POLK COUNTY, IOWA

Notes to the Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Polk County ("County") was formed in 1846 and operates under a Board of Supervisors form of government. The County provides a broad scope of services to its citizens, operating through various organizational entities ranging from elected departments to administrative departments to appointed commissions.

The governing body is composed of a five-member Board of Supervisors elected on a partisan basis and has both legislative and administrative powers. The basic functions of the Board are to investigate matters relating to the County's administrative departments, oversee the budget process for the entire County and respond to individual constituent inquiries and/or complaints.

Other elected officials operate independently and equally with the Board. These officials are the Auditor, Treasurer, Recorder, Sheriff and County Attorney.

A) Financial Reporting Entity

As required by accounting principles generally accepted in the United States of America ("GAAP"), the financial statements present the government and its component units, legally separate entities for which the County is financially accountable.

Discretely Presented Component Unit - The financial data of the County's component unit is discretely presented in a separate column in the County's government-wide financial statements to emphasize that the component unit is legally separate from the County.

Iowa Events Center Hotel Corporation - On February 23, 2015, the County approved the creation of the Iowa Event Center Hotel Corporation referred to as "IEC Hotel Corp". The nonprofit IEC Hotel Corp will develop, own and manage a convention center hotel adjacent to the Iowa Events Center. The County appoints a voting majority with five members and the City of Des Moines appoints two members to the IEC Hotel Corp Board. The County is responsible for some of the IEC Hotel Corp debt. Although IEC Hotel Corp is a separate legal entity and has a separate board, it is fiscally dependent on the County. The IEC Hotel Corp has a calendar year-end. Additional information can be found in Note 20.

Complete financial statements of IEC Hotel Corp can be obtained from the County at 111 Court Avenue, Des Moines, IA 50309 or telephone (515) 286-3895.

Polk County Health Services – Due to a reorganization**,** the combined financial data of Polk County Health Services, Inc. and Polk County Health Services Foundation, collectively referred to as "PCHS" did not meet the fiscal dependency requirement of a discretely presented component unit, as defined by GASB, as of and for the year ended June 30, 2022, and thus is excluded from the County's financial statements. Beginning net position for the aggregate discretely presented component units was restatement by $10,012,749 as of July 1, 2021 in order to remove PCHS from the County's reporting entity.

Jointly Governed Organizations - The County also participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoints representatives to the following boards and commissions: Polk County Assessor's Conference Board, Polk County Emergency Management Commission and Polk County 911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Custodial Funds of the County.

B) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

The County's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the County that are governmental activities and those that are considered business-type activities. Governmental activities are those that are normally supported by taxes and intergovernmental revenues. Business-type activities rely to a significant extent on fees and charges for support.

The statement of net position presents the financial condition of the governmental and business-type activities for the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Net position is reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's proprietary functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Basis of Accounting: The government-wide, 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/budgeted. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In the governmental fund financial statements, differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

Fund Financial Statements

The County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major governmental fund and each major enterprise fund are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The County uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most general governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources.

Basis of Accounting: Governmental fund financial statements 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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 75 days of the end of the current fiscal period (except for property taxes which is 60 days). 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, pensions, and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the County.

The following are the County's major governmental funds:

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. Sub funds of the General Fund include the General Supplemental, Risk Management, Community Betterment, Economic Development, Conservation Special Projects and GIMS Implementation.

Mental Health Special Revenue Fund - Accounts for property taxes levied and other state revenues for mental health services as mandated by the Iowa Code Section 331.424A. This fund is presented as a major fund for public interest purposes.

American Rescue Plan Act Special Revenue Fund- Accounts for COVID-19 relief funding such as public health, economic impacts, services to disproportionately impacted communities, infrastructure and revenue replacement. This fund is restricted in accordance with American Rescue Plan Act of 2021.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service funds.

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises: (a) where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The County has two internal service funds that account for employee insurance and risk management financing activities.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 of the County's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation (including the amortization of intangible assets) on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County reports the following major proprietary funds:

Sanitary Sewer - Accounts for activity of the Sanitary Sewer System established by County Ordinance #15.

Prairie Meadows Racetrack/Casino - Accounts for activity of Prairie Meadows Racetrack and Casino. It is operated and managed by a third party who has the ability to modify services and rates. See Note 18 for further information.

Iowa Events Center - Accounts for activity of the Veterans Memorial Community Choice Credit Union Convention Center, Hy-Vee Hall and Wells Fargo Arena. It is operated and managed by a third party who has the ability to modify services and rates. See Note 19 for further information.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trust or custodial capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Custodial funds that account for externally managed drainage districts, county assessor, emergency management services, narcotics task force, etc. Custodial funds are excluded from the government-wide financial statements.

C) Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position

Cash and Pooled Investments: For the purposes of the statement of cash flows, the proprietary funds consider all highly-liquid investments with a maturity of three months or less when purchased to be cash equivalents. Restricted cash is also included in cash and cash equivalents for purposes of the statement of cash flows.

The County maintains a cash and investment pool that is available for use by all funds. Monies that are not required for immediate obligations are invested under the management of the County Treasurer. Income earned from the investment of pooled cash is recorded in the General Fund, except for interest income allocated to proprietary funds and where specifically required by law to be recorded in other funds.

Property Taxes: The County proposed property tax levy was approved during the Board of Supervisors' session held in March of 2021 on the assessed valuation of property located in the County as of January 1, 2020, which was the assessment date. Assessed values are established annually for the various types of property by the County and are reduced by certain percentages based on the type of property to determine the taxable value. Taxes levied on property then became liens as of July 1, 2021. Taxes were receivable in two installments on September 30, 2021, and March 31, 2022. The County bills and collects property taxes for all taxing units in the County. Tax monies remitted to the County and subsequently disbursed to other taxing units are accounted for in the fiduciary funds.

The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is reported as a deferred inflow of resources and will not be recognized as revenue until the year for which it is levied/budgeted.

Allowances for Uncollectibles: An allowance for uncollectible accounts, which offsets the total gross receivables, is calculated based upon historical collection data, specific account analysis and management's judgment.

Interfund Balances: Activity between funds that represents unpaid interfund services or cash overdrafts and lending/borrowing arrangements outstanding at the end of the year are referred to as "Due to/from other funds" or "Advances to/from other funds."

Interfund receivable and payables within governmental activities and with business-type activities have been eliminated in the government-wide statement of net position; any residual outstanding balances between the governmental activities and business-type activities are reported as "Internal Balances."

Due From Other Governments: Due from other governments represents grants, reimbursements and various shared revenues due from the State of Iowa and other governments.

Inventories and Prepaid Items: All inventories are stated at cost using the first-in, first-out consumption method. Expenditures are recognized in the funds when inventories are consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both governmental-wide and fund financial statements. The cost of prepaid items is reported as expenditures when consumed, rather than when purchased.

Inventories and prepaid items are offset by nonspendable constraint of fund balance except for Supplemental Foods Program commodities. Supplemental Foods Program commodities are reported as unearned revenues which indicates that they are not available to liquidate current obligations.

Capital Assets: Capital assets, which include land, buildings, improvements other than buildings, leasehold improvements, equipment, vehicles, intangibles, and infrastructure assets (roads, bridges, sewers, etc.), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under "Leases" below) or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repairs that do not add to the fair value of the asset or materially extend assets lives are not capitalized.

The County's capitalization thresholds are as follows:

	Governmental Capital Assets	Business-type Capital Assets
Land	$ 20,000	$ 20,000
Buildings	150,000	100,000
Improvements other than buildings	50,000	15,000
Infrastructure	250,000	125,000
Right-to-use lease	100,000	75,000
Equipment	15,000	10,000
Vehicles	15,000	15,000
Intangibles	300,000	300,000

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right to use leased equipment/building and infrastructure are depreciated/amortized over the following estimated useful lives using the straight-line method:

Buildings	20-30	years
Improvements other than buildings	10-30	years
Leasehold improvements	25	years
Infrastructure other than roads	40-50	years
Infrastructure - roads/trails:		
Developer projects/trails	20	years
Full depth	16	years
Equipment	7	years
Equipment - Conservation/Secondary Roads	10	years
Vehicles	7	years
Intangibles - computer software	15	years
Right-to-use leases	2-25	years

Leases - County as Lessee: The County is the lessee for a noncancellable lease of office space and equipment. The County has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of $100,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payment expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payment made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

County as Lessor: The County is a lessor for a noncancellable leases of various buildings. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts. The County uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Deferred Outflows of Resources: Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The County has one type of item that qualifies for reporting in this category in the proprietary funds and the government-wide statements of net position. The deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the employer after the measurement date but before the end of the County's reporting period. See Note 22 for further information.

Due to Other Governments: Due to other governments represents taxes and other revenues collected by the County that will be remitted to other governments.

Advance Deposits: Advance deposits represents rent deposits paid by customers for future events.

Trusts Payable: Trusts payable represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Unearned Revenues: Unearned revenues occur when resources are received before they have been earned, as when state/grant monies are received prior to the incurrence of qualifying expenditures and undistributed food commodities. Unearned revenue for the American Rescue Plan Act represents federal grant monies received but have not be spent. Unearned revenues for the Iowa Events Center enterprise fund consists of advertising, ticket sales and fees, and miscellaneous other event revenues and liabilities which are recognized when the related event occurs or over the life of the agreement.

Termination Benefits Payable: Termination benefits payable represents obligations due to an early retirement incentive program and a voluntary severance program.

Pensions: For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. 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 net pension liability (asset) attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

Total OPEB Liability: For purposes of measuring the total OPEB liability, deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on Polk County's actuary report. Benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Deferred Inflows of Resources: Deferred inflows of resources represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from three sources: property taxes, intergovernmental grants, and other receivables. Accordingly, these unavailable revenues are reported only in the governmental funds financial statements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental funds also include a deferred inflow of resources for succeeding year property taxes as described below.

The County has five types of items that qualify for reporting in this category in the proprietary funds and the government-wide statements of net position. Succeeding year property tax deferred revenue represents taxes certified by the Board of Supervisors in March of each year to be collected in the next fiscal year. Since these property taxes will not be recognized as revenue until the year for which it is levied, they are neither received nor earned during the current year.

A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This gain is deferred and amortized over the shorter of the life of the old debt or the life of the new debt.

Deferred amounts related to leases represent the amount of the initial measurement of the lease receivable at the inception of the lease. A deferred inflow of resources is recognized as revenue over the life of the lease term.

In addition, the unamortized portion of pension-related amounts and OPEB-related amounts such as the impact of changes in assumptions and other inputs are shown as a deferred inflow of resources on the Statement of Net Position. See Notes 22 and 23 for further information.

Bond Premiums (Discounts): In the government-wide financial statements and proprietary fund type fund financial statements, bond premiums (discounts) are deferred and amortized by a method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts as other financing sources (uses) during the current period. The face amount and related premium of the debt issued are reported as other financing sources. Discounts on debt issuances are reported as other financing uses.

Bond Issuance Costs: Bond issuance costs are reported as expenditures during the period they are incurred.

Compensated Absences: County employees accumulate vacation and sick leave days for subsequent use, which are not forfeited on retirement, death or termination of employment. Accumulation of vacation hours is limited to 240 hours. Employees may accumulate sick leave to a maximum of 2,000 hours.

Payment of sick leave for any other reason than a bona-fide retirement is maximized at $2,000 and subject to a years of service schedule that includes payout percentages ranging from 20% - 40%. Upon termination, for other than election of a bona-fide retirement by the employee, an employee must have at least four years of service in order to be paid for sick leave.

Payment of sick leave upon bona-fide retirement with IPERS is maximized at $4,000. The remainder of any accrual available is converted to a bank for the purposes of purchasing health and dental insurance after retirement. The sick leave balance is converted according to the following schedule:

0 up to and including 749 hours:	0% of value
750 up to and including 1,000 hours:	75% of value
Over 1,000 hours up to 2,000 hours:	100% of value

The compensated absences liability has been computed based on rates of pay in effect at June 30, 2022. A liability is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. The retired employees' health insurance bank is also recorded as compensated absences in the governmental fund statements.

Net Position: Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation (including the amortization of intangible assets), reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance: In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through resolution (which is the highest level of action) approved prior to year end. Committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same action it employed to commit those amounts.

Unassigned - All amounts not included in other classifications. Residual deficit amounts of other governmental funds would also be reported as unassigned. When committed and unassigned amounts are available for use, it is the County's policy to use committed resources first, then unassigned resources as they are needed.

Budgetary Policy: The County presents a budgetary comparison schedule on the cash basis as Required Supplementary Information based on the program structure of 10 program service areas as required by State statute for its legally adopted budget.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

2. FUND BALANCE DEFICITS

Individual fund balance deficits for the year ended June 30, 2022 are as follows:

Nonmajor Governmental		
Capital Projects: Capital Improvement Projects	$	(173,862)
Nonmajor Enterprise		
Iowa Tax & Tags	$	(7,715)

The deficits of the above funds are expected to be eliminated through future transfers from other funds, grant revenues or bond proceeds.

3. CASH AND POOLED INVESTMENTS

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit and other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The County maintains a cash and investment pool that is available for use by all funds. These monies are considered to be cash on hand, cash held by elected officials, demand deposits, cash equivalents (maturities of three months or less from the date of acquisition), short-term investments (maturities less than one year from the date of acquisition), and long-term investments (maturities of one year or greater from the date of acquisition). Short-term investments are valued at cost which approximates fair value. Long-term investments are shown at fair value.

As of June 30, 2022, the cash and pooled investments of the County consist of:

Cash and cash items in vault	$	127,692
Cash on hand not yet deposited		42,436
Bank account deposits		3,813,044
Money market mutual funds		116,845,551
Money market mutual funds - restricted		915,341
U.S. government securities		194,252,372
Commercial paper		24,907,676
Other - stamped warrants		218,192
Total cash and pooled investments	$	341,122,304
Cash and pooled investments, statement of net position	$	283,465,166
Cash and pooled investments, fiduciary funds		28,248,561
Restricted assets - Note 4		29,408,577
Total cash and pooled investments	$	341,122,304

Interest rate risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Operating funds may only be invested with maturities of 397 days or less. Non-operating funds may be invested with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the County. The County's investment policy focuses on the preservation of principal, liquidity, and obtaining a reasonable rate of return. All of the County's investments in commercial paper mature in less than one year. Of the U.S. government securities, $18,928,080 matures in less than one year from the date of acquisition and the remaining balance matures in one to four years.

Credit risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper or other short-term corporate debt to issues rated within the two highest prime classifications by at least one of the standard rating services. However, the County's investment policy further restricts investments in these investment types to the top rating. As of June 30, 2022, the County's investments in commercial paper were rated A-1 or A-1+ by Standard & Poor's and P-1 by Moody's Investors Service. The County's investments in the money market mutual funds are rated AAAm by Standard & Poor's. The County's investment in U.S. government securities consist of FHLB, FFCB, and FHLMC and are rated Aaa by Moody's Investors Service and AA+ by Standard & Poor's.

Concentration of credit risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's policy, as set by state law, limits them from investing in corporate debt of more than 10% of the investment portfolio and more than 5% of the investment portfolio with a single issuer. In addition, investments in unit investment trusts are limited to those rated within the two highest prime classifications by at least one of the standard rating services.

When applying the state law, certificates of deposits, bank account deposits, and cash are included as part of the investment portfolio. The County did not exceed the 10% and 5% limitations as set by the State of Iowa at June 30, 2022.

The County's U.S. government securities and commercial paper are subject to concentration of credit risk disclosures. More than 5% of the County's investments are in Federal Home Loan Bank and Federal Farm Credit Bank, which represent 29.9% and 13.8% respectively of total investments.

Custodial credit risk - For deposits, this is the risk that in the event of bank failure, the County's deposits may not be returned to it. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Chapter 12C of the Code of Iowa requires all County funds be deposited into an approved depository and be either insured or collateralized. The County's bank account deposits at June 30, 2022, were entirely covered by Federal depository insurance, or by a collateral pool in accordance with Chapter 12C of the Code of Iowa. Investment securities are held by a third party custodian in the County's name. As of June 30, 2022, the County had no deposits or investments exposed to custodial credit risk.

Fair value measurements - The County uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Investments of the County in money market mutual funds, commercial paper and $18,928,080 of U.S. government securities are valued at amortized cost because their maturity date was less than a year from the date of acquisition. As of June 30, 2022, the County held $175,324,292 of investments in U.S. government securities, which are reported at fair value based on quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability and are classified as Level 2 inputs.

The County has no assets reported at fair value on a nonrecurring basis and no other investments meeting the fair value disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 72.

4. RESTRICTED ASSETS

The County has the following restricted cash and pooled investments as of June 30, 2022:

	PFMS User Fee	Concession Upkeep	Unspent Bond Proceeds	Total
Iowa Events Center	$ 814,762	$ 100,579	$ -	$ 915,341
Nonmajor Governmental				
Conservation Water & Land Improvements	-	-	28,493,236	28,493,236
Total	$ 814,762	$ 100,579	$ 28,493,236	$ 29,408,577

In accordance with the Master Lease Agreement, the operator of the Iowa Events Center will assess a PFMS surcharge of $1.00 per ticket sold for amateur sporting events and a $2.00 surcharge for non-team events. Approximately 50% of the surcharges on tickets sold for Wells Fargo Arena (WFA) shall be held by the County. PFMS User Fee (Renewal and Replacement) funds are maintained in a segregated bank account to fund future capital repairs at the Iowa Events Center.

In addition, 3% of the gross Concession Revenues earned by Ovations Food Service at WFA shall be held by the County. Concessions Upkeep funds are maintained in a segregated bank account to fund future replacement, repair, updating, upgrading and installing of equipment and improvements related to food and beverage operations at the WFA.

5. INTERNAL BALANCES

Due From/To Other Funds

Amounts due from/to other funds at June 30, 2022, are as follows:

	Due To			
	General Fund	Debt Service	Nonmajor Governmental	Total
Due from				
General Fund	$ -	$ -	$ 512	$ 512
Prairie Meadows Racetrack/Casino	473,033	67,097	-	540,130
Total	$ 473,033	$ 67,097	$ 512	$ 540,642

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. In general, interfund balances will be repaid within one year from year-end.

Amounts due from/due to other funds primarily relates to:

Property taxes owed to various funds from Prairie Meadows Racetrack/Casino Enterprise Fund	$	540,130

Advances To/From Other Funds

The following loans between funds are long-term in nature and are classified as advances. The Conservation Enterprise Fund's advance from the General Fund relates to a loan made to make improvements to the golf course. The advance at June 30, 2022 is as follows:

		Advance To
		Nonmajor Enterprise Conservation Enterprises
Advance From		
General Fund	$	2,765,464

6. LEASE RECEIVABLE

Governmental Activities

The County rents out various offices spaces of buildings owned. These agreements have varying terms, including inception dates from October 2017 through December 2019, monthly or quarterly payments of $6,000 to $8,975, and have terms from 57 months to 80 quarters. During the year ended June 30, 2022, principal and interest received were approximately $116,000 and $9,000, respectively.

Governmental activities future principal and interest lease payments as of June 30, 2022 are as follows:

		Principal		Interest		Total
Governmental activities:						
During the year ending June 30:						
2023	$	17,916	$	12,084	$	30,000
2024		14,822		9,178		24,000
2025		15,272		8,728		24,000
2026		15,735		8,265		24,000
2027		16,213		7,787		24,000
2028-2032		88,749		31,251		120,000
2033-2037		103,055		16,945		120,000
2038-2042		57,596		2,404		60,000
Total	$	329,358	$	96,642	$	426,000

Business-type Activities

Prairie Meadows Racetrack/Casino

The County leases real estate that is currently improved with a horse racing and gaming facility to Prairie Meadows Racetrack and Casino, Inc. ("Prairie Meadows"). This agreement has an inception date of January 2019, monthly payments of $1,325,000 million per year and has a term of 8 years. During the year ended June 30, 2022, principal and interest received were approximately $13,671,250 and $2,228,750, respectively. Additional annual payments equal to 5% of Prairie Meadows' adjusted gross receipts. During the year ended June 30, 2022 additional payments in the amount of $11,232,784 were received. In the event adjusted gross receipts exceed $225 million, an additional 1% of adjusted gross receipts will be paid on the increment above $225 million. Adjusted gross receipts were not above $225 million during the year ended June 30, 2022. See Note 18 for further information on leased facility.

Wells Fargo Arena

The County has a Master Lease agreement with Global to manage and operate WFA. On October 7, 2014 the contract was amended again to extend the term to expire on September 30, 2026. Annual base payments of $800,000 are required. During the year ended June 30, 2022, principal and interest received were approximately $669,987 and $130,013, respectively. Under this agreement, the County also receives a share of funds based on net operating income. This share is calculated based 80% of the first one million dollars of net operating income for such fiscal year in excess of the operator's initial share ($500,000), plus 70% of all net operating income in excess of the operator's share ($500,000) plus one million dollars for such year. The County earned an additional $1,265,289 of WFA's net operating income for the fiscal year ending June 30, 2022. See Note 19 for further information on leased facility.

Business-type activities future principal and interest lease payments as of June 30, 2022 are as follows:

	Principal	Interest	Total
Business-type activities:			
During the year ending June 30:			
2023	$ 14,777,161	$ 1,922,839	$ 16,700,000
2024	15,226,305	1,473,695	16,700,000
2025	15,689,124	1,010,876	16,700,000
2026	16,166,021	533,979	16,700,000
2027	8,657,702	92,298	8,750,000
Total	$ 70,516,313	$ 5,033,687	$ 75,550,000

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, is as follows:

	Restated Balance 7/1/2021	Additions	Disposals	Balance 6/30/2022
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 28,457,667	$ 2,979,914	$ -	$ 31,437,581
Construction in progress	51,284,052	16,978,993	(62,022,858)	6,240,187
Intangibles-computer software in progress	285,584	1,452,807	(1,151,976)	586,415
Total capital assets, not being depreciated/amortized	80,027,303	21,411,714	(63,174,834)	38,264,183
Capital assets, being depreciated/amortized:				
Buildings	227,868,110	60,225,054	-	288,093,164
Improvements other than buildings	18,938,571	2,216,145	-	21,154,716
Equipment	16,832,740	545,094	(268,090)	17,109,744
Vehicles	13,252,548	1,878,619	(234,414)	14,896,753
Right-to-use leased building	188,247	-	-	188,247
Right-to-use leased equipment	170,133	-	-	170,133
Infrastructure	152,831,494	859,932	-	153,691,426
Intangibles-computer software	2,598,063	1,151,976	-	3,750,039
Total capital assets being depreciated/amortized	432,679,906	66,876,820	(502,504)	499,054,222
Less accumulated depreciation/amortization for:				
Buildings	(96,397,754)	(8,611,149)	-	(105,008,903)
Improvements other than buildings	(3,628,932)	(1,038,062)	-	(4,666,994)
Equipment	(13,148,193)	(983,788)	268,090	(13,863,891)
Vehicles	(9,305,427)	(1,537,607)	234,414	(10,608,620)
Right-to-use leased building	-	(12,552)	-	(12,552)
Right-to-use leased equipment	(96,675)	(32,225)	-	(128,900)
Infrastructure	(93,368,513)	(3,552,629)	-	(96,921,142)
Intangibles-computer software	(581,596)	(250,002)	-	(831,598)
Total accumulated depreciation/amortization	(216,527,090)	(16,018,014)	502,504	(232,042,600)
Total capital assets being depreciated/amortized, net	216,152,816	50,858,806	-	267,011,622
Governmental activities capital assets, net	$ 296,180,119	$ 72,270,520	$ (63,174,834)	$ 305,275,805

Governmental Activities

The Polk County Conservation Board purchased several parcels of land for the Polk County Water and Land Legacy project for $2.0 million.

The County continued to work on the following projects included in construction in progress: 1) Sheriff's Administration/Law Enforcement Facility, 2) Historic Courthouse Phase IVA-C, 3) NE Broadway Ave Phase 1, 4) Bridge replacement projects, and 5) Water and Land Legacy improvements. The County completed construction of $40.5 million for the Historic Courthouse Phase IVA-C and $20.6 million for the Sheriff Patrol Building. The County also completed construction of $1.4 million in Polk County Water and Land Legacy improvements which consisted of Yellow Banks Park improvements. Other improvements completed during the year by the County include $.4 million for the public works east access, $.3 million for the Jester Park dump station, and $.2 million for the Skate Park sidewalk. The County also completed intangible computer software of $1.2 million for the JMS system.

Equipment additions primarily consist of new secondary roads equipment, conservation and computer equipment. Equipment disposals primarily consist of the disposal of computer equipment. Vehicle additions consist primarily of the purchase of 38 vehicles for various county departments. Vehicle disposals consist of the disposal of 9 vehicles for various county departments.

	Balance 7/1/2021	Additions	Disposals	Balance 6/30/2022
Business-type activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 18,215,559	$ -	$ -	$ 18,215,559
Construction in progress	4,721,280	2,198,928	(5,357,108)	1,563,100
Intangibles-permanent easements	3,322,580	-	-	3,322,580
Total capital assets, not being depreciated/amortized	26,259,419	2,198,928	(5,357,108)	23,101,239
Capital assets, being depreciated/amortized:				
Buildings	327,335,535	2,496,502	(1,503,393)	328,328,644
Improvements other than buildings	11,571,591	-	-	11,571,591
Leasehold improvements	191,536,328	-	-	191,536,328
Equipment	5,645,496	102,076	-	5,747,572
Vehicles	194,140	-	-	194,140
Infrastructure	36,646,485	2,845,756	(8,735)	39,483,506
Total capital assets being depreciated/amortized	572,929,575	5,444,334	(1,512,128)	576,861,781
Less accumulated depreciation/amortization for:				
Buildings	(182,807,229)	(11,588,778)	1,503,393	(192,892,614)
Improvements other than buildings	(8,973,805)	(119,872)	-	(9,093,677)
Leasehold improvements	(67,388,107)	(7,661,454)	-	(75,049,561)
Equipment	(3,792,445)	(649,196)	-	(4,441,641)
Vehicles	(145,993)	(11,612)	-	(157,605)
Infrastructure	(15,152,545)	(987,092)	-	(16,139,637)
Total accumulated depreciation/amortization	(278,260,124)	(21,018,004)	1,503,393	(297,774,735)
Total capital assets being depreciated/amortized, net	294,669,451	(15,573,670)	(8,735)	279,087,046
Business-type activities capital assets, net	$ 320,928,870	$ (13,374,742)	$ (5,365,843)	$ 302,188,285

Business-type Activities

Construction in progress consisted of $1.3 million for the Norwoodville sewer improvement projects and $.7 million for Iowa Events Center/Wells Fargo Arena roof replacement. The County completed infrastructure of $2.8 million for the NE Broadway Ave Sewer Extension. The county also completed construction of $2.5 million for the Iowa Events Center/Wells Fargo Arena roof replacement. Building deletions consists of the $1.5 million costs of the roof included in the original cost of the building. Equipment additions consist primarily of Air Quality equipment.

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Government activities:		
Public safety and legal services	$	7,682,007
Physical health and social services		1,386,964
County environment and education		2,921,469
Roads and transportation		3,531,319
Government services to residents		13,328
Administration		482,927
Total depreciation/amortization expense - governmental activities	$	16,018,014
Business-type activities:		
Air Quality	$	69,690
Sanitary Sewer		625,415
Prairie Meadows Racetrack/Casino		9,206,587
Conservation Enterprises		202,926
Hamilton Urban Drainage District		365,301
Iowa Events Center		10,548,085
Total depreciation/amortization expense - business-type activities	$	21,018,004

8. DEFERRED OUTFLOWS OF RESOURCES

The following is a summary of deferred outflows of resources activity for the year ended June 30, 2022:

	Pension Related Amounts	OPEB Related Amounts	Total
Governmental activities	$ 14,876,685	$ 3,815,308	$ 18,691,993
Business-type activities:			
Air Quality	$ 215,289	$ -	$ 215,289
Iowa Events Center	23,742	-	23,742
Iowa Tax & Tags	67,758	-	67,758
Total business-type activities	$ 306,789	$ -	$ 306,789

9. LONG-TERM LIABILITIES

The following is a summary of long-term liability activity for the year ended June 30, 2022:

		Restated Balance 7/1/2021		Additions		Deletions		Balance 6/30/2022		Due Within One Year
Governmental activities:										
General obligation bonds payable	$	142,905,000	$	31,346,866	$	(20,840,000)	$	153,411,866	$	23,576,866
Add: unamortized premium (discount)		12,645,040		272,456		(1,984,990)		10,932,506		1,646,110
Lease agreements		261,705		-		(43,232)		218,473		44,549
Accrued compensated absences		19,463,456		12,782,523		(11,703,687)		20,542,292		2,507,036
Termination benefits payable		544,154		-		(525,154)		19,000		19,000
Total OPEB liability		15,599,000		2,941,000		-		18,540,000		-
Estimated liability for claims and judgements		15,269,800		25,292,000		(25,737,000)		14,824,800		6,028,800
Net pension liability (asset)		64,337,797		-		(93,358,997)		(29,021,200)		-
Total	$	271,025,952	$	72,634,845	$	(154,193,060)	$	189,467,737	$	33,822,361
Business-type activities:										
General obligation bonds payable	$	59,225,000	$	35,323,134	$	(47,135,000)	$	47,413,134	$	12,328,134
Add: unamortized premium (discount)		3,228,276		198,323		(3,044,016)		382,583		93,179
General obligation notes payable		21,756,000		-		(1,012,000)		20,744,000		1,044,000
Accrued compensated absences		283,187		161,610		(153,734)		291,063		31,582
Net pension liability (asset)		1,275,155		-		(1,905,286)		(630,131)		-
Total	$	85,767,618	$	35,683,067	$	(53,250,036)	$	68,200,649	$	13,496,895

For the governmental activities, the estimated liability for claims and judgments is primarily liquidated by the General Fund. The total OPEB liability, accrued compensated absences, and net pension liability is primarily liquidated by the General Fund and Special Revenue funds of Mental Health, Rural Services, and Secondary Roads.

Lease Agreements

The County has various equipment and building leases agreements. These agreements have varying terms, including inception dates from January 2012 through August 2018, payments of $1,300 to $34,893, and have terms of from 60 months to 24 years with an implicit interest rate of 3.00%. During the year ended June 30, 2022, principal and internet paid were $43,232 and $7,261, respectively.

Future principal and interest lease payments as of June 30, 2022 are as follows:

		Principal		Interest		Total
Governmental activities:						
During the year ending June 30:						
2023	$	44,549	$	5,944	$	50,493
2024		16,879		4,911		21,790
2025		11,039		4,561		15,600
2026		11,375		4,225		15,600
2027		11,721		3,879		15,600
2028-2032		64,177		13,823		78,000
2033-2037		58,733		3,667		62,400
Total	$	218,473	$	41,010	$	259,483

General Obligation Bonds Payable

		Original Amount	Date Issued	Interest Rates	Due Date		Amount Outstanding
Governmental activities:							
Housing/Capital Improvements	$	10,682,560	6/1/2015	2%-2.25%	6/1/2025	$	3,100,000
Land & Water Legacy II		24,940,000	5/17/2022	3%-3.1%	6/1/2033		24,940,000
Land & Water Legacy II/Refunding		6,406,866	5/17/2022	3%	6/1/2025		6,406,866
Refunding		48,165,000	6/7/2017	5%	6/1/2026		21,335,000
Refunding		12,235,000	5/23/2018	3%	6/1/2031		5,670,000
Land & Water Legacy/Courts		33,925,000	5/30/2019	4%-5%	6/1/2029		23,460,000
Refunding/MWA Loan		70,420,000	6/4/2020	3%-5%	6/1/2040		64,330,000
MWA Loan		8,165,000	6/4/2020	2%	6/1/2024		4,170,000
Total						$	153,411,866

		Original Amount	Date Issued	Interest Rates	Due Date		Amount Outstanding
Business-type activities:							
Iowa Events Center	$	10,790,000	5/26/2016	2.15%	6/1/2024	$	10,790,000
Iowa Events Center		35,323,134	5/14/2022	3.00%	6/1/2026		35,323,134
Urban Sewer		2,700,000	6/7/2017	5%	6/1/2026		1,300,000
Total						$	47,413,134

Notes Payable

		Original Amount	Date Issued	Interest Rates	Due Date		Amount Outstanding
Business-type activities:							
Sanitary Sewer	$	5,000,000	7/30/2008	3%	6/1/2028	$	1,644,000
Sanitary Sewer		13,000,000	6/16/2010	3%	6/1/2030		6,444,000
Sanitary Sewer		5,000,000	6/1/2011	3%	6/1/2031		4,705,000
Sanitary Sewer		367,000	10/19/2012	1.75%	6/1/2032		312,000
Sanitary Sewer		9,633,000	10/19/2012	1.75%	6/1/2032		7,639,000
Total						$	20,744,000

The annual requirements to pay principal and interest on all outstanding debt are as follows:

	Bonds Payable		
	Principal	Interest	Total
Governmental activities:			
During the year ending June 30:			
2023	$ 23,576,866	$ 5,705,103	$ 29,281,969
2024	23,080,000	4,739,958	27,819,958
2025	21,605,000	3,795,220	25,400,220
2026	14,150,000	2,908,970	17,058,970
2027	8,615,000	2,260,120	10,875,120
2028-2032	35,535,000	7,219,000	42,754,000
2033-2037	22,230,000	2,099,770	24,329,770
2038-2042	4,620,000	279,900	4,899,900
Total	153,411,866	29,008,041	182,419,907
Add: unamortized premium	10,932,506	-	10,932,506
Total	$ 164,344,372	$ 29,008,041	$ 193,352,413

	Bonds Payable		Notes Payable		Total Principal and Interest
	Principal	Interest	Principal	Interest	
Business-type activities					
During the year ending June 30:					
2023	$ 12,328,134	$ 1,397,889	$ 1,044,000	$ 363,021	$ 15,133,044
2024	12,345,000	980,335	1,079,000	344,750	14,749,085
2025	12,920,000	694,800	1,114,000	325,868	15,054,668
2026	9,820,000	300,200	1,150,000	306,373	11,576,573
2027	-	-	1,186,000	286,247	1,472,247
2028-2032	-	-	15,171,000	1,025,253	16,196,253
Total	47,413,134	3,373,224	20,744,000	2,651,512	74,181,870
Add: unamortized premium	382,583	-	-	-	382,583
Total	$ 47,795,717	$ 3,373,224	$ 20,744,000	$ 2,651,512	$ 74,564,453

There were no due and unredeemed bonds/notes or special assessment debt outstanding at June 30, 2022. Management does not believe an arbitrage liability exists at June 30, 2022.

Bond Refunding

2022B G.O. Refunding Bonds

On May 17, 2022, the County issued $38,735,000 in general obligation bonds (Series 2022B) with a refunded interest rate of 3% to current refund the following outstanding bonds dated May 3, 2017: 1) Series 2017A general obligation bonds, and 2) Series 2017B general obligation bonds in the amounts of $18,545,000 and $20,210,000, respectively (redeemed interest rate of 2.65-4%). The Series 2022B bonds were issued to refinance the bonds at a lower interest rate. As a result of this May 17, 2022 current refunding, the County decreased its debt service requirements by $74,542 over the life of the debt with a present value savings of $67,093.

Termination Benefits Payable

The County approved an Early Retirement Incentive Program and a Voluntary Severance Program on June 30, 2020 to be effective in fiscal year 2020/2021.

At June 30, 2022, the County has governmental activities obligations to 9 participants with a total termination benefits liability of $19,000. Actual early retirement expenditures for the year ended June 30, 2022, totaled $525,154.

Early Retirement Incentive Program

This program was offered to regular full-time or part-time benefits eligible employees with at least 10 years of service and who are age 55 or older by December 31, 2020. It also covers full-time employees covered by Civil Service who are age 50 or older and have at least 22 continuous years with the Sheriff's Office by December 31, 2020.

One of the incentives is payment of $ 5,000 plus $1,000 for each year of continuous County service. Employees have the option of a lump payment of 95% of the calculated value or annual installments over a three-year period. In addition, the County will continue to pay the employer portion of the insurance premium for the first twelve months following the employee's retirement date.

Voluntary Severance Program

This program was offered to regular scheduled full-time or part-time employees working 24 or more hours per week. One of the incentives is a payment of $ 5,000 plus $1,000 for each year of continuous County service. In addition, the County will continue to pay the employer portion of the insurance premium for six months following the separation date.

Drainage Warrants

Drainage warrants are warrants which are legally drawn on drainage district funds but are not paid for lack of funds, in accordance with Chapter 74 of the Code of Iowa. The warrants bear interest at rates in effect at the time the warrants are first presented. Warrants will be paid as funds are available.

Drainage warrants are paid from the Custodial Fund, Trust & Agency Trust Fund solely from drainage assessments against benefited properties.

10. INDUSTRIAL DEVELOPMENT REVENUE BONDS – CONDUIT DEBT OBLIGATIONS

The County actively encourages industrial and commercial enterprises to locate and remain in the County by, among other things, the issuance of industrial development revenue bonds pursuant to the Code of Iowa Chapter 419, Municipal Support of Projects. These bonds do not constitute an indebtedness of, or a charge against, the general credit or taxing powers of the County. All issues are prepared under the direction of Polk County. The issues which have been sold as of June 30, 2022 amounted to $148,821,500.

11. DEVELOPER AGREEMENTS

The County has entered into various development agreements for urban renewal projects. The payments are payable solely from the incremental property tax received by the County which are attributable to property located within the Urban Renewal Area and are only made to the extent the County determines tax increment revenues are annually available.

Currently, it is estimated that outstanding commitments totaling about $23.9 million exist, of which $2.9 million is estimated to be paid in the next fiscal year. No liability is recognized due to the fact that the agreements are conditional and the payments are to be funded by property taxes collected on the project each fiscal year. These agreements are not a general obligation of the County.

12. TAX ABATEMENTS

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

County Tax Abatements

The County provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the County enters into agreements with developers which require the County, after developers meet the terms of the agreements, to rebate a portion of the property tax collected within the urban renewal areas. No other commitments were made by the County as part of these agreements.

For the year ended June 30, 2022, the County abated $989,087 of property tax under the urban renewal and economic development projects.

Tax Abatements of Other Entities

Other entities within the County also provided tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. Additionally, the City of Ankeny and City of Altoona both offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2022 under agreements entered into by the following entities:

Entity	Tax Abatement Program		Amount of Tax Abated
City of Des Moines	Urban renewal and economic development projects	$	3,646,456
City of Bondurant	Urban renewal and economic development projects		260,137
City of Ankeny	Urban renewal and economic development projects		436,444
City of Grimes	Urban renewal and economic development projects		636,107
City of Granger	Urban renewal and economic development projects		19,051
City of Altoona	Urban renewal and economic development projects		671,619
City of Pleasant Hill	Urban renewal and economic development projects		617
City of Johnston	Urban renewal and economic development projects		207,969
City of Clive	Urban renewal and economic development projects		79,071
City of Urbandale	Urban renewal and economic development projects		256,122
City of West Des Moines	Urban renewal and economic development projects		59,925
City of Polk City	Urban renewal and economic development projects		142,908
City of Norwalk	Urban renewal and economic development projects		1,517,700
City of Carlisle	Urban renewal and economic development projects		93,876
City of Ankeny	Urban revitalization and economic development projects		23,523
City of Altoona	Urban revitalization and economic development projects		3,970,853
		$	12,022,378

13. DEFERRED INFLOWS OF RESOURCES

The following is a summary of deferred inflows of resources activity for the year ended June 30, 2022:

	Succeeding Year Property Taxes Receivable	Pension and OPEB Related Amounts	Unavailable Intergovernmental and Other	Lease Related Amounts	Gain on Current Refunding	Total
Governmental Funds	$ 210,745,467	$ -	$ 3,948,166	$ 314,967	$ -	$ 215,008,600
Governmental Activities	$ 210,745,467	$ 73,700,807	$ -	$ 314,967	$ 1,899,460	$ 286,660,701
Business-type Activities:						
Air Quality	$ -	$ 933,446	$ -	$ -	$ -	$ 933,446
Prairie Meadows	-	-	-	65,883,100	-	65,883,100
Iowa Events Center	-	112,847	-	3,611,462	2,429,321	6,153,630
Iowa Tax & Tags	-	436,108	-	-	-	436,108
Total Business-type Activities	$ -	$ 1,482,401	$ -	$ 69,494,562	$ 2,429,321	$ 73,406,284

14. DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, as amended. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation assets are held in trust for the exclusive benefit of participants (or their beneficiaries in the event of the participant's death) upon termination, retirement, death, or an unforeseeable emergency. The County provides neither administrative service to the plan nor investment advice for the plan.

15. TRANSFER RECONCILIATION

The following is a schedule of the transfers of Polk County:

	Transfer to						
Transfer from	General Fund	Sanitary Sewer	Prairie Meadows Casino	Iowa Events Center	Nonmajor Governmental	Internal Service	Total
General Fund	$ 18,752,956	$ 1,729,034	$ 2,200,000	$ 849,865	$ 11,179,758	$ 4,434,070	$ 39,145,683
Prairie Meadows Racetrack/Casino	7,344,154	-	-	12,344,349	-	-	19,688,503
Nonmajor Governmental	432,780	-	-	-	6,786,357	-	7,219,137
Nonmajor Enterprise	100,000	-	-	-	-	-	100,000
Internal Service	4,454,070	-	-	-	-	-	4,454,070
Total	$ 31,083,960	$ 1,729,034	$ 2,200,000	$ 13,194,214	$ 17,966,115	$ 4,434,070	$ 70,607,393

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to The fund that statute or budget required to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

In the year ending June 30, 2022, the County made the following significant transfers:

Prairie Meadows Racetrack/Casino Enterprise fund made transfers to various governmental/enterprise funds. These transfers provided economic development or provided funding to assist in the repayment of the respective fund's debt.	$	19,688,503
General Supplemental fund made transfers to Risk Management Internal Service funds for funding of current year activities and subsequent transfer from Risk Management Internal Service to General Self Insurance Reserve Fund.		4,434,070
General fund and Rural Services fund made transfers to Secondary Roads fund in accordance with state statutes.		6,862,623

16. RISK MANAGEMENT

The Polk County Risk Management Program includes the following functions: insurance procurement, loss control, employee safety training, OSHA compliance, building security and claims management. Additional responsibilities include hazardous waste management and underground fuel storage tank monitoring.

Self-Insurance Fund

The County's Risk Management Program blends self-insurance coverage with selected conventional insurance coverage. The County has established a sub-fund within the General Fund to account for the County's exposures to loss from property/casualty, workers' compensation, unemployment compensation, and long-term disability self-insurance programs.

The County self-insures its general liability, property, fleet, law enforcement professionals, public officials' errors and omissions, contractor's pollution, fidelity, and workers' compensation exposures with a self-insured retention limit. The self-insured retention varies with each policy.

The following tables display the self-insurance exposure, conventionally insured exposure, policy limits and self-insured retention (SIR) levels.

Self-Insurance Exposure		Self-Insured Retention		Policy Limits
Excess liability	$	2,000,000	$	10,000,000
Property, fleet, law enforcement, public officials		100,000		856,935,477
Fidelity bond		50,000		5,000,000
Workers' compensation		750,000		Statutory/1,000,000

Conventional Insurance Exposure		Policy Limits
General liability - Iowa Events Center (OLT)	$	1,000,000/2,000,000
Contractor Pollution - Weatherization/Public Works		2,000,000/2,000,000
Fine Arts - Hy-Vee Hall/CCCUCC - Unscheduled		25,000
Fine Arts - Hy-Vee Hall/CCCUCC - Scheduled		500,000
Medical Malpractice		1,000,000/3,000,000
Equestrian Center - Jester Park		1,000,000/2,000,000

In addition, the County purchases conventional flood insurance for the Administrative Office Building, River Place and buildings at the Chichaqua Bottoms Greenbelt Park.

There have been no significant reductions in insurance coverage during the year ended June 30, 2022. There have been no claims in excess of the insurance coverage in the last three fiscal years.

Liabilities are reported in the government-wide financial statements when it is probable that a loss will occur and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering recent claims settlement trends, including frequency, amount of payouts and other economic/social factors. All insurance losses are paid from the General Supplemental Self-Insurance Fund (a sub-fund within the General Fund).

Governmental Activities (prior to Internal Service Allocation)

Outstanding and IBNR claims are determined based on a combination of case-by-case reviews and application of historical experience. Changes in the estimated claims liability for governmental activities (prior to the internal service fund allocation) for the years ended June 30, 2022 and 2021 are as follows:

	Year Ended	
	6/30/2022	6/30/2021
Beginning balance	$ 12,726,000	$ 8,923,000
Current year claims and changes in estimates	2,045,000	6,670,753
Claim payments	(1,917,076)	(2,867,753)
Ending balance	$ 12,853,924	$ 12,726,000

Employee Insurance Fund

The County is self-insured for medical and dental insurance provided to employees. Plan benefits are accounted for through the Employee Insurance Internal Service Fund and are funded by both employee and County contributions. The payment of health and dental insurance claims are processed by third-party administrators, Wellmark and Delta Dental of Iowa, respectively. Interfund charges within the County are recorded as revenue in the Employee Insurance Fund and as expenditure/expense to the benefiting department.

The County's contribution to the Employee Insurance Internal Service Fund for the year ended June 30, 2022 was $18,239,677 for medical and $1,014,460 for dental while employees contributed $2,706,808 and $152,445 respectively. The total premium charged is the amount needed to pay expected claim and administrative costs. The County paid $1,470,206 in administrative costs for the year ended June 30, 2022.

Excess insurance is purchased to cover individual health claims that exceed $200,000 per plan year. Aggregate stop loss insurance coverage equals 125% of a projected amount. Settled claims have exceeded individual limits of excess insurance during the past three fiscal years but not the aggregate limit.

The estimated claims liability as of June 30, 2022, includes incurred but not reported (IBNR) claims. Changes in the estimated liability for claims and judgments recorded in the Employee Insurance Fund for the years ended June 30, 2022 and 2021 are as follows:

	Year Ended 6/30/2022	Year Ended 6/30/2021
Beginning balance	$ 2,543,800	$ 2,174,600
Current year claims and changes in estimates	23,247,000	21,702,490
Claim payments	(23,820,000)	(21,333,290)
Ending balance	$ 1,970,800	$ 2,543,800

17. COMMITMENTS AND CONTINGENCIES

Commitments

The County has made the following commitments of current and future resources. It is anticipated that necessary future resources will be provided by transfers from the Prairie Meadows Racetrack/Casino Enterprise Fund, general obligation bond proceeds and other sources:

General Fund:		
Des Moines City Gaming Payments	$	39,585,391
Polk County Housing Trust Fund		1,500,000
Hunger Free Polk County		500,000
Central Iowa Trails Program		1,000,000
Trestle to Trestle Trail Bridge		808,100
Bridges of Iowa		500,000
Pro Iowa Soccer		7,000,000
Sleepy Hollow Sports Park		750,000
Total	$	51,643,491

Secondary Road Fund:		
Des Moines Asphalt and Paving (HMA Resurfacing Program)	$	5,036,675

American Rescue Plan Act Fund:		
Polk County Housing Trust Fund - Affordable Housing	$	12,150,000
Iowa Events Center Hotel Corp - Lost Revenue		1,887,061
Polk County Financial Empowerment Center		600,000
Urban Ag Seeding Partnership		600,000
Emergency Management - Emergency Operating Center: Tech Upgrade		581,085
Other ARPA Projects		397,821
Total	$	16,215,967

Conservation Water & Land Improvements Capital Projects Fund:		
Sleepy Hollow Sports Park	$	1,750,000
RW Excavating - Trails End Mitigation Bank		6,774,976
Total	$	8,524,976

Contingencies

There are currently numerous lawsuits against the County seeking damages for various reasons. With the exception of the estimated liability for claims and judgments as discussed in Note 16, the outcome and eventual liability of the County, if any, from these lawsuits and from any unasserted claims is not known at this time. County officials believe the outcome of these matters will not have a material effect on the County's financial statements.

The County participates in a number of federally assisted grant programs. The programs are subject to financial and compliance audits. The amount of expenditures, if any, which may be disallowed by the granting agencies, is not determinable at this time; however, County officials do not believe that such amounts would be significant.

18. PRAIRIE MEADOWS RACETRACK/CASINO

The County owns real estate that is currently improved with a horse racing and gaming facility in Altoona, Iowa. The Board of Supervisors leases the real estate and improvements to Prairie Meadows Racetrack and Casino, Inc. (“Prairie Meadows”), which holds a state gaming license and which owns and operates horse racing and gaming at the leased facility, through a contract that covers the period of 2019-2026. This Agreement provides for rental payments to the County of $15.9 million per year and additional annual payments equal to 5% of Prairie Meadows’ adjusted gross receipts. In the event adjusted gross receipts exceed $225 million, an additional 1% of adjusted gross receipts will be paid on the increment above $225 million. Additionally, Prairie

Meadows will reimburse Polk County for any annual property tax liability in excess of $4.5 million. See Note 6 for further information on lease receivable.

Under the contract, Prairie Meadows may make leasehold improvements to the property, subject to County approval.

On November 2, 2010, Polk County voters approved a referendum permitting Prairie Meadows to continue operations for another eight year period. The measure was passed with 74% voter approval. During the 2011 legislative session, the state approved an amendment to Iowa gaming law which removed the referendum renewal requirement for casinos that previously received voter approval through at least two consecutive referendums. Prairie Meadows meets the new requirements and will be exempt from future renewal referendums unless the voters petition for a reverse referendum.

19. IOWA EVENTS CENTER

The County owns the Iowa Events Center (IEC). The IEC consists of two managed facilities, Veterans Memorial Community Choice Credit Union Convention Center and the Hy-Vee Hall, and one leased facility, Wells Fargo Arena (WFA).

Managed Facilities

The County has a Management Agreement with Global Spectrum, L.P. (Global), to manage and operate the Managed Facilities. The original contract dated October 1, 2004 was amended on April 24, 2012 to extend the term to September 30, 2016. On October 7, 2014 the contract was amended again to extend the term to expire on September 30, 2026. Under this agreement the County pays Global a fixed management fee. For the fiscal year ending June 30, 2022 the amount of the fixed management fee was $268,959.

In addition to the fixed management fee, Global is entitled to earn a productivity fee for each full, completed operating year of the term. The County paid Global $14,120 for the productivity fee for the fiscal year ending June 30, 2022.

The County has a Concessions Management Agreement with Ovations Food Services, L.P. (Ovations) for the management of the food and beverage service operations at the Managed Facilities. The original contract dated October 1, 2004 was renewed for an additional three years beginning October 1, 2009. On October 7, 2014 the contract was amended to extend the term to September 30, 2026. Under these agreements the County pays Ovations a fixed management fee. For the fiscal year ending June 30, 2022 the amount of the fixed management fee was $240,000.

In addition to the fixed management fee, Ovations is entitled to earn an incentive fee for each operating year of the term. The County paid Ovations $12,000 for the incentive fee for the fiscal year ending June 30, 2022.

Leased Facility

The County has a Master Lease agreement with Global to manage and operate WFA. The agreement is a ten-year contract beginning July 1, 2005, with the option to extend for two five-year periods thereafter. On April 24, 2012 the contract was amended to extend the term to September 30, 2016. On October 7, 2014 the contract was amended again to extend the term to expire on September 30, 2026. See Note 6 for further information on lease receivable.

Under this agreement, the County's share is calculated based on 80% of the first one million dollars of net operating income for such fiscal year in excess of the operator's initial share ($500,000), plus 70% of all net operating income in excess of the operator's share ($500,000) plus one million dollars for such year. The remaining funds are considered the operator's share. The County earned $2,065,291 and Global earned $1,242,267 of WFA's net operating income for the fiscal year ending June 30, 2022.

Global is responsible for the payment of all WFA operating expenses regardless of the amount or timing of WFA revenues. In the event that the operating fund does not contain sufficient funds to pay any such WFA operating expenses as they become due and payable, Global shall fund the amount of such insufficiency. In no event shall the County have any responsibility or liability with respect to any operating losses or the failure of Global to realize any net operating income from its leasing of WFA.

A Public Facility Maintenance Surcharge (PFMS) user fee is assessed on certain ticket sales. The amount of this fee varies from $1.00 to $2.00 depending upon the nature of the event. Fifty percent of these revenues generated are paid to the County for deposit into a restricted funds PFMS/Renewal and Replacement Account (see Note 4), and the remaining 50% is retained by Global as operating revenues. The County earned $401,384 for the fiscal year ending June 30, 2022.

Global has an agreement in place with Ovations to provide food and beverage concessions and catering services to WFA. The agreement is a ten-year contract beginning July 1, 2005. The term of this agreement may be extended by Ovations, at its sole option, for an additional one year period. On October 7, 2014 the contract was amended to extend the term to expire on September 30, 2026.

Under the Master Lease Agreement, the County receives 3% of the gross concessions revenues earned by Ovations for the fiscal year. The County deposits these funds into a restricted fund Concessions Account (see Note 4). The County earned $153,171 for the fiscal year ending June 30, 2022.

County Non-Operating

The County is responsible for the non-operating costs associated with the IEC. These costs include external professional services, internal audit functions, insurance costs, repair and maintenance costs not included in Global's operating expenses, interest expense, and depreciation expense.

For the fiscal year ending June 30, 2022, the County received the following naming rights revenue:

Hy-Vee Hall	$	450,000
Wells Fargo Arena		422,500

20. IOWA EVENTS CENTER HOTEL CORPORATION

On February 23, 2015, the County approved the creation of the Iowa Event Center Hotel Corporation ("IEC Hotel Corp") a 501(c)(3) entity. The non-profit IEC Hotel Corp developed, owns and manages a convention center hotel adjacent to the Iowa Events Center. The County appoints five members and the City of Des Moines appoints two members to the IEC Hotel Corp board of directors. However, the County has veto power on the City of Des Moines appointments. The County has determined that the IEC Hotel Corp is a discretely presented component unit. See Note 1 for more information.

The County approved the Management Agreement between IEC Hotel Corp and Hilton Management, LLC ("Manager") dated March 30, 2016. The operating period commenced on March 21, 2018 and extends to March 21, 2033 unless terminated by criteria set forth in the Management Agreement. The management fee will increase annually over the three full operating years until it reaches $840,000 for the year ending December 31, 2022. The management fee for the year ending December 31, 2021 was $668,000. The fee for each succeeding operating year will increase by the percentage increase in the Consumer Price Index (CPI) from the prior operating year.

The County approved a 99 year ground lease agreement with Fifth & Park LLC commencing March 30, 2016 and terminating March 30, 2115 to allow for the building of the hotel.

The County will pay the legal and administrative fees of the IEC Hotel Corp until there are enough funds in the IEC Hotel Corp's administrative fund to cover the costs on an ongoing basis. Reimbursement for these fees are requested quarterly from the IEC Hotel Corp. The County is reporting a $159,365 due from component unit from IEC Hotel Corp.

As a result of the coronavirus outbreak (COVID-19), hotel operations were greatly impacted. The hotel did not generate enough revenue from operations to make necessary debt payments without drawing on debt reserves. In order to maintain debt reserve balances the County has advanced funds to cover the debt payments. For the fiscal year ending June 30, 2021 the total amount advanced was $5,014,249. For the fiscal year ending June 30, 2022 the County advanced an additional $3,903,296 for debt payments due during the year. The total amount advanced to the IEC Hotel Corp as of June 30, 2022 was $8,917,545. These payments are expected to be repaid by the IEC Hotel Corp in the future.

Since, IEC Hotel Corp operates on a calendar year end, the amount reported by the IEC Hotel Corp as due to the primary government and the County's due from and advances to component unit do not agree by $1,793,915.

The County approved a lease purchase agreement dated March 30, 2016 with Fifth and Park and IEC Hotel Corp in order to finance the acquisition of the improvements from DSM, fund certain reserve funds for various series of the certificates, pay certain costs of issuance of the certificates, reimburse the County, and provide working capital for operation of the hotel. The term of the lease begins upon hotel completion and will end 40 year later. Lease payments are calculated in the Trust Indenture.

Upon completion of the hotel, IEC Hotel Corp and the Indenture Trustee (Banker's Trust) implemented the provisions of the Trust Indentures on March 21, 2018. The funds from debt issuances by IEC Hotel Corp were deposited with the Indenture Trustee. The IEC Hotel Corp will lease the hotel from Fifth & Park until the obligations are paid in full.

The County has guaranteed the $8.1 million of the IRA Series E secured by a subordinate lien on the IRA Sales Tax. The County has also guaranteed an estimated $4.795 million secured by the Facility Fee Lease Guaranty.

The County purchased Series B certificates of participation issued by the IEC Hotel Corp on March 21, 2018 from the Prairie Meadows Enterprise Fund in the amount of $27,750,000. Repayment of the certificates are due annually for 30 years at 4% interest due semiannually. The funds for the certificates of participation came from surplus gaming revenue that was created as a result of the County's refinancing (and the extension of) of previously issued IEC debt.

On April 9, 2019 the County approved applying the interest earned on the Series B certificates on an ongoing basis to other debt held by the IEC Hotel Corp. The County earned interest in the amount of $1,110,000 for the fiscal year ending June 30, 2022, however, since the hotel did not generate enough revenue from operations these payments were not received by the County. The County contributed $2,220,000 during the fiscal year June 30, 2022 to the IEC Hotel Corp.

21. RELATED PARTY TRANSACTIONS

The Iowa Events Center is managed by Global Spectrum, L.P. which is a subsidiary of Philadelphia-based Comcast-Spectacor. The Comcast-Spectacor Group includes Ovations Food Services and New Era Tickets. The following is a summary of transactions and balances with affiliates as of and for the year ended June 30, 2022:

Concessions and catering revenue from Ovations	$	4,367,809
Ticket revenue and fees received from New Era		38,554
Ticket fees paid to New Era		2,676
Management fee paid to Ovations		12,000

22. PENSION AND RETIREMENT BENEFITS

Plan Description – Iowa Public Employees' Retirement System membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by IPERS. IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules there under. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits - A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.
- Sheriffs, deputies and protection occupation members may retire at normal retirement age, which is generally age 55. Sheriffs, deputies and protection occupation members may retire any time after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate sheriffs, deputies and protection occupation member's monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but not more than 30 years of service.
- The member's highest three-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is .25% for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is .50% for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions - Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1% point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payrolls based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2022, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriff deputies and the County each contributed 9.01% of covered payroll, for a total rate of 18.02%. Protection occupation members contributed 6.21% of covered payroll and the County contributed 9.31% of covered payroll, for a total rate of 15.52%.

The County's contributions to IPERS for the year ended June 30, 2022 were $10,007,764.

Net Pension Liability (Asset), Pension Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the County reported a liability (asset) of ($29,651,331) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2021, the County's collective proportion was 8.589%, which was an increase of 7.655% from its collective proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the County recognized pension expense of $8,174,659. 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
Differences between expected and actual experience	$ 3,157,899	$ 1,050,663
Changes of assumptions	1,116,001	729,502
Net difference between projected and actual earnings on pension plan investments	-	70,847,587
Changes in proportion and differences between County contributions and proportionate share of contributions	901,810	1,336,376
County contributions subsequent to the measurement date	10,007,764	-
	$ 15,183,474	$ 73,964,128

The $10,007,764 is reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

During the year ending June 30:	
2023	$ (17,343,125)
2024	(16,938,047)
2025	(15,642,373)
2026	(19,031,177)
2027	166,304
Total	$ (68,788,418)

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions - The total pension liability (asset) in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.6% per annum.
Rates of salary increase (effective June 30, 2017)	3.25-16.25%, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7%, compounded annually, net of investment expense including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.6% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2021 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	22%	4.43%
International Equity	17.5%	6.01%
Global Smart Beta Equity	6%	5.10%
Core plus fixed income	26%	0.29%
Public Credit	4.0%	2.08%
Cash	1%	-0.25%
Private Equity	13%	9.51%
Private Real Assets	7.5%	4.63%
Private Credit	3%	2.87%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability (asset) was 7%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7%, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (6%) or 1% higher (8%) than the current rate.

	1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
County's proportionate share of the net pension liability (asset)	$ 34,806,424	$ (29,651,331)	$ (83,642,377)

IPERS' Fiduciary Net Position - Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to IPERS - At June 30, 2022, the County did not have any payables to IPERS because the required contributions for the employer and employee for the month of June were remitted to IPERS in June.

23. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

The County sponsors a single-employer defined post-employment benefit plan that provides a continuation option to retirees to purchase health benefits under the County's group health plan. Group insurance benefits are established under Iowa Code Chapter 509A.13. Retirees have the option to purchase health coverage for themselves and their eligible dependents. Eligible retirees receive health care coverage through a self-funded medical plan, administered through Wellmark.

The Sheriff and Deputies may retire with the election to continue health coverage at age 50 with 22 or more years of service or at age 55 if they have less than 22 years of service. All other full-time employees may retire with the election to continue health coverage after age 55. Retirees under age 65 pay the same premium for the medical benefit as active employees, which results in an implicit subsidy and an OPEB liability. Health coverage under the County's plan ends at age 65. The health plan contributions on behalf of employees are established and amended through negotiation by management and the union and governed by the County's union contracts. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75. The plan does not issue a stand-alone financial report.

Contributions

All retirees are required to contribute 102% of the retiree rates (COBRA) to continue coverage through the County's plan at retirement. The County's monthly retiree premium rates are $707 for single health coverage and $1,767 for family health coverage. The County establishes and amends contribution requirements annually.

Employees Covered by Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

Current retirees, beneficiaries and dependents	108
Current active members, fully eligible for benefits	250
Current active members, not yet fully eligible for benefits	1,117
	1,475

Total OPEB Liability – The County's total OPEB liability of $18,884,000 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date. The County's portion of the total OPEB liability, $18,540,000 is reported in the government-wide financial statements and the County Assessor's office portion, $344,000 is reported in a Custodial Fund.

Total OPEB Liability by Employee Group

Employee Group		Total OPEB Liability
Polk County	$	18,540,000
County Assessor's Office		344,000
Total	$	18,884,000

Actuarial Methods and Assumptions – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation	3% per annum.
Rates of salary increase	3.25% per annum.
Discount rate	3.54% per annum.
Healthcare cost trend rates	7% initial rate decreasing by 0.25% annually to an ultimate rate of 4%.

Discount rate – The discount rate used to measure the total OPEB liability was 3.54% which reflects the index rate on the Bond Buyer 20-year GO Bond Index, with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates were based on the Pub-2010 mortality table scaled using MP-2021 to reflect the Society of Actuaries' recent mortality study. Annual retirement probabilities and termination rates were based on the IPERS Actuarial Valuation Report as of June 30, 2021. All current and future retirees are assumed to be eligible for Medicare at age 65. The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 80% of all employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan.

Changes in the Total OPEB Liability

		Total OPEB Liability
Total OPEB liability - July 1, 2021	$	15,986,000
Changes for the year:		
Service cost		1,250,000
Interest cost		365,000
Differences between expected and actual experience		2,324,000
Changes in assumptions or other inputs		(402,000)
Benefit payments		(639,000)
Net change in total OPEB liability		2,898,000
Total OPEB liability - June 30, 2022	$	18,884,000

Changes in assumptions and other inputs reflect a change in the discount rate from 2.16% in fiscal year ending June 30, 2021 to 3.54% in fiscal year ending June 30, 2022.

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the approximate total OPEB liability of the County using the discount rate of 3.54%, as well as what the County's approximate total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.54%) or 1% higher (4.54%) than the current rate.

	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB liability	$ 20,772,000	$ 18,884,000	$ 17,184,000

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the approximate total OPEB liability of the County using a healthcare cost trend rate of 7%, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6%) or 1% higher (8%) than the current health care cost trend rates.

	1% Decrease 6%	Healthcare Cost Trend 7%	1% Increase 8%
Total OPEB liability	$ 16,429,000	$ 18,884,000	$ 21,717,000

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended June 30, 2022, the County recognized OPEB expense of $1,190,870. At June 30, 2022, the County reported deferred outflows and deferred inflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,189,079	$ 657,527
Changes in assumptions or other inputs	1,626,229	561,553
	$ 3,815,308	$ 1,219,080

Amounts reported as the deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Deferred Outflows of Resources
During the year ending June 30:	
2023	$ 170,675
2024	170,675
2025	170,675
2026	170,675
2027	170,675
Thereafter	1,742,853
Total	$ 2,596,228

24. JOINT VENTURE

The County is a participating community in the Des Moines Metropolitan Wastewater Reclamation Authority (WRA) joint venture. This joint venture provides primary and secondary treatment of the sewer flows of the participating communities.

The WRA Agreement does not provide for the determination of an equity interest for the participating communities. Withdrawing from the joint venture is a forfeit of all reversionary interest and no compensation would be paid. Since there is no specific and measurable equity interest in the WRA no investment in the joint venture is reported by the County. The County does retain a reversionary interest percentage in the net position of the WRA that would only be redeemed in the event the WRA is dissolved.

Although debt of the WRA is to be paid solely and only from WRA revenues, the participating communities in the joint venture cannot withdraw from the joint venture while any of the bonds issued during the time the entity was a participating community are still outstanding. Polk County retains an ongoing financial responsibility to the WRA since it is obligated in some manner for the debts of the joint venture through the annual allocation of wastewater reclamation flows. The allocation to all participating communities is based on operations, maintenance, debt service and reserve requirements. Allocations are based on wastewater reclamation facility flows and adjusted prospectively for differences in budgeted flows and actual flows. As of June 30, 2022, the County has a future commitment for approximately $5,862,393 for future principal payment requirements payable through the allocation of wastewater reclamation flows.

The WRA issues separate financial statements that may be obtained at 3000 Vandalia Road, Des Moines, Iowa 50317-1346.

25. ELECTED OFFICIALS

The elected officials funds (which are sub-funds of the General Fund) account for the activity of various cash accounts maintained by elected officials and other County departments which have not been remitted to the County Treasurer (who acts as trustee for all pooled cash and investments of the County) or to other individuals and private entities or governments. The elected official's balances at June 30, 2022, are as follows:

	Auditor	Board of Supervisors Other	Conservation Board	Recorder	Sheriff	Total Elected Officials
ASSETS:						
Cash and pooled investments	$ 17,108	$ 5,456	$ 6,130	$ 847,442	$ 4,830,224	$ 5,706,360
Due from other governments	-	-	-	2,412	-	2,412
TOTAL ASSETS	$ 17,108	$ 5,456	$ 6,130	$ 849,854	$ 4,830,224	$ 5,708,772
LIABILITIES:						
Accounts payable	$ -	$ -	$ -	$ -	$ 227,396	$ 227,396
Due to other funds	17,108	5,456	6,130	2,515	1,105,335	1,136,544
Due to other governments	-	-	-	847,339	3,394,741	4,242,080
Trusts payable	-	-	-	-	102,752	102,752
TOTAL LIABILITIES	$ 17,108	$ 5,456	$ 6,130	$ 849,854	$ 4,830,224	$ 5,708,772

26. FUND BALANCES

The following is fund balance classifications as of June 30, 2022:

	Major Governmental			Nonmajor	
	General Fund	Mental Health	ARPA	Governmental Funds	Total
Nonspendable:					
Inventory	$ 493,547	$ -	$ -	$ 1,292,555	$ 1,786,102
Prepaids	904,542	576,943	-	250,229	1,731,714
Advances	2,765,464	-	3,903,296	-	6,668,760
Restricted for:					
Mental health	-	114,364	-	-	114,364
Rural services	-	-	-	4,268,636	4,268,636
Secondary roads	-	-		978,921	978,921
Sheriff seized property	-	-	-	622,495	622,495
Attorney seized property	-	-	-	171,646	171,646
Recorder records management	-	-	-	356,828	356,828
Township fire protection	-	-	-	4,302	4,302
REAP	-	-	-	297,868	297,868
Conservation water & land improvements	-	-	-	28,677,764	28,677,764
Justice center	-	-	-	1,686,158	1,686,158
Debt service	-	-	-	2,657,392	2,657,392
Committed to:					
Community betterment & economic development	14,520,566	-	-	-	14,520,566
Conservation special projects	239,227	-		-	239,227
Attorney collection incentive	-	-	-	574,559	574,559
Contingency reserve	-	-	-	12,261,753	12,261,753
Mitigation bank - conservation	-	-		420,614	420,614
Unassigned:	126,387,600	-	-	(424,091)	125,963,509
Total Fund Balances	$ 145,310,946	$ 691,307	$ 3,903,296	$ 54,097,629	$ 204,003,178

27. STABILIZATION ARRANGEMENT

The County maintains a Contingency Reserve Special Revenue Fund that was established by board resolution to be used for future contingencies to achieve budget and revenue stabilization. Fund balances have been committed by Board resolution. The fund balance is replenished when it is below the targeted $8 million plus an accumulated reserve for the 27th payday and an inflation factor. The County annually contributes to a 27th payday reserve in this fund which will cover the extra payday that occurs on a cash basis every 11 years. The next 27th payday will occur in the fiscal year ending 2028. The committed fund balance is to be used for the 27th payday and for the following situations:

- Whenever revenues are at least $1,000,000 less than needed to maintain current operational levels
- Make loans to another County fund with the expectation that the loan will be repaid within three years
- Settle legal claims that exceed funds available in the County’s self-insurance reserve

28. SUBSEQUENT EVENTS

Acquisition of Sleepy Hollow Sports Park

In September 2022, the County closed on the remaining amount to purchase of Sleepy Hollow Sports Park in the amount of $2.5 million. In July 2023, Polk County Conservation will resume operations of the 49.6 acre sports park to the public.

Opioid Settlement

In December 2021, the County entered into settlement agreements with McKesson Corporation, Cardinal Health, Inc., AmerisourceBergen Corporation, Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceuitca, Inc., through the Iowa Opioid Memorandum of Understanding. The State of Iowa allocated 2 settlement payments to the County in July and November 2022 in the amount of $1.3 million. One settlement from the manufactures was received in November 2022 in the amount of $2.5 million. The County expects to receive approximately $19.7 million over 18 years.

29. ACCOUNTING CHANGE/RESTATEMENT

Governmental Accounting Standards Board Statement No. 87, Leases, was implemented as of July 1, 2021 during fiscal year 2022. The new requirements require the reporting of certain lease assets and liabilities which were previously not reported. The result of these changes had no effect on the beginning net position.

Governmental Activities

	Capital Assets	Long-term Liabilites Lease Agreements	Capital Lease Payable	Lease Receivable	Deferred Inflow of Resources
Balances June 30, 2021 as previously reported	$ 512,518,962	$ -	$ 708,673	$ -	$ -
Change to implement GASB No. 87	261,705	261,705	(708,673)	445,761	445,761
Balances July 1, 2021, as restated	$ 512,780,667	$ 261,705	$ -	$ 445,761	$ 445,761

As a result of the implementation of GASB No. 87, a portion of capital lease payable, approximately $73,458, met the definition of a lease under the new Statement and was restated as a long-term liabilities lease agreement, while the remainder, approximately $635,215, did not meet the definition of a lease criteria and was restated to vouchers payable.

Business-type Activities

	Lease Receivable	Deferred Inflow of Resources
Balances June 30, 2021 as previously reported	$ -	$ -
Change to implement GASB No. 87	84,857,550	84,857,550
Balances July 1, 2021, as restated	$ 84,857,550	$ 84,857,550

30. PENDING ACCOUNTING PRONOUNCEMENTS

As of June 30, 2022, the County adopted the following Governmental Accounting Standards Board (GASB) statements, which did not have a material effect on the financial statements except for GASB No. 87 as noted below:

- GASB Statement No. 87, Leases, issued June 2017, was effective for the County beginning with its year ending June 30, 2022. Statement No. 87 is designed to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Implementation had an immaterial impact on the governmental activities; however, proprietary funds lease receivable and deferred inflow of resources were restated by $84,857,550.

- GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, issued June 2018, was effective for the County beginning with its year ending June 30, 2022. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

- GASB Statement No. 92, Omnibus 2020, issued in January 2020, was effective for the County beginning with its year ending June 30, 2022. The objective of Statement No. 92 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues related to leases, postemployment benefits (pensions and other postemployment benefits), fiduciary activities, asset retirement obligations and fair value measurement and application.

- GASB Statement No. 93, Replacement of Interbank Offered Rates establishes how the County will report the change of any of its variable payment debt that are tied to the London Interbank Offered Rate (LIBOR) when the LIBOR standard is no longer used after December 31, 2021. This statement will be effective for the County with its year ending June 30, 2021 except for provision relating to the removal of the LIBOR rate, which was effective for the fiscal year ending June 30, 2022.

- GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. This statement will also enhance the relevance, consistency and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. Another objective of this statement is to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board pically would perform. This statement was effective for the County with its year ending June 30, 2022.

- GASB Statement No. 98, issued October 2021, establishes the term *annual comprehensive financial report* and its acronym *ACFR*. The new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This statement was effective for the County with its year ending June 30, 2022.

As of June 30, 2022, the Government Accounting Standards Board (GASB) had issued the following statements not yet implemented by the County. The statements which might impact the County are as follows:

- GASB Statement No. 91, Conduit Debt Obligations, issued May 2019, will be effective for the County beginning with its fiscal year ending June 30, 2023. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

- GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements will improve financial reporting by addressing issues related to public-private and public-public partnerships and provides guidance for accounting and reporting for availability payment arrangements. This statement will be effective for the County with its year ending June 30, 2023.

- GASB Statement No. 96, Subscription-Based Information Technology Arrangements provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. This statement will be effective for the County with its year ending June 30, 2023.

- GASB Statement No. 99, *Omnibus 2022*, addresses a variety of topics and practice issues that have been identified during implementation and application of certain GASB Statements. The new statement clarifies issues related to derivative instruments, leases, PPP and APA arrangements, SBITAs and various other topics. This statement will be effective for the County with its year ending June 30, 2024.

- GASB Statement No. 100, *Accounting Changes and Error Corrections- Amendment of GASB Statement No. 62,* this Statement prescribes the accounting and financial reporting for each type of accounting change and (2) error corrections. This Statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This statement will be effective for the County with its year ending June 30, 2025.

- GASB Statement No. 101, Compensated Absences, this Statement clarifies the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This statement will be effective for the County with its year ending June 30, 2025.