>850,000</u>	<u>1,950,000</u>
Net change in fund balances	(77,519)	(799,862)	(877,381)
Fund balances at beginning of year	<u>81,330</u>	<u>747,171</u>	<u>828,501</u>
Fund balance at end of year	<u>\$ 3,811</u>	<u>\$ (52,691)</u>	<u>\$ (48,880)</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 120,000	\$ 132,893	\$ 12,893
Total revenues	<u>120,000</u>	<u>132,893</u>	<u>12,893</u>
Expenditures			
Multi-disciplinary intervention			
Personnel services	30,991	16,380	14,611
Materials and services	125,961	126,585	(624)
Interdepartment charges	<u>3,048</u>	<u>3,048</u>	<u>-</u>
Total expenditures	<u>160,000</u>	<u>146,013</u>	<u>13,987</u>
Net change in fund balance	(40,000)	(13,120)	26,880
Fund balance at beginning of year	<u>40,000</u>	<u>78,230</u>	<u>38,230</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 65,110</u>	<u>\$ 65,110</u>

POLK COUNTY
DOMESTIC MEDIATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 35,000	\$ 37,467	\$ 2,467
Total revenues	<u>35,000</u>	<u>37,467</u>	<u>2,467</u>
Expenditures			
Domestic mediation			
Materials and services	63,359	37,131	26,228
Interdepartment charges	<u>1,641</u>	<u>1,641</u>	<u>-</u>
Total expenditures	<u>65,000</u>	<u>38,772</u>	<u>26,228</u>
Excess (deficiency) of revenues over expenditures	<u>(30,000)</u>	<u>(1,305)</u>	<u>28,695</u>
Other financing sources (uses)			
Transfers in	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total other financing sources (uses)	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Net change in fund balance	(25,000)	(1,305)	23,695
Fund balance at beginning of year	<u>25,000</u>	<u>17,058</u>	<u>(7,942)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 15,753</u>	<u>\$ 15,753</u>

POLK COUNTY
COURT SECURITY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Fines and forfeitures	\$ 10,000	\$ 5,107	\$ (4,893)
Intergovernmental	14,000	15,609	1,609
Interest	<u>1,000</u>	<u>640</u>	<u>(360)</u>
Total revenues	<u>25,000</u>	<u>21,356</u>	<u>(3,644)</u>
Expenditures			
Court security			
Materials and services	98,304	8,893	89,411
Interdepartment charges	16,696	16,697	(1)
Capital outlay	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total expenditures	<u>145,000</u>	<u>25,590</u>	<u>119,410</u>
Net change in fund balance	(120,000)	(4,234)	115,766
Fund balance at beginning of year	<u>120,000</u>	<u>125,682</u>	<u>5,682</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 121,448</u>	<u>\$ 121,448</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 160,000	\$ 157,026	\$ (2,974)
Total revenues	<u>160,000</u>	<u>157,026</u>	<u>(2,974)</u>
Expenditures			
Public land corner preservation			
Materials and services	261,267	128,917	132,350
Interdepartment charges	<u>38,733</u>	<u>38,733</u>	<u>-</u>
Total expenditures	<u>300,000</u>	<u>167,650</u>	<u>132,350</u>
Net change in fund balance	(140,000)	(10,624)	129,376
Fund balance at beginning of year	<u>140,000</u>	<u>153,026</u>	<u>13,026</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 142,402</u>	<u>\$ 142,402</u>

POLK COUNTY
DOG CONTROL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 50,000	\$ 61,135	\$ 11,135
Charges for services	-	290	290
	<u>50,000</u>	<u>61,425</u>	<u>11,425</u>
Expenditures			
Dog control			
Personnel services	148,532	150,558	(2,026)
Materials and services	30,964	19,197	11,767
Interdepartment charges	20,504	20,504	-
	<u>200,000</u>	<u>190,259</u>	<u>9,741</u>
Excess (deficiency) of revenues over expenditures	<u>(150,000)</u>	<u>(128,834)</u>	<u>21,166</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	(50,000)	(28,834)	21,166
Fund balance at beginning of year	<u>50,000</u>	<u>43,005</u>	<u>(6,995)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 14,171</u>	<u>\$ 14,171</u>

POLK COUNTY
MARINE PATROL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 181,894	\$ 119,958	\$ (61,936)
Miscellaneous	-	2,000	2,000
	<u>181,894</u>	<u>121,958</u>	<u>(59,936)</u>
Expenditures			
Marine patrol			
Personnel services	52,306	29,167	23,139
Materials and services	14,834	17,076	(2,242)
Interdepartment charges	4,754	4,754	-
Capital outlay	<u>115,000</u>	<u>116,754</u>	<u>(1,754)</u>
	<u>186,894</u>	<u>167,751</u>	<u>19,143</u>
Excess (deficiency) of revenues over expenditures	<u>(5,000)</u>	<u>(45,793)</u>	<u>(40,793)</u>
Other financing sources (uses)			
Sale of capital assets	-	25,100	25,100
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>-</u>
	<u>5,000</u>	<u>30,100</u>	<u>25,100</u>
Net change in fund balance	-	(15,693)	(15,693)
Fund balance at beginning of year	<u>-</u>	<u>(3,919)</u>	<u>(3,919)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ (19,612)</u>	<u>\$ (19,612)</u>

POLK COUNTY
LAW LIBRARY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 56,000	\$ 57,382	\$ 1,382
Total revenues	<u>56,000</u>	<u>57,382</u>	<u>1,382</u>
Expenditures			
Law library			
Materials and services	70,397	45,907	24,490
Interdepartment charges	<u>40,603</u>	<u>40,603</u>	<u>-</u>
Total expenditures	<u>111,000</u>	<u>86,510</u>	<u>24,490</u>
Excess (deficiency) of revenues over expenditures	<u>(55,000)</u>	<u>(29,128)</u>	<u>25,872</u>
Other financing sources (uses)			
Transfers in	<u>50,000</u>	<u>47,500</u>	<u>(2,500)</u>
Total other financing sources (uses)	<u>50,000</u>	<u>47,500</u>	<u>(2,500)</u>
Net change in fund balance	(5,000)	18,372	23,372
Fund balance at beginning of year	<u>5,000</u>	<u>(14,320)</u>	<u>(19,320)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 4,052</u>	<u>\$ 4,052</u>

POLK COUNTY
HEALTH SERVICES - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 1,665,000	\$ 1,644,075	\$ (20,925)
Intergovernmental	2,435,000	1,767,265	(667,735)
Donations	870,000	556,581	(313,419)
Miscellaneous	-	400	400
	<u>4,970,000</u>	<u>3,968,321</u>	<u>(1,001,679)</u>
Total revenues			
Expenditures			
Administration			
Personnel services	1,799,471	1,214,943	584,528
Materials and services	104,163	16,872	87,291
Interdepartment charges	198,967	198,967	-
	<u>2,102,601</u>	<u>1,430,782</u>	<u>671,819</u>
Total administration			
Family and community outreach			
Personnel services	2,101,660	2,037,299	64,361
Materials and services	1,921,332	891,487	1,029,845
Interdepartment charges	144,407	144,438	(31)
	<u>4,167,399</u>	<u>3,073,224</u>	<u>1,094,175</u>
Total family and community outreach			
Total expenditures			
	<u>6,270,000</u>	<u>4,504,006</u>	<u>1,765,994</u>
Excess (deficiency) of revenues over expenditures	<u>(1,300,000)</u>	<u>(535,685)</u>	<u>764,315</u>
Other financing sources (uses)			
Transfers in	<u>150,000</u>	<u>100,000</u>	<u>(50,000)</u>
Total other financing sources (uses)			
	<u>150,000</u>	<u>100,000</u>	<u>(50,000)</u>
Net change in fund balance	(1,150,000)	(435,685)	714,315
Fund balance at beginning of year	<u>1,150,000</u>	<u>1,230,216</u>	<u>80,216</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 794,531</u>	<u>\$ 794,531</u>

POLK COUNTY
PUBLIC HEALTH - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 91,000	\$ 98,190	\$ 7,190
Intergovernmental	1,998,000	1,674,531	(323,469)
Donations	20,100	120	(19,980)
Miscellaneous	<u>-</u>	<u>6,050</u>	<u>6,050</u>
Total revenues	<u>2,109,100</u>	<u>1,778,891</u>	<u>(330,209)</u>
Expenditures			
Family planning			
Personnel services	150,984	100,991	49,993
Materials and services	44,975	20,228	24,747
Interdepartment charges	<u>57,042</u>	<u>57,042</u>	<u>-</u>
Total family planning	<u>253,001</u>	<u>178,261</u>	<u>74,740</u>
General health			
Personnel services	1,624,906	1,163,233	461,673
Materials and services	567,500	649,351	(81,851)
Interdepartment charges	<u>278,123</u>	<u>278,123</u>	<u>-</u>
Total general health	<u>2,470,529</u>	<u>2,090,707</u>	<u>379,822</u>
Women, infants and children			
Personnel services	234,536	234,239	297
Materials and services	43,500	36,170	7,330
Interdepartment charges	<u>79,992</u>	<u>79,992</u>	<u>-</u>
Total women, infants and children	<u>358,028</u>	<u>350,401</u>	<u>7,627</u>
Contingency	<u>677,542</u>	<u>-</u>	<u>677,542</u>
Total expenditures	<u>3,759,100</u>	<u>2,619,369</u>	<u>1,139,731</u>
Excess (deficiency) of revenues over expenditures	<u>(1,650,000)</u>	<u>(840,478)</u>	<u>809,522</u>
Other financing sources (uses)			
Transfers in	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
Total other financing sources (uses)	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
Net change in fund balance	(1,500,000)	(840,478)	659,522
Fund balance at beginning of year	<u>1,500,000</u>	<u>2,270,492</u>	<u>770,492</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,430,014</u>	<u>\$ 1,430,014</u>

POLK COUNTY
JUVENILE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 32,500	\$ 24,200	\$ (8,300)
Intergovernmental	<u>260,000</u>	<u>305,425</u>	<u>45,425</u>
Total revenues	<u>292,500</u>	<u>329,625</u>	<u>37,125</u>
Expenditures			
Juvenile community service			
Materials and services	50,500	50,000	500
Interdepartment charges	<u>659</u>	<u>659</u>	<u>-</u>
Total juvenile community service	<u>51,159</u>	<u>50,659</u>	<u>500</u>
Juvenile probations			
Personnel services	682,989	612,192	70,797
Materials and services	36,440	25,795	10,645
Interdepartment charges	<u>128,891</u>	<u>128,891</u>	<u>-</u>
Total juvenile probations	<u>848,320</u>	<u>766,878</u>	<u>81,442</u>
Juvenile sanctions			
Materials and services	260,000	236,603	23,397
Interdepartment charges	<u>3,021</u>	<u>3,021</u>	<u>-</u>
Total juvenile sanctions	<u>263,021</u>	<u>239,624</u>	<u>23,397</u>
Total expenditures	<u>1,162,500</u>	<u>1,057,161</u>	<u>105,339</u>
Excess (deficiency) of revenues over expenditures	<u>(870,000)</u>	<u>(727,536)</u>	<u>142,464</u>
Other financing sources (uses)			
Transfers in	<u>770,000</u>	<u>770,000</u>	<u>-</u>
Total other financing sources (uses)	<u>770,000</u>	<u>770,000</u>	<u>-</u>
Net change in fund balance	(100,000)	42,464	142,464
Fund balance at beginning of year	<u>100,000</u>	<u>120,735</u>	<u>20,735</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 163,199</u>	<u>\$ 163,199</u>

POLK COUNTY
VETERANS' SERVICES - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 119,696	\$ 119,697	\$ 1
Donations	15,304	51,090	35,786
Total revenues	<u>135,000</u>	<u>170,787</u>	<u>35,787</u>
Expenditures			
Veterans' services			
Personnel services	197,396	204,855	(7,459)
Materials and services	70,666	23,124	47,542
Interdepartment charges	16,938	16,938	-
Total expenditures	<u>285,000</u>	<u>244,917</u>	<u>40,083</u>
Excess (deficiency) of revenues over expenditures	<u>(150,000)</u>	<u>(74,130)</u>	<u>75,870</u>
Other financing sources (uses)			
Transfers in	<u>125,000</u>	<u>110,000</u>	<u>(15,000)</u>
Total other financing sources (uses)	<u>125,000</u>	<u>110,000</u>	<u>(15,000)</u>
Net change in fund balance	(25,000)	35,870	60,870
Fund balance at beginning of year	<u>25,000</u>	<u>1,273</u>	<u>(23,727)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 37,143</u>	<u>\$ 37,143</u>

POLK COUNTY
FAIR - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 165,000	\$ 281,737	\$ 116,737
Intergovernmental	128,150	148,598	20,448
Donations	35,000	90,226	55,226
Miscellaneous	6,000	3,868	(2,132)
Total revenues	<u>334,150</u>	<u>524,429</u>	<u>190,279</u>
Expenditures			
Annual fair			
Personnel services	87,881	66,063	21,818
Materials and services	56,650	84,057	(27,407)
Interdepartment charges	9,431	9,431	-
Total annual fair	<u>153,962</u>	<u>159,551</u>	<u>(5,589)</u>
Year round operations			
Personnel services	259,196	301,776	(42,580)
Materials and services	402,299	277,930	124,369
Interdepartment charges	33,693	33,693	-
Capital outlay	250,000	200,669	49,331
Total year round operations	<u>945,188</u>	<u>814,068</u>	<u>131,120</u>
Total expenditures	<u>1,099,150</u>	<u>973,619</u>	<u>125,531</u>
Excess (deficiency) of revenues over expenditures	<u>(765,000)</u>	<u>(449,190)</u>	<u>315,810</u>
Other financing sources (uses)			
Transfers in	<u>740,000</u>	<u>540,000</u>	<u>(200,000)</u>
Total other financing sources (uses)	<u>740,000</u>	<u>540,000</u>	<u>(200,000)</u>
Net change in fund balance	(25,000)	90,810	115,810
Fund balance at beginning of year	<u>25,000</u>	<u>116,812</u>	<u>91,812</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 207,622</u></u>	<u><u>\$ 207,622</u></u>

POLK COUNTY
COUNTY SCHOOL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Franchise fees	\$ 163,500	\$ 156,438	\$ (7,062)
Intergovernmental	<u>1,500</u>	<u>1,028</u>	<u>(472)</u>
Total revenues	<u>165,000</u>	<u>157,466</u>	<u>(7,534)</u>
Expenditures			
County school			
Materials and services	<u>165,000</u>	<u>157,466</u>	<u>7,534</u>
Total expenditures	<u>165,000</u>	<u>157,466</u>	<u>7,534</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 1,950,000	\$ 2,050,001	\$ 100,001
Total revenues	<u>1,950,000</u>	<u>2,050,001</u>	<u>100,001</u>
Expenditures			
Economic development			
Personnel services	24,497	23,740	757
Materials and services	2,263,883	1,516,958	746,925
Interdepartment charges	11,620	11,620	-
Capital outlay	<u>700,000</u>	<u>-</u>	<u>700,000</u>
Total expenditures	<u>3,000,000</u>	<u>1,552,318</u>	<u>1,447,682</u>
Net change in fund balance	(1,050,000)	497,683	1,547,683
Fund balance at beginning of year	<u>1,050,000</u>	<u>1,093,689</u>	<u>43,689</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,591,372</u>	<u>\$ 1,591,372</u>
Reconciliation to generally accepted accounting principles			
Unearned revenue		<u>(1,094,537)</u>	
		<u>\$ 496,835</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Franchise fees	\$ 105,000	\$ 48,229	\$ (56,771)
Total revenues	<u>105,000</u>	<u>48,229</u>	<u>(56,771)</u>
Expenditures			
Household hazardous waste			
Personnel services	32,134	23,308	8,826
Materials and services	100,440	26,490	73,950
Interdepartment charges	<u>2,426</u>	<u>2,426</u>	<u>-</u>
Total expenditures	<u>135,000</u>	<u>52,224</u>	<u>82,776</u>
Net change in fund balance	(30,000)	(3,995)	26,005
Fund balance at beginning of year	<u>30,000</u>	<u>23,807</u>	<u>(6,193)</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 19,812</u></u>	<u><u>\$ 19,812</u></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, 2022

	Budget	Actual	Variance
Revenues			
Intergovernmental	\$ 3,500,000	\$ 1,000,000	\$ (2,500,000)
Total revenues	3,500,000	1,000,000	(2,500,000)
Net change in fund balance	3,500,000	1,000,000	(2,500,000)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 3,500,000	\$ 1,000,000	\$ (2,500,000)

POLK COUNTY
BUILDING INSPECTION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ -	\$ 896,784	\$ 896,784
Intergovernmental	750,000	-	(750,000)
Total revenues	<u>750,000</u>	<u>896,784</u>	<u>146,784</u>
Expenditures			
Building inspection			
Personnel services	581,726	571,211	10,515
Materials and services	89,162	53,595	35,567
Interdepartment charges	<u>104,112</u>	<u>104,112</u>	<u>-</u>
Total academy building improvement	<u>775,000</u>	<u>728,918</u>	<u>46,082</u>
Contingency	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Total expenditures	<u>850,000</u>	<u>728,918</u>	<u>121,082</u>
Excess (deficiency) of revenues over expenditures	<u>(100,000)</u>	<u>167,866</u>	<u>267,866</u>
Other financing sources (uses)			
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balance	(125,000)	142,866	267,866
Fund balance at beginning of year	<u>125,000</u>	<u>132,802</u>	<u>7,802</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 275,668</u>	<u>\$ 275,668</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 525,000	\$ 500,321	\$ (24,679)
Intergovernmental	-	5,500	5,500
Donations	1,000	-	(1,000)
Interest	4,000	850	(3,150)
	<u>530,000</u>	<u>506,671</u>	<u>(23,329)</u>
Total revenues			
Expenditures			
Extension services			
Materials and services	539,000	507,333	31,667
Interdepartment charges	6,000	6,000	-
	<u>545,000</u>	<u>513,333</u>	<u>31,667</u>
Total extension services			
Contingency	10,000	-	10,000
	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures			
	<u>555,000</u>	<u>513,333</u>	<u>41,667</u>
Net change in fund balance	(25,000)	(6,662)	18,338
Fund balance at beginning of year	25,000	25,892	892
	<u>25,000</u>	<u>25,892</u>	<u>892</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 19,230</u>	<u>\$ 19,230</u>

POLK COUNTY
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 2,500	\$ 2,129	\$ (371)
Interest	-	405	405
	<u>2,500</u>	<u>2,534</u>	<u>34</u>
Other financing sources (uses)			
Transfers out	(80,000)	(78,098)	1,902
	<u>(80,000)</u>	<u>(78,098)</u>	<u>1,902</u>
Net change in fund balance	(77,500)	(75,564)	1,936
Fund balance at beginning of year	77,500	75,564	(1,936)
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

POLK COUNTY
BUILDING IMPROVEMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 15,000	\$ 374	\$ (14,626)
Total revenues	<u>15,000</u>	<u>374</u>	<u>(14,626)</u>
Expenditures			
Academy building improvement			
Debt service	201,410	201,411	(1)
Capital outlay	<u>75,000</u>	<u>4,130</u>	<u>70,870</u>
Total academy building improvement	<u>276,410</u>	<u>205,541</u>	<u>70,869</u>
Courthouse building improvement			
Materials and services	113,590	-	113,590
Debt service	375,000	426,248	(51,248)
Capital outlay	<u>1,300,000</u>	<u>546,104</u>	<u>753,896</u>
Total courthouse building improvement	<u>1,788,590</u>	<u>972,352</u>	<u>816,238</u>
Total expenditures	<u>2,065,000</u>	<u>1,177,893</u>	<u>887,107</u>
Excess (deficiency) of revenues over expenditures	<u>(2,050,000)</u>	<u>(1,177,519)</u>	<u>872,481</u>
Other financing sources (uses)			
Transfers in	<u>1,850,000</u>	<u>1,100,000</u>	<u>(750,000)</u>
Total other financing sources (uses)	<u>1,850,000</u>	<u>1,100,000</u>	<u>(750,000)</u>
Net change in fund balance	(200,000)	(77,519)	122,481
Fund balance at beginning of year	<u>200,000</u>	<u>81,330</u>	<u>(118,670)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 3,811</u>	<u>\$ 3,811</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 10,000	\$ 2,002	\$ (7,998)
Total revenues	<u>10,000</u>	<u>2,002</u>	<u>(7,998)</u>
Expenditures			
Public works complex construction	<u>1,660,000</u>	<u>1,651,864</u>	<u>8,136</u>
Total expenditures	<u>1,660,000</u>	<u>1,651,864</u>	<u>8,136</u>
Excess (deficiency) of revenues over expenditures	<u>(1,650,000)</u>	<u>(1,649,862)</u>	<u>138</u>
Other financing sources (uses)			
Transfers in	<u>850,000</u>	<u>850,000</u>	<u>-</u>
Total other financing sources (uses)	<u>850,000</u>	<u>850,000</u>	<u>-</u>
Net change in fund balance	(800,000)	(799,862)	138
Fund balance at beginning of year	<u>800,000</u>	<u>747,171</u>	<u>(52,829)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ (52,691)</u>	<u>\$ (52,691)</u>

POLK COUNTY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2022

	Management Services	Insurance	Totals
Assets			
Current assets			
Cash and cash equivalents	\$ 651,501	\$ 284,525	\$ 936,026
Receivables, net	16,216	-	16,216
Prepaid items	137,975	-	137,975
Total current assets	805,692	284,525	1,090,217
Net other postemployment benefits asset	52,711	-	52,711
Capital assets, net	3,755,483	-	3,755,483
Total assets	4,613,886	284,525	4,898,411
Deferred outflows of resources			
Pension related items	1,726,660	-	1,726,660
Other postemployment benefit related items	29,408	-	29,408
Total deferred outflows of resources	1,756,068	-	1,756,068
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	74,114	173,048	247,162
Long-term obligations:			
Due within one year	144,233	-	144,233
Due in more than one year	6,224,975	-	6,224,975
Total liabilities	6,443,322	173,048	6,616,370
Deferred inflows of resources			
Pension related items	1,994,376	-	1,994,376
Other postemployment benefit related items	58,338	-	58,338
Total deferred inflows of resources	2,052,714	-	2,052,714
Net position			
Net investment in capital assets	3,755,483	-	3,755,483
Unrestricted	(5,881,565)	111,477	(5,770,088)
Total net position	\$ (2,126,082)	\$ 111,477	\$ (2,014,605)

POLK COUNTY
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2022

	Management Services	Insurance	Totals
Operating revenues			
Intergovernmental	\$ 27,500	\$ -	\$ 27,500
Charges for services	6,737,266	777,520	7,514,786
Miscellaneous	17,188	126,668	143,856
	<u>6,781,954</u>	<u>904,188</u>	<u>7,686,142</u>
Total operation revenues			
	<u>6,781,954</u>	<u>904,188</u>	<u>7,686,142</u>
Operating expenses			
Personnel services	3,951,382	71,223	4,022,605
Materials and services	1,744,319	757,161	2,501,480
Interdepartmental charges	140,000	249,411	389,411
Amortization and depreciation	309,801	-	309,801
	<u>6,145,502</u>	<u>1,077,795</u>	<u>7,223,297</u>
Total operating expenses			
	<u>6,145,502</u>	<u>1,077,795</u>	<u>7,223,297</u>
Operating income (loss)	<u>636,452</u>	<u>(173,607)</u>	<u>462,845</u>
Nonoperating revenues (expenses)			
Interest expense	<u>(72,578)</u>	<u>-</u>	<u>(72,578)</u>
Total nonoperating revenue (expenses)	<u>(72,578)</u>	<u>-</u>	<u>(72,578)</u>
Income (loss) before transfers	563,874	(173,607)	390,267
Transfers out	<u>(650,000)</u>	<u>-</u>	<u>(650,000)</u>
Change in net position	(86,126)	(173,607)	(259,733)
Net position - beginning	<u>(2,217,996)</u>	<u>285,084</u>	<u>(1,932,912)</u>
Net position - ending	<u>\$ (2,304,122)</u>	<u>\$ 111,477</u>	<u>\$ (2,192,645)</u>

POLK COUNTY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2022

	Management Services	Insurance	Totals
Cash flows from operating activities			
Receipts from other governments	\$ 40,175	\$ -	\$ 40,175
Receipts from other funds	6,737,266	777,520	7,514,786
Miscellaneous receipts	17,188	126,668	143,856
Payments to suppliers	(1,851,001)	(625,517)	(2,476,518)
Payments to employees	(4,214,855)	(71,223)	(4,286,078)
Payments to other funds	(140,000)	(249,411)	(389,411)
Net cash provided by (used in) operating activities	<u>588,773</u>	<u>(41,963)</u>	<u>546,810</u>
Cash flows from noncapital financing activities			
Transfers out	(650,000)	-	(650,000)
Net cash provided by (used in) noncapital financing activities	<u>(650,000)</u>	<u>-</u>	<u>(650,000)</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	(55,250)	-	(55,250)
Principal paid on lease liabilities	(180,971)	-	(180,971)
Interest paid on lease liabilities	(72,578)	-	(72,578)
Net cash provided by (used in) capital and related financing activities	<u>(308,799)</u>	<u>-</u>	<u>(308,799)</u>
Net increase (decrease) in cash and cash equivalents	(370,026)	(41,963)	(411,989)
Cash and cash equivalents - beginning of year	<u>1,021,527</u>	<u>326,488</u>	<u>1,348,015</u>
Cash and cash equivalents - end of year	<u>\$ 651,501</u>	<u>\$ 284,525</u>	<u>\$ 936,026</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 636,452	\$ (173,607)	\$ 462,845
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Amortization and depreciation	309,801	-	309,801
(Increase) decrease in assets and deferred outflows of resources			
Receivables, net	12,675	-	12,675
Prepaid items	(112,234)	-	(112,234)
Net other postemployment benefits asset	(18,579)	-	(18,579)
Pension related items	(57,208)	-	(57,208)
Other postemployment benefit related items	7,562	-	7,562
Increase (decrease) in liabilities and deferred inflows of resources			
Accounts payable and accrued liabilities	5,552	131,644	137,196
Compensated absences payable	12,161	-	12,161
Net pension liability	(2,092,418)	-	(2,092,418)
Net other postemployment benefits liability	24,623	-	24,623
Pension related items	1,858,869	-	1,858,869
Other postemployment benefit related items	1,517	-	1,517
Net cash provided by (used in) operating activities	<u>\$ 588,773</u>	<u>\$ (41,963)</u>	<u>\$ 546,810</u>

POLK COUNTY
MANAGEMENT SERVICES - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 6,892,500	\$ 6,737,266	\$ (155,234)
Intergovernmental	100,000	27,500	(72,500)
Miscellaneous	<u>6,000</u>	<u>17,188</u>	<u>11,188</u>
Total revenues	<u>6,998,500</u>	<u>6,781,954</u>	<u>(216,546)</u>
Expenditures			
Board of commissioners			
Personnel services	390,030	368,135	21,895
Materials and services	<u>17,000</u>	<u>20,885</u>	<u>(3,885)</u>
Total board of commissioners	<u>407,030</u>	<u>389,020</u>	<u>18,010</u>
GIS - computer mapping			
Personnel services	289,973	238,896	51,077
Materials and services	79,550	66,064	13,486
Interdepartment charges	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total GIS - computer mapping	<u>399,523</u>	<u>334,960</u>	<u>64,563</u>
Central services			
Personnel services	222,103	217,749	4,354
Materials and services	328,100	310,564	17,536
Capital outlay	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total central services	<u>580,203</u>	<u>528,313</u>	<u>51,890</u>
Academy building maintenance			
Personnel services	404,647	302,019	102,628
Materials and services	<u>109,000</u>	<u>117,477</u>	<u>(8,477)</u>
Total academy building maintenance	<u>513,647</u>	<u>419,496</u>	<u>94,151</u>
Jail maintenance			
Personnel services	189,818	136,705	53,113
Materials and services	<u>208,350</u>	<u>212,698</u>	<u>(4,348)</u>
Total jail maintenance	<u>398,168</u>	<u>349,403</u>	<u>48,765</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Courthouse building maintenance			
Personnel services	700,421	765,249	(64,828)
Materials and services	<u>265,850</u>	<u>162,917</u>	<u>102,933</u>
Total courthouse building maintenance	<u>966,271</u>	<u>928,166</u>	<u>38,105</u>
Buchanan building maintenance			
Personnel services	100,074	82,931	17,143
Materials and services	<u>331,900</u>	<u>296,714</u>	<u>35,186</u>
Total buchanan building maintenance	<u>431,974</u>	<u>379,645</u>	<u>52,329</u>
Information services			
Personnel services	928,632	841,925	86,707
Materials and services	614,700	550,344	64,356
Interdepartment charges	110,000	110,000	-
Capital outlay	<u>50,000</u>	<u>49,858</u>	<u>142</u>
Total information services	<u>1,703,332</u>	<u>1,552,127</u>	<u>151,205</u>
Finance			
Personnel services	657,458	646,616	10,842
Materials and services	<u>197,400</u>	<u>199,098</u>	<u>(1,698)</u>
Total finance	<u>854,858</u>	<u>845,714</u>	<u>9,144</u>
Personnel			
Personnel services	441,998	443,645	(1,647)
Materials and services	<u>96,000</u>	<u>61,981</u>	<u>34,019</u>
Total personnel	<u>537,998</u>	<u>505,626</u>	<u>32,372</u>
County legal counsel			
Personnel services	168,304	170,985	(2,681)
Materials and services	<u>7,950</u>	<u>4,455</u>	<u>3,495</u>
Total county legal counsel	<u>176,254</u>	<u>175,440</u>	<u>814</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, 2022

	Budget	Actual	Variance
Non-departmental			
Materials and services	280,742	63	280,679
Total non-departmental	280,742	63	280,679
Total expenditures	7,250,000	6,407,973	842,027
Excess (deficiency) of revenues over expenditures	(251,500)	373,981	625,481
Other financing sources (uses)			
Sale of capital assets	1,500	-	(1,500)
Transfers out	(650,000)	(650,000)	-
Total other financing sources (uses)	(648,500)	(650,000)	(1,500)
Net change in fund balance	(900,000)	(276,019)	623,981
Fund balance at beginning of year	900,000	1,007,597	107,597
Fund balance at end of year	\$ -	\$ 731,578	\$ 731,578
Reconciliation to generally accepted accounting principles:			
Net other postemployment benefit asset		52,711	
Lease assets, net		3,506,287	
Capital assets, net		249,196	
Deferred outflows of resources		1,756,068	
Compensated absences		(144,233)	
Lease liability		(3,377,197)	
Net pension liability		(2,575,552)	
Other postemployment benefit		(272,226)	
Deferred inflows of resources		(2,052,714)	
Net position at end of year		\$ (2,126,082)	

POLK COUNTY
INSURANCE - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 1,000,000	\$ 777,520	\$ (222,480)
Miscellaneous	-	126,668	126,668
Total revenues	<u>1,000,000</u>	<u>904,188</u>	<u>(95,812)</u>
Expenditures			
Insurance			
Personnel services	73,985	71,223	2,762
Materials and services	611,015	757,161	(146,146)
Interdepartment charges	<u>515,000</u>	<u>249,411</u>	<u>265,589</u>
Total insurance	<u>1,200,000</u>	<u>1,077,795</u>	<u>122,205</u>
Contingency	<u>100,000</u>	-	<u>100,000</u>
Total expenditures	<u>1,300,000</u>	<u>1,077,795</u>	<u>222,205</u>
Net change in fund balance	(300,000)	(173,607)	126,393
Fund balance at beginning of year	<u>300,000</u>	<u>285,084</u>	<u>(14,916)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 111,477</u>	<u>\$ 111,477</u>

POLK COUNTY
SCHEDULE OF ACCOUNTABILITY FOR INDEPENDENTLY ELECTED OFFICIALS
Year Ended June 30, 2022

Elected Official	Cash and Cash Equivalents Balances July 1, 2021	Cash Receipts	Cash Turnovers and Disbursements to County Treasurer and Others	Cash and Cash Equivalents Balances June 30, 2022
Assessor	\$ 25	\$ 11,884	\$ 11,884	\$ 25
Clerk	150	665,822	665,822	150
District Attorney	35	66,454	66,454	35
Sheriff	13,506	1,261,844	1,251,467	23,883
Treasurer	<u>30,991,663</u>	<u>201,626,474</u>	<u>193,574,144</u>	<u>39,043,993</u>
Totals	<u>\$ 31,005,379</u>	<u>\$ 203,632,478</u>	<u>\$ 195,569,771</u>	<u>\$ 39,068,086</u>

COMPLIANCE SECTION

THIS PAGE LEFT INTENTIONALLY BLANK

**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, 2022, and have issued our report thereon dated March 6, 2023. 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
March 6, 2023

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)

- Changes to the Fair Fund budget for 2022-23, subsequent to the budget hearing, were in excess of the greater of \$5,000 or 10%, without publication of a notice of a second budget hearing with a revised financial summary and holding of a second budget hearing

Expenditures in excess of appropriations

- Expenditures in excess of appropriations occurred in the Fair Fund Annual Fair appropriation category of \$5,589.

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

March 6, 2023

By:



Bradley G. Bingenheimer, Partner

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

Board of Commissioners
Polk County
Dallas, Oregon

We have audited, 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, 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, 2022, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated March 6, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards
March 6, 2023

Report on Compliance and Other Matters

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

Purpose of this Report

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

Singer Lewak LLP

March 6, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Commissioners
Polk County
Dallas, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Polk County's (the "County") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Polk County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Board of Commissioners
Polk County
Independent Auditor's Report on Compliance for
Each Major Program and Report on
Internal Control Over Compliance in Accordance
With the Uniform Guidance
March 6, 2023

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Board of Commissioners
Polk County
Independent Auditor's Report on Compliance for
Each Major Program and Report on
Internal Control Over Compliance in Accordance
With the Uniform Guidance
March 6, 2023

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Singer Lewak LLP

March 6, 2023

THIS PAGE LEFT INTENTIONALLY BLANK

POLK COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP: *Unmodified*

Internal controls over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

<u>Assistance Living Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee? No

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

POLK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Living Number	Pass Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
DEPARTMENT OF AGRICULTURE				
Food and Nutrition Service				
<i>Passed through Oregon Health Authority</i>				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	2702	\$ -	\$ 220,868
Forest Service				
<i>Passed through Oregon Department of Administrative Services</i>				
Schools and Roads - Grants to Counties	10.665		-	<u>1,028</u>
Total Department of Agriculture			-	<u>221,896</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed through Oregon Infrastructure Finance Authority</i>				
Community Development Block Grant	14.228		-	<u>158,871</u>
DEPARTMENT OF THE INTERIOR				
Bureau of Land Management				
National Wildlife Refuge Fund	15.659		-	10,669
Scotch Broom Removal and Dump Stoppers	15.999		-	20,384
<i>Passed through Oregon Department Fish and Wildlife</i>				
Dingel-Johnson Sport Fish Restoration Act	15.605	F21AF02010	-	<u>105,613</u>
Total Department of the Interior			-	<u>136,666</u>
DEPARTMENT OF JUSTICE				
Bureau of Justice Assistance				
Bullet Proof Vest Partnership Program	16.607		-	425
Office of Victims of Crime				
<i>Passed through Oregon State Criminal Justice Division</i>				
Crime Victim Assistance (VOCA)	16.575	VOCA 03-2099	-	190,748
Coronavirus Emergency Supplemental Funding Program	16.034		-	<u>3,270</u>
Total Department of Justice			-	<u>194,443</u>
DEPARTMENT OF TRANSPORTATION				
National Highway Safety Administration				
<i>Passed through Oregon Department of Transportation</i>				
National Priority Safety Program	20.616		-	2,990
<i>Passed through Oregon Department of Transportation</i>				
State and Community Highway Safety	20.600		12,068	
<i>Passed through Oregon Impact</i>				
State and Community Highway Safety	20.600		-	<u>3,851</u>
Total Department of Transportation			-	<u>18,909</u>
DEPARTMENT OF THE TREASURY				
<i>Passed through Oregon Department of Administrative Services</i>				
Coronavirus Relief Funds	21.019		77,500	842,546
<i>Passed through Oregon Department of Administrative Services</i>				
Coronavirus State and Local Fiscal Recovery funds	21.027		585,463	
<i>Direct funding</i>				
Coronavirus State and Local Fiscal Recovery funds	21.027		585,463	<u>5,271,169</u>
Total Department of the Treasury			<u>662,963</u>	<u>6,699,178</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Living Number	Pass Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
DEPARTMENT OF GENERAL SERVICES ADMINISTRATION				
General Services Administration				
<i>Passed through Oregon Department of Administrative Services</i>				
Donation of Federal Surplus Personal Property	39.003		-	<u>8,601</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Administration for Children and Families				
<i>Passed through Oregon Department of Justice</i>				
Child Support Enforcement	93.563	461	-	288,053
Health Resources and Services Administration				
<i>Passed through Oregon Health Authority</i>				
Maternal and Child Health Block Grant	93.994		-	21,564
Substance Abuse and Mental Health Services Administration				
<i>Passed through Oregon Health Authority</i>				
Block Grants for Community Mental Health Services	93.958		-	62,282
Block Grants for Prevention and Treatment of Substance Abuse	93.959		-	205,606
Centers for Disease Control				
<i>Passed through Oregon Health Authority</i>				
Public Health Preparedness and Response	93.069		-	92,126
Immunization Cooperative Agreements	93.268		-	208,285
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		-	739,448
ARPA Workforce Mobilization	93.354		-	19,091
<i>Passed through Oregon State Police</i>				
National Bioterrorism Hospital Preparedness Program	93.889		-	<u>110,810</u>
Total Department of Health and Human Services			-	<u>1,747,265</u>
DEPARTMENT OF HOMELAND SECURITY				
Federal Emergency Management Agency				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		-	181,824
<i>Passed through Oregon State Police</i>				
Emergency Management Performance	97.042		-	102,365
Homeland Security Grant Program	97.067		-	<u>85,977</u>
Total Department of Homeland Security			-	<u>370,166</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 662,963	\$ 9,555,995

POLK COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Polk County under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Polk County.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

Polk County has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

POLK COUNTY
SUMMARY SCHEDULE OF PRIOR FINDINGS
June 30, 2022

2021-001

93.323 Epidemiology and Laboratory Capacity for Infectious Diseases

The County implemented the corrective action plan to correct the condition that caused this finding during the year ended June 30, 2022.