

# POLK COUNTY, FLORIDA

*Fiscal Year Ended  
September 30, 2022*



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

Prepared By:  
**STACY M. BUTTERFIELD, CPA,**  
Clerk of the Circuit Court & Comptroller





**POLK COUNTY, FLORIDA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2022**

**PREPARED BY THE OFFICE OF  
STACY M. BUTTERFIELD, CPA, CLERK OF CIRCUIT COURT  
AND COUNTY COMPTROLLER**

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**POLK COUNTY, FLORIDA  
TABLE OF CONTENTS  
YEAR ENDED SEPTEMBER 30, 2022**

**INTRODUCTORY SECTION**

Clerk and Accountants' Letter of Transmittal	A-1
Certificate of Achievement for Excellence in Financial Reporting	A-9
Principal Officials	A-10
Organizational Chart	A-11

**FINANCIAL SECTION**

**AUDIT REPORTS**

Independent Auditors' Report	B-1
------------------------------	-----

<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	C-1
---	-----

**BASIC FINANCIAL STATEMENTS**

**Government-Wide Financial Statements:**

Statement of Net Position	D-1
Statement of Activities	D-3

**Fund Financial Statements:**

Balance Sheet – Governmental Funds	D-5
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D-6
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	D-7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities – Governmental Funds	D-8
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – General Fund	D-9
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Coronavirus Relief Fund	D-10
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – County Transportation Trust Fund	D-11
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Impact Fees Fund	D-12
Statement of Fund Net Position – Proprietary Funds	D-13
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	D-15
Statement of Cash Flows – Proprietary Funds	D-16
Statement of Fiduciary Net Position – Custodial Funds	D-18
Statement of Changes in Fiduciary Net Position – Custodial Funds	D-19

<b>Notes to Financial Statements</b>	E-1
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**POLK COUNTY, FLORIDA  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Changes in the County's Total OPEB Liability and Related Ratios	F-1
Schedule of County's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan	F-2
Schedule of County Contributions – Florida Retirement System Pension Plan	F-4
Schedule of County's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan	F-6
Schedule of County Contributions – Health Insurance Subsidy Pension Plan	F-8

**COMBINING AND INDIVIDUAL FUND SCHEDULES AND STATEMENTS**

<b>Nonmajor Governmental Funds:</b>	G-1
Combining Balance Sheet – Nonmajor Governmental Funds	G-6
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	G-12
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual	G-18
<b>Internal Service Funds:</b>	G-48
Combining Statement of Fund Net Position – Internal Service Funds	G-49
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds	G-50
Combining Statement of Cash Flows – Internal Service Funds	G-51
<b>Custodial Funds:</b>	G-52
Combining Statement of Fiduciary Net Position – All Custodial Funds	G-54
Combining Statement of Changes in Fiduciary Net Position – All Custodial Funds	G-56

**STATISTICAL SECTION**

**Financial Trends:**

Net Position by Component – Last Ten Years	H-1
Changes in Net Position – Last Ten Years	H-3
Fund Balances – Governmental Funds, Last Ten Years	H-7
Changes in Fund Balances – Governmental Funds, Last Ten Years	H-9

**Revenue Capacity:**

Just Value and Estimated Actual Value of Taxable Property, Last Ten Years	H-11
Direct and Overlapping Property Tax Rates, Last Ten Years	H-13
Principal Property Tax Payers, Current Year and Nine Years Ago	H-14
Property Tax Levies and Collections, Last Ten Years	H-15

**POLK COUNTY, FLORIDA  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

**STATISTICAL SECTION (CONTINUED)**

**Debt Capacity:**

Ratios of Outstanding Debt by Type, Last Ten Years	H-16
Pledged Revenue Coverage, Sales Tax Revenue Bonds, Last Ten Years	H-20
Pledged Revenue Coverage, Non-Ad Valorem Revenue, Last Ten Years	H-21
Pledged Revenue Coverage, Local Option Fuel Tax and Public Service Tax Bonds, Last Ten Years	H-22
Pledged Revenue Coverage, Public Service Tax and Revenue Sharing Monies, Last Ten Years	H-23
Pledged Revenue Coverage, Water and Sewer Bonds, Last Ten Years	H-24

**Demographic and Economic:**

Demographic and Economic Statistics, Last Ten Years	H-25
Principal Employers, Current Year and Nine Years Ago	H-26

**Operating:**

Operating Indicators by Function and Program, Last Ten Years	H-27
Full-Time Equivalent Government Employees by Function, Last Ten Years	H-31
Capital Asset Statistics by Function and Program, Last Ten Years	H-32

**Other Supplemental Schedules:**

**Revenue Promissory Notes, Series 2020A and 2020C**

Continuing Disclosure	
Anti-Dilution Test	H-34
Maximum Annual Debt Service	H-35
Breakdown of Revenues	H-36

**Public Facilities Revenue Bonds, Series 2014,  
Public Facilities Revenue Refunding Note, Series 2015**

Continuing Disclosure	
County Revenue Sharing Apportionment Factor Data	
Revenue Sharing Trust Fund for Counties Receipts	H-37
Pledged Revenue Share Monies, Public Service Tax Revenues, Pro Forma Debt Coverage	H-38

**POLK COUNTY, FLORIDA  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

**STATISTICAL SECTION (CONTINUED)**

**Utility Systems Revenue Bonds, Series, 2012, 2013, 2014A, 2014C, and 2020**

Continuing Disclosure

Historical Revenues and Expenses of Utility System and Debt	
Service Coverage	H-39
Residential Water, Wastewater and Reclaimed Water Rates	H-42
Commercial/Multi-family Water, Wastewater and Reclaimed Water Rates	H-43
Water and Wastewater Connection Charges	H-46
Utilities Service Charges	H-48
Water System Permitted Capacity, Actual Demand	H-50
Wastewater System Permitted Capacity and Actual Flows	H-51
Ten Largest Water/Sewer Consumers	H-52

**COMPLIANCE SECTION**

Independent Accountants' Report	I-1
Management Letter	I-2
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	I-5
Independent Auditors' Report on Compliance with Requirements for Each Major Federal Program and State Project, and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida	I-7
Schedule of Expenditures of Federal Awards and State Financial Assistance	I-10
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	I-17
Schedule of Findings and Questioned Costs – Federal Programs and State Projects	I-20



## **INTRODUCTORY SECTION**





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April 28, 2023

Honorable Members of the Board of County Commissioners,  
Constitutional Officers, and Residents of Polk County, Florida

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of Polk County, Florida for the fiscal year ended September 30, 2022. The financial activities of the Board of County Commissioners (Board) and the Constitutional Officers, as well as the Harden/Parkway and Eloise Community Redevelopment Agencies, which are blended component units, are included in the Annual Report.

The Clerk of the Circuit Court, by authority of the Constitution of the State of Florida, serves as the Chief Financial Officer of the County and is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. We believe the data presented is accurate in all material aspects, is presented in a manner designed to fairly set forth the financial position and results of operations of the County and that all disclosures necessary to enable the reader to obtain a comprehensive understanding of the County have been included.

Internal accounting controls for the County have been designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

Chapter 218.39 of the Florida Statutes requires an annual financial audit of counties in the state. In addition to meeting the requirements set forth in the state statutes, the County's audit was designed to meet the requirements of the Government Auditing Standards, 2 CFR 200 – Federal Uniform Grant Guidance (single audit), and the Rules of the Auditor General Chapter 10.550.

The County's financial statements were audited by CliftonLarsonAllen, LLP. The audit was performed to provide reasonable assurance that the financial statements for the fiscal year ended September 30, 2022, are free from material misstatement. The independent auditors concluded there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended September 30, 2022, are fairly presented in conformity with generally accepted accounting principles (GAAP). The Independent Auditors' Report is located at the front of the Financial Section of this report on page B-1. The independent auditors' reports related specifically to Government Auditing Standards and the single audit are included in the Compliance Section.

Management's Discussion & Analysis (MD&A) provides a narrative introduction, overview, and analysis of the basic financial statements and begins on page C-1. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

A-1

*The mission of the Clerk of Courts & Comptroller is to function as a team dedicated to our customers by preparing and maintaining accurate records, furnishing assistance in an understanding and compassionate manner, and providing services with competence, professionalism, and courtesy in compliance with laws, rules and regulations.*

## COUNTY PROFILE

Polk County, Florida, is a political subdivision of the State of Florida governed by the State Constitution and general laws of the State of Florida. The County was incorporated in 1861. On November 3, 1998, the residents of Polk County adopted a Home Rule Charter in accordance with the Constitution and Statutes of the State of Florida. The Home Rule Charter assumed all powers and duties on the first day of January 1999. The Home Rule Charter sets forth a “commission” form of government under which a five-member Board of County Commissioners is elected to serve as the executive and legislative body for the County.

The Commissioners appoint a County Manager whose duties include the administration of directives and policies of the Commissioners, responsibility for the operation of all business centers, and the provision of services under the purview of the Commissioners. The residents of the County also elect a Sheriff, a Clerk of the Circuit Court and County Comptroller, a Supervisor of Elections, a Tax Collector, and a Property Appraiser whose responsibilities and duties are not altered by this Home Rule Charter. The Constitutional Officers perform their executive and administrative functions as specified by law.

Formal budgetary integration is employed as a management control device during the year for all fund types. The Constitutional Officers submit, at various times, to the Board and to certain divisions within the Florida Department of Revenue, a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them as set forth in Chapter 129 of the Florida Statutes.

Constitutional Officers and all divisions of the Board of County Commissioners submit their proposed budgets to the Budget and Management Services Division for assistance, review, and compilation. The County Manager then reviews the budgets of all County divisions and Constitutional Officers and makes his budget recommendation to the Board in July of each year. The tentative budget includes proposed appropriations and the means of financing them.

During September, public hearings are held pursuant to Section 200.065, Florida Statutes, for the Board to receive public input on the tentative budget. At the end of the last public hearing, the Board adopts resolutions at the fund level to approve the budgets for all governmental fund types. The budgets legally adopted by the Board set forth the anticipated revenues by source and the appropriations by function. Computerized integrated budget reports are used for management control purposes throughout the year. Management is authorized to transfer budgeted amounts between cost centers and divisions in any fund as long as the total appropriations of a fund are not exceeded. The Board’s approval is required to appropriate reserves and to amend the budget when unanticipated revenues are received that management wishes to have appropriated, thereby increasing the total appropriations of a fund. The appropriations lapse at the close of the fiscal year.

Polk County is the geographical center of the State of Florida. With over 2,000 square miles of land and water, Polk County is the fourth largest county in the State and the ninth most populous county with an estimated population of 770,019 persons. In the 10 years between the 2010 and 2020 censuses, Polk County’s population increased by over 122,000. The County is comprised of seventeen municipalities, of which the cities of Lakeland, Winter Haven, Haines City, and Bartow are the largest. Polk County has numerous institutions of higher education including technical schools, community colleges, and public and private universities. Each of these institutions contribute to the development of a robust talent pipeline.

Polk County offers many services to its residents including fire suppression, law enforcement, and emergency medical activities; construction and maintenance of street and traffic systems, highways, bridges, and other infrastructure; preservation and maintenance of lakes, parks, and environmentally-sensitive lands; recreational facilities, programs, and cultural activities; comprehensive planning and community development; community information and education programs; health and human services; water and wastewater utilities; solid waste collection and disposal facilities; and stormwater utility facilities.

## **LOCAL ECONOMY**

According to data released by the U.S. Census Bureau in 2022, Polk County is the fastest-growing county in Florida and the seventh fastest-growing in the nation. The population growth brought significant increases in revenues from taxes and other state shared revenues when compared to the previous year. As more people moved to and visited Polk County in 2022, sales taxes increased by 17.6%, fuel taxes increased by 4.1%, services taxes increased by 13.3%, other taxes, which includes tourism taxes, increased by 35.0%, with tourism taxes accounting for 29.2% of the increase. Revenue from property taxes increased by 9.2%.

Polk County is less than an hour away from Florida's largest cargo tonnage port in Tampa and has more rail miles than any other community in the state. The County is the only southeast location with two major international airports (Tampa and Orlando) within an hour drive and is also home to its own international airport and three general aviation airports. In addition, the CSX Integrated Logistics Center in Winter Haven is a critical rail connection point throughout the state.

Major attractions, such as LEGOLAND Florida, Streamsong Resort, Bok Tower Gardens, Safari Wilderness, and the County's close proximity to other Central Florida attractions, such as Walt Disney World, have played a major role as well. Attracting leisure travelers is Polk County's number one priority, followed closely by driving demand from the state's number two industry, sports. Recruiting and hosting sporting events has proven to be a powerful recession-resistant economic engine for the area. Polk County is the headquarters for the Detroit Tigers Spring Training, the Lakeland Flying Tigers, the Orlando Magic's G-League affiliate – the Lakeland Magic, two professional soccer teams, the annual Sun 'n Fun International Fly-In and Expo – Florida's largest aircraft convention, and the Miss Florida Pageant. Polk County also has the second-largest water area for a non-coastal county in Florida with 213 miles of lakes, rivers, and streams and is known worldwide as the "Water Ski Capital of the World." Additionally, the County's natural resources and abundant wildlife are second to none, particularly at locations such as the Circle B Bar Reserve and the delicate ecosystems on the Lake Wales Ridge. New developments currently underway include a complete overhaul of the Chain of Lakes Baseball Complex, eight new softball fields in Bartow, and the completion of a new championship soccer/lacrosse stadium and competition ski lake at Lake Myrtle. Nine new hotels are currently in the development pipeline to accommodate the expected increases in visitors to the area, and at build-out will result in more than 1,000 new rooms.

The largest employers in the County by industry are trade, transportation, and utilities (20.6%), professional and business services (18.7%), financial activities (14.9%), construction (11.7%), and education and health services (10.5%). Polk County's unemployment rate at the end of FY 2022 was 3.2% compared to 4.9% in FY 2021 and was higher than the statewide average of 2.6%.

## **LONG-TERM FINANCIAL PLANNING**

Polk County is focused on strategic, long-term decision making, is committed to fiscal responsibility, and has developed a strategic business plan that will provide the framework to guide the County in this direction. This plan focuses on several key business units that required policy decisions on significant funding and service level issues that are anticipated to occur in the next five years. The work on this plan will help direct the budget process in future years. The County prepares a biennial budget and five-year projections to enhance long-term financial planning.

## **RELEVANT FINANCIAL POLICIES**

### Fund Balance Policy

The County's General Fund reserve budget includes 42 to 45 days (11% to 12%) of operating expense; adding the 5% of estimated receipts that are not budgeted, in accordance with Florida Statutes, there is 16% to 17%, or two months of operating expense in fund balance. The Enterprise Funds are budgeted to maintain a minimum of 30 days to 60 days of operating expenditures plus debt service requirements. During times of economic recession, it may not be practical to maintain these levels, but in those instances, the County's goal is to restore these levels as funds can be made available.

### Community Investment Program Policy

Polk County has a Capital Improvement Program (CIP) that is a five-year plan for capital/infrastructure projects. The program identifies anticipated projects, schedules, costs, revenue sources, comprehensive plan information, and future operating impacts. The proposed projects are presented to the Board in August for discussion and input into budget before requesting approval in September.

## **INITIATIVES**

Previously, input received from residents helped to establish seven result areas that captured what residents expect from government. These result areas continue to help guide the budget process as the County focuses on providing the desired services for residents. In addition, the Polk County Board of County Commissioners holds an annual retreat to discuss major issues and gives direction on key strategic items. The Board has maintained a consistent, long-standing conservative fiscal policy of maintaining millage rates and allowing recovering property values and new growth to gradually increase investments in public safety, infrastructure projects, and improved quality of life for residents. For FY 2022, the adopted Countywide operating millage rate is 6.8990 mills.

In March 2021, the American Rescue Plan Act (ARPA) was signed into law, and the County was awarded a total of \$140.8 million to be received in two equal annual payments that must be expended by December 31, 2026. The County received the first installment of \$70.4 million in May 2021 and the second installment in June 2022. This \$1.9 trillion national economic stimulus package was designed to support response efforts, replace lost revenues, and address necessary infrastructure investments. The planning process began with the establishment of broad categories of expenditure plans including Government Infrastructure, General County Impacts and Mitigation, and Small Business Assistance/Community and Public Health. Board guidance focused heavily on infrastructure, with 88.0% of the entire allocation going towards eligible projects.

Each year, budget decisions are guided by Board policy with funding being directed towards the Board's highest priority goals. In recent years, these goals have been focused in the Safety and the Growth and Infrastructure Result Areas. The following highlights the result areas and some of the accomplishments:

**Basic Needs** – All Polk County residents who are at-risk because of their health or economic status will have their basic needs met and become as self-sufficient as possible.

- In FY 2022, Healthy Families returned to pre-pandemic operations. Home visiting is now conducted in person with face-to-face visits. Parenting classes and groups are again offered to participating families.
- Polk HealthCare Plan applicants can now apply in person through face-to-face interviews, telephonically, and through the online application portal. Additionally, income limits were increased to 162% of the Federal Poverty Level, and a dedicated outreach team has been mobilized to increase awareness to the public on accessing program benefits.
- Polk County is a federally-designated medical provider shortage area, which includes behavioral health. One of the Board's priorities is the improvement of behavioral health services for the indigent population. The Board has increased behavioral health funding for mental health and substance abuse. Strategies for collaboration continue in an effort to avoid duplication of services and create a system of care in the County that reduces the incidence of recidivism in jails and mental health facilities.
- Veteran Service officers assisted over 9,000 clients during FY 2022. In order to meet the Veteran community's needs, veterans and their families are now seen at three locations across the County, with plans in the future to expand to a new location in Winter Haven.

**Economic Development** – Well-paying jobs and business opportunities will be available in Polk County, and people will be appropriately trained and educated to fill the workforce need.

- The County has focused on attracting businesses by offering specialized incentives to help companies with growth. This provides quality job opportunities and expands the tax base to support schools, public safety, and other important programs. To assist with this process and to aid in future economic prosperity for the County, three strategic initiatives have been identified. The first is to expand the local ecosystem for technology-enabled employment in Polk County including Health Sciences, Advanced Manufacturing, Autonomous Vehicles, and Aviation and Aerospace. The second is to elevate Polk County's competitiveness within the state and nation for innovation and research. The third is to advance Polk County's water, road, and high-speed rail infrastructure to meet the evolving needs of businesses and residents.
- As FY 2022 closed, Polk County's tourism industry celebrated twelve consecutive record-breaking months of accommodations revenue, which was 41% above the previous record-setting year. Almost 300 sporting events led the way, but Polk County Tourism and Sports Marketing (PCTSM) saw significant results from a retooled social media initiative and staff's aggressive meetings and conventions recruiting efforts. Partnerships and cobranding with professional sports teams, like the Detroit Tigers and Columbus Blue Jackets, produced impressive results. A major year-long marketing effort promoted the 100th anniversary of the sport of water skiing, and the capstone World Water Ski Show Championships drew tens of thousands from across the globe to Polk County.

**Recreation and Cultural Arts** – Polk County offers safe, plentiful, and diverse recreation and cultural arts opportunities.

- Additional property tax revenue received from the Parks MSTU continues to provide funding needed to support the master plan ideas identified in the strategic plan such as replacing and repurposing existing park facilities.
- In response to COVID-19 and revised guidelines, the Recreation Activities and Resource Center Programs have evolved to include virtual and reworked in-person venues.

**Good Government** – Residents can trust that government is well run and is a good steward of their tax dollars.

- The County continues to provide recurring funding for building asset management to ensure that County facilities can be maintained. The Board approved funding for \$2.6 million in FY 21/22 to go towards a prioritized list of building asset management projects that will help prolong the useful life of the buildings. The Board has also allocated over \$2.7 million in funding for subsequent years until 2027. Continued funding of this program allows the County to complete large capital asset replacements while using the operating budget for planned repairs, preventative maintenance, and small projects. Successful projects for FY 21/22 include the South County Jail Boiler, Cooling Tower Fill, water softener replacements, Parks Administration Building roof replacement, Homeland Park Facilities millwork replacement and painting, and the Sheriff's Northeast Command and Storage building HVAC replacements.
- As the lingering effects of the pandemic continued to challenge governments with providing services while practicing social distancing, Polk County's Procurement Division continued to leverage technology to seamlessly continue to solicit and receive solicitations as well as provide for teleconferencing selection committee and negotiation meetings.

**Natural Resources and Environment** – Polk County will have clean and plentiful natural resources for a healthy environment.

- The Board established a Stormwater Technical Advisory Committee to assist in managing the permit requirements of a National Pollutant Discharge Elimination System reissued in 2016. The revenue generated each year, in conjunction with various partnerships across the County, will assist in addressing water quality in surface waterways.
- In response to revised COVID-19 guidelines, the Environmental Lands Education Program has evolved to include virtual and reworked in-person venues.

**Growth/Infrastructure** – Polk County will grow in a manner and pace that County residents find desirable and allows them to move around the County safely and without excessive congestion.

- The County continues to fund pavement management, drainage/culverts, and sidewalks in the amount of \$23.42 million, which helps maintain the 2,762 miles of roads and right-of-way. The County also continues to execute several high-priority capacity CIP projects on its work list including County Road #557 widening (\$120.9 million), Pipkin Road widening (\$59.2 million), Marigold Avenue widening (\$39.8 million), Lake Wilson Road widening (\$43.8 million), Cypress Parkway widening (\$24.0 million), and Thompson Nursery Road Phases I and II (\$209.6 million).



- Single family residences permitted totaled 5,110, representing a 2.9% increase over FY 2021.
- Trends within the water utility environment are constantly changing due to stakeholder, regulatory, and economic pressures. The most pressing issue facing Utilities today is the need to develop alternative water sources to supply potable water and meet irrigation needs for current and future demands. Polk County Utilities (PCU) initiated a pilot study in its Northwest Regional Utility Service Area to determine whether non-traditional reuse solutions are viable options to supplement water supplies beyond providing irrigation to residents and businesses. The pilot study examines direct potable reuse, a concept of treating reclaimed water to potable standards so that in the future it may be introduced into the potable water delivery system.
- The Utilities Division is investing in Advanced Metering Infrastructure to allow the utility and the customers to monitor their water consumption in near real time in the future. The Division is also in the process of monitoring a new customer information system and computerized maintenance management systems to replace the current systems.

**Safety** – People will feel safe from crime, fire, and the effects of natural disasters.


- Effective FY 2022, the Board approved a 95% indexing of the Fire Assessment rate which equated to a \$12 increase to residential properties. This additional funding provided four new and staffed transport ambulances, three additional water tender drivers, the replacement of outdated equipment, and additional supplied breathing air refilling systems throughout the County. The funding also allowed for continued expansion of the Radio Frequency Identification (RFID) system and provided much-needed improvements to some of the older stations. Several new Polk County Fire Rescue stations are slated to be opened soon. These will be state-of-the-art facilities which will have many new cancer prevention safeguards to protect responders. The replacement of outdated cardiac monitors throughout Polk County will continue to better equip the first responders to assist the residents and visitors of Polk County in their time of need.
- The Emergency Medical Millage of 0.2500 continues to provide critically-needed investments for emergency medical services as the population and number of 9-1-1 medical calls continues to increase. This funding source continues to provide funding for a portion of the eight new stations throughout Polk County and continues to provide additional rescues and staff for heavy volume areas within the County.
- Code Enforcement is a valuable community resource that works to ensure Polk County is aesthetically-pleasing and a clean and safe place to live, work, and play. As a community partner, the Code Enforcement Division addresses many nuisance property complaints. The Division assists with excessive bulk waste and removal of illegal dump sites, while addressing a variety of code violations. Partnerships with organizations such as Keep Polk County Beautiful, the Polk County Sheriff's Office Environmental Crimes Unit, the Florida Department of Environmental Protection, and other Polk County divisions allows Code Enforcement to keep Polk County a desirable place to live and visit. Safety equipment and training, along with recruiting and retaining the most qualified staff was a top priority this fiscal year.


## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Polk County, Florida, for its annual comprehensive financial report for the fiscal year ended September 30, 2021. This was the 42<sup>nd</sup> consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. An Annual Report of this nature could not have been prepared without the dedicated efforts of all staff members concerned. We would like to thank the entire staff of the Comptroller Division of the Clerk of the Circuit Court and County Comptroller of Polk County for their invaluable assistance in the preparation of this report. We would also like to thank the Board of County Commissioners and their staff, and the other Constitutional Officers for their personal interest and dedicated support in planning and conducting the financial operations of the County in a responsible and progressive manner. We would also like to recognize our auditors, CliftonLarsonAllen, LLP, for their continuing support in helping us achieve the Certificate of Achievement for Excellence in Financial Reporting.

Sincerely,

  
Stacy M. Butterfield, CPA  
Clerk of the Circuit Court and  
County Comptroller

  
Dee Dee Beaver, CPA, CGFO  
Director, Comptroller Division



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Polk County  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO

**POLK COUNTY, FLORIDA  
PRINCIPAL OFFICIALS  
SEPTEMBER 30, 2022**

**BOARD OF COUNTY COMMISSIONERS**

Martha Santiago, District 4  
George M. Lindsey III, District 1  
Bill Braswell, District 3  
Rick Wilson, District 2  
Neil Combee, District 5

Chairman  
Vice Chair  
Member  
Member  
Member

**CLERK OF THE CIRCUIT COURT**

Stacy M. Butterfield

**PROPERTY APPRAISER**

Marsha Faux

**SHERIFF**

Grady Judd

**SUPERVISOR OF ELECTIONS**

Lori Edwards

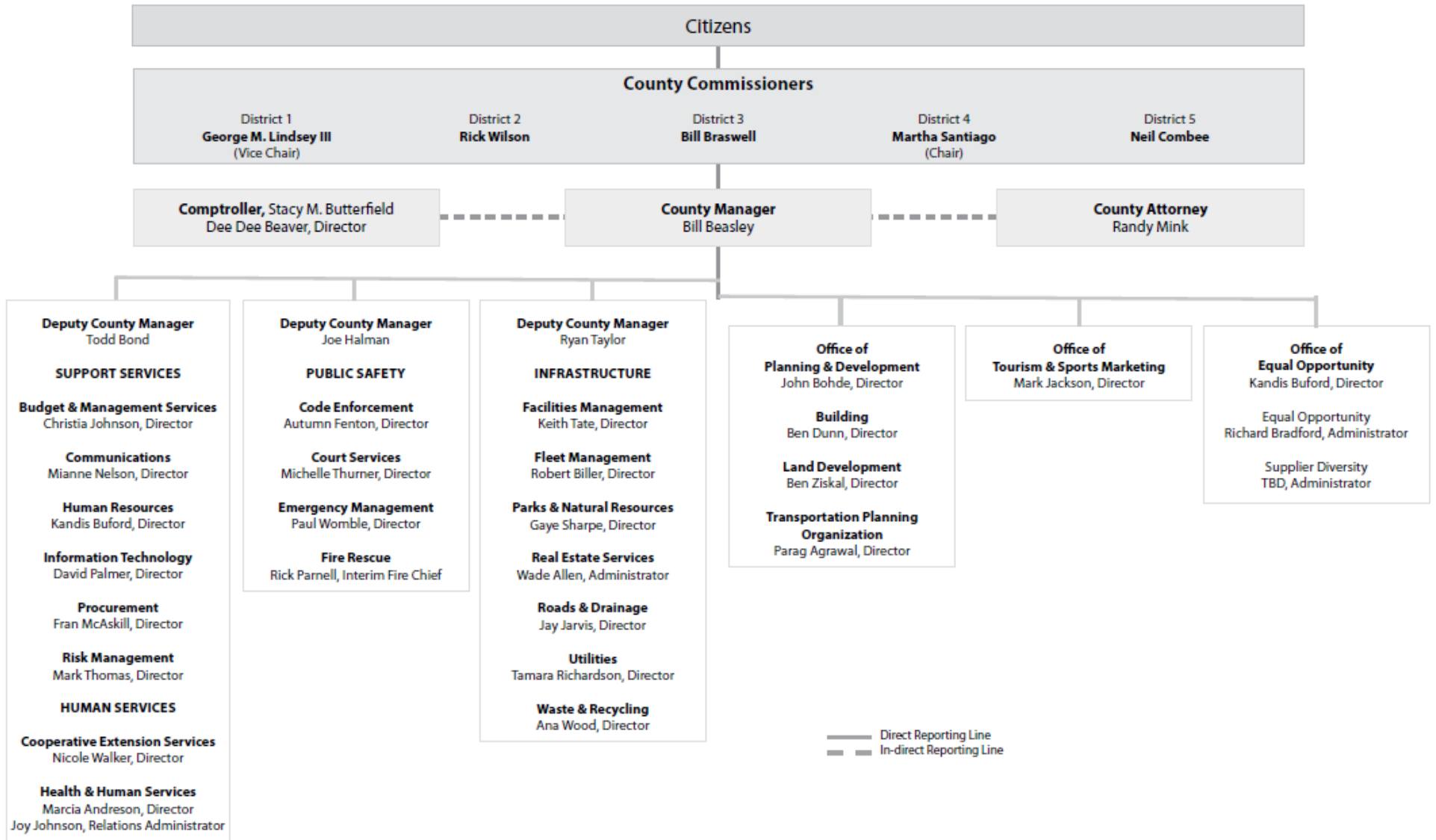
**TAX COLLECTOR**

Joe G. Tedder

**COUNTY MANAGER**

Bill Beasley

**POLK COUNTY, FLORIDA  
ORGANIZATIONAL CHART  
SEPTEMBER 30, 2022**



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## **FINANCIAL SECTION**







## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Polk County Board of County Commissioners Polk County, Florida  
Bartow, Florida

### Report on the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Polk County, Florida (the County), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and each major fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter – Change in Accounting Principle**

As discussed in Note 1 to the financial statements, effective October 1, 2021, the County adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and a corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, and the schedule of changes to the County's total OPEB liability and related ratios, schedules of the County's proportionate share of the net pension liability and of its contributions – pension plans on pages C-1 to C-16 and F-1 to F-9 be presented to supplement the basic financial statements. Such information is the responsibility of management and,, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Local Governmental Entity Audits*, Rules of the Auditor General of the State of Florida, are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

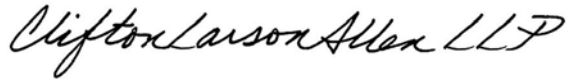
**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 28, 2023

## **Management's Discussion and Analysis**



**POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2022**

Polk County's discussion and analysis provides a narrative overview and easily readable analysis of the County's financial activities. The analysis provides a summary of financial information for the County and should be read in conjunction with the transmittal letter and the County's financial statements.

**FINANCIAL HIGHLIGHTS**

- Total net position at the end of the fiscal year was \$4,069.0 million compared to \$3,948.9 million in 2021, an increase of \$120.1 million with \$69.4 million related to governmental activities and \$50.7 million to business-type activities.
- Total assets were \$5,341.3 million, an increase of \$213.8 million, with increases of \$169.6 million in governmental activities and \$44.2 million in business-type activities.
- Total liabilities were \$1,348.6 million, an increase of \$357.8 million with increases of \$355.6 million in governmental activities and \$2.2 million in business-type activities.
- Polk County's combined ending fund balance for governmental funds was \$669.9 million, an increase of \$49.7 million over the prior year ending fund balance with \$393.6 million of the fund balance restricted and \$118.6 million unassigned in the various governmental fund types of the County.
- At the end of the current fiscal year, the fund balance for the general fund was \$133.9 million, a decrease of \$5.7 million over the prior year fund balance. Of this amount, \$124.8 million was unassigned and \$6.1 million was restricted.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The County's basic financial statements comprise three components: 1) *government-wide financial statements*, 2) *fund financial statements*, and 3) *notes to the financial statements*. This report also contains the statistical section, single audit, and other supplementary information in addition to the basic financial statements themselves. The government-wide financial statements present an overall picture of the County's financial position and results of operations. The fund financial statements present financial information for the County's various funds. The notes to the financial statements provide additional information that is not disclosed in the government-wide or fund financial statements.

The government-wide financial statements are the statement of net position and the statement of activities. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and business-type activities and the change in net position. Governmental activities are primarily supported by property taxes, charges for services, fuel taxes, sales taxes, services taxes, and grants. Business-type activities are supported by charges to the users of those activities, such as water and sewer service charges and landfill tipping fees.

The government-wide financial statements include not only Polk County itself (known as the primary government) but also the legally separate component units for which Polk County is financially accountable. These component units are detailed in the notes to the financial statements.

**POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2022**

The statement of net position presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the County, with the difference between assets plus deferred outflows and liabilities plus deferred inflows reported as net position. Net position is reported in three categories: 1) investment in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position are reported for all governmental activities separate from the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of business-type activities. It is not uncommon, particularly in the governmental activities' column, to see an unrestricted net position deficit. For example, this may occur when governments have long-term liabilities that they fund on a pay-as-you-go basis, rather than accumulating resources in advance or issuing debt to build capital assets for another government.

The statement of activities reflects the expenses of a given function or program, which are offset by program revenues providing the net cost of all functions of the County. General revenues are presented following the total net expense of the functions or programs. To assist in understanding the County's operations, expenses have been reported as governmental activities or business-type activities. Governmental activities financed by the County include general government, public safety, physical environment, transportation, economic environment, human services, culture and recreation, and debt service. Business-type activities financed by user charges include water and sewer services, garbage collection/disposal, and a nursing home.

Fund financial statements present financial information for governmental funds, proprietary funds, and fiduciary funds. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources. The proprietary funds financial statement provides information on all assets and liabilities of the funds, changes in the economic resources (revenues and expenses), and total economic resources. The fiduciary fund statement provides information concerning assets held in trust by the County on behalf of others.

Fund financial statements include a *balance sheet* and a *statement of revenues, expenditures, and changes in fund balances – budget and actual* for all governmental funds. For the proprietary funds, which include internal service funds in addition to business-type activities, a *statement of net position*, a *statement of revenues, expenses, and changes in fund net position* and a *statement of cash flows* are presented. A *statement of fiduciary net position* and a *statement of changes in fiduciary net position* are presented for the County's custodial funds. Fund financial statements provide more detailed information about the County's activities. Individual funds are established by the County to track revenues that are restricted to certain uses, comply with legal requirements, or account for the use of state and federal grants.

The government-wide financial statements and the fund financial statements provide different pictures of the County. The government-wide financial statements provide an overall picture of the County's financial standing, divided into governmental activities and business-type activities. These statements are comparable to private-sector companies and provide a good understanding of the County's overall financial status and how the County paid for the various activities, or functions, provided by the County. Assets of the County, including buildings, land, roads, bridges, and traffic signals are reported in the statement of net position. All liabilities, including principal outstanding on bonds and future employee benefits obligated but not paid by the County, are included. The statement of activities includes depreciation on all long-lived assets of the County, but transactions between the different functions of the County have been eliminated in order to avoid duplication of the revenues and expenses. The fund financial statements provide a picture of the major funds of the County and all nonmajor funds.



**POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2022**

In the case of governmental activities, outlays for long-lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. A reconciliation has been included to provide a link from the fund financial statements to the government-wide financial statements.

Notes to the financial statements provide additional detail concerning the financial balances and financial activities of the County. Additional information regarding the accounting practices of the County, investments of the County, capital assets, and long-term debt are some of the items included in the notes to the financial statements.

The statistical section has been prepared in accordance with Governmental Accounting Standards Board Statement No. 44. This section contains selected data regarding financial trends, revenue capacity, debt capacity, demographic and economic conditions, and operating indicators of the County.

The single audit compliance section lists the expenditures of federal awards and state financial assistance during the fiscal year and presents grant compliance information and auditor reports.

**POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following schedule provides a summary of assets, liabilities, deferred outflows and inflows of resources, and net position of the County for fiscal years 2022 and 2021:

**Net Position  
September 30, 2022 and 2021  
(In Millions)**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 1,038.6	\$ 894.0	\$ 326.0	\$ 332.5	\$ 1,364.6	\$ 1,226.5
Capital Assets	3,242.4	3,217.4	734.3	683.6	3,976.7	3,901.0
Total Assets	4,281.0	4,111.4	1,060.3	1,016.1	5,341.3	5,127.5
Deferred outflows of resources	134.5	116.8	14.4	15.0	148.9	131.8
Other Liabilities	293.7	206.5	21.6	21.7	315.3	228.2
Noncurrent Liabilities	796.8	528.4	236.5	234.2	1,033.3	762.6
Total Liabilities	1,090.5	734.9	258.1	255.9	1,348.6	990.8
Deferred inflows of resources	68.5	306.2	4.1	13.4	72.6	319.6
Net Investment in Capital Assets	3,124.8	3,128.3	585.9	550.6	3,710.7	3,678.9
Restricted	392.2	343.3	1.0	1.0	393.2	344.3
Unrestricted	(260.5)	(284.5)	225.6	210.2	(34.9)	(74.3)
Total Net Position	\$ 3,256.5	\$ 3,187.1	\$ 812.5	\$ 761.8	\$ 4,069.0	\$ 3,948.9

\* The County implemented GASB Statement No. 87 in fiscal year 2022.

Polk County's net investment in capital assets, such as land, roads, parks, buildings, machinery and equipment as a percentage of net position was 91.2 percent in 2022 and 93.2 percent in 2021. These asset values are presented less any outstanding debt related to the acquisition and including accumulated depreciation of those assets. The County uses capital assets to provide services to the citizens. Consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the capital assets cannot be used to liquidate that liability and, therefore, other resources will be needed to repay any associated debt.

The County's unrestricted net position increased \$39.4 million and restricted net position increased by \$48.9 million in 2022. Unrestricted net position represents County resources that may be used for any purpose while restricted net position represents resources that are constrained for a particular purpose.

**POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2022**

The schedule below provides a summary of the changes in net position for fiscal years 2022 and 2021.

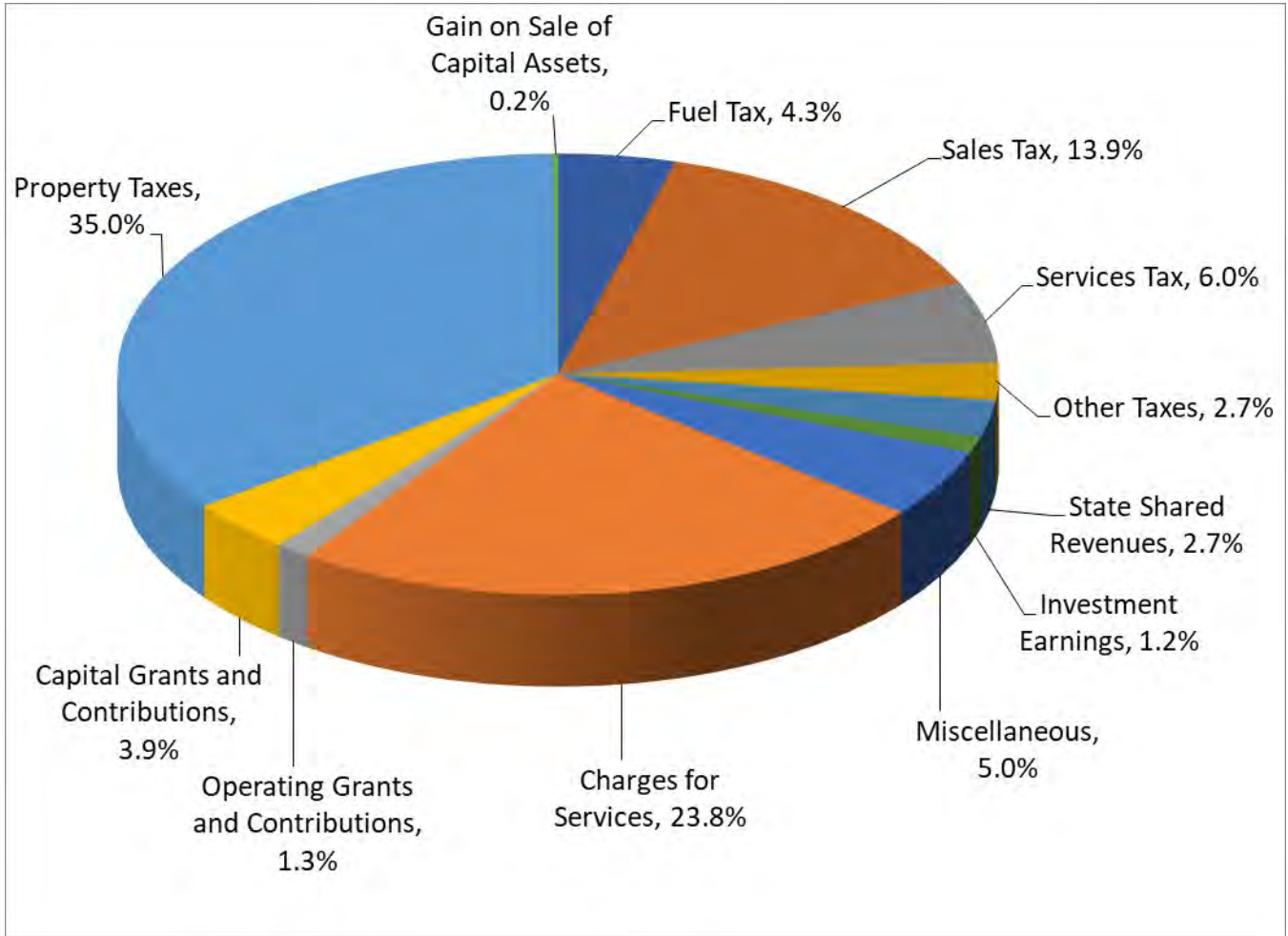
**Change in Net Position  
Years Ended September 30, 2022 and 2021  
(In Millions)**

	Governmental Activities		Business-Type Activities		Total Government	
	2022	2021	2022	2021	2022	2021
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 213.7	\$ 203.5	\$ 173.9	\$ 153.2	\$ 387.6	\$ 356.7
Operating Grants and Contributions	12.0	59.0	-	-	12.0	59.0
Capital Grants and Contributions	35.4	19.7	17.8	19.6	53.2	39.3
General Revenues:						
Property Taxes	314.5	288.1	-	-	314.5	288.1
Fuel Tax	38.5	37.0	-	-	38.5	37.0
Sales Tax	125.1	106.4	-	-	125.1	106.4
Services Tax	53.7	47.4	-	-	53.7	47.4
Other Taxes	24.3	18.0	-	-	24.3	18.0
State Shared Revenues	24.1	18.4	-	-	24.1	18.4
Investment Earnings	11.2	11.9	3.8	4.6	15.0	16.5
Net Change in Fair Value of Investments	(75.8)	(8.8)	(26.1)	(3.7)	(101.9)	(12.5)
Gain on Sale of Capital Assets	1.5	2.6	-	-	1.5	2.6
Miscellaneous	44.9	40.1	2.6	2.6	47.5	42.7
Total Revenues	<u>823.1</u>	<u>843.3</u>	<u>172.0</u>	<u>176.3</u>	<u>995.1</u>	<u>1,019.6</u>
<b>EXPENSES</b>						
General Government	140.0	134.6	-	-	140.0	134.6
Public Safety	378.9	349.7	-	-	378.9	349.7
Physical Environment	9.1	9.1	-	-	9.1	9.1
Transportation	123.0	115.7	-	-	123.0	115.7
Economic Environment	24.8	27.7	-	-	24.8	27.7
Human Services	56.4	60.6	-	-	56.4	60.6
Culture/Recreation	24.1	18.8	-	-	24.1	18.8
Interest on Long-Term Debt	4.4	4.6	-	-	4.4	4.6
Water and Sewer	-	-	74.0	69.8	74.0	69.8
Garbage Collection/Disposal	-	-	36.8	(18.2)	36.8	(18.2)
Rohr Nursing Home	-	-	3.5	4.3	3.5	4.3
Total Expenses	<u>760.7</u>	<u>720.8</u>	<u>114.3</u>	<u>55.9</u>	<u>875.0</u>	<u>776.7</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	62.4	122.5	57.7	120.4	120.1	242.9
Transfers In/Transfers (Out)	7.0	6.7	(7.0)	(6.7)	-	-
<b>CHANGE IN NET POSITION</b>	69.4	129.2	50.7	113.7	120.1	242.9
Net Position - Beginning of Year	<u>3,187.1</u>	<u>3,057.9</u>	<u>761.8</u>	<u>648.1</u>	<u>3,948.9</u>	<u>3,706.0</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 3,256.5</u>	<u>\$ 3,187.1</u>	<u>\$ 812.5</u>	<u>\$ 761.8</u>	<u>\$ 4,069.0</u>	<u>\$ 3,948.9</u>

**POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2022**

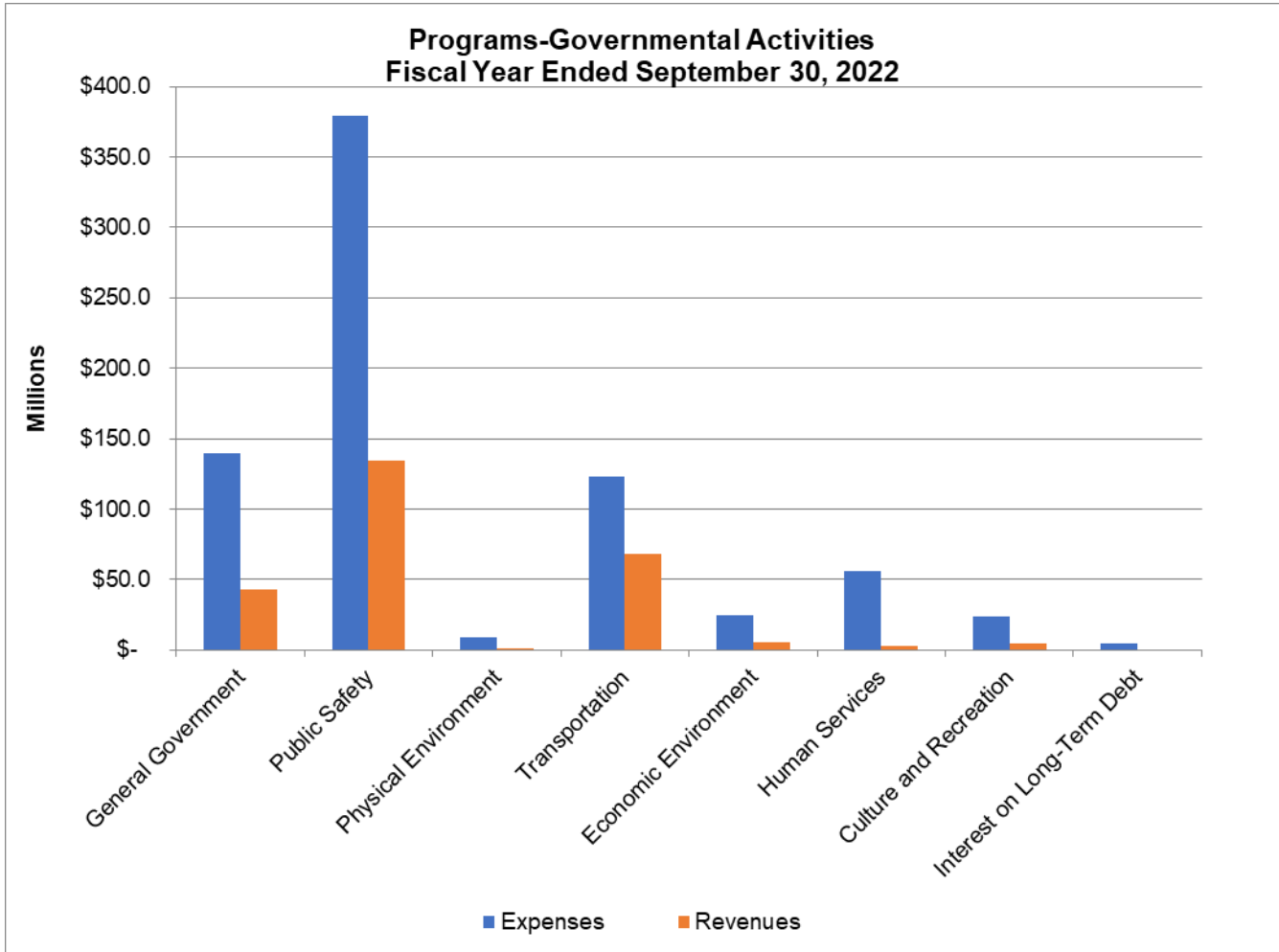
The following chart depicts revenues of the governmental activities for the fiscal year, excluding transfers and net change in fair value of investments.

**Revenues-Governmental Activities  
Fiscal Year Ended September 30, 2022**



**POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2022**

The following chart depicts governmental activities expenses compared to the program revenues which funded those activities for the fiscal year. The amounts not funded by program revenues were funded by general revenues (e.g., property taxes, sales taxes, etc.).



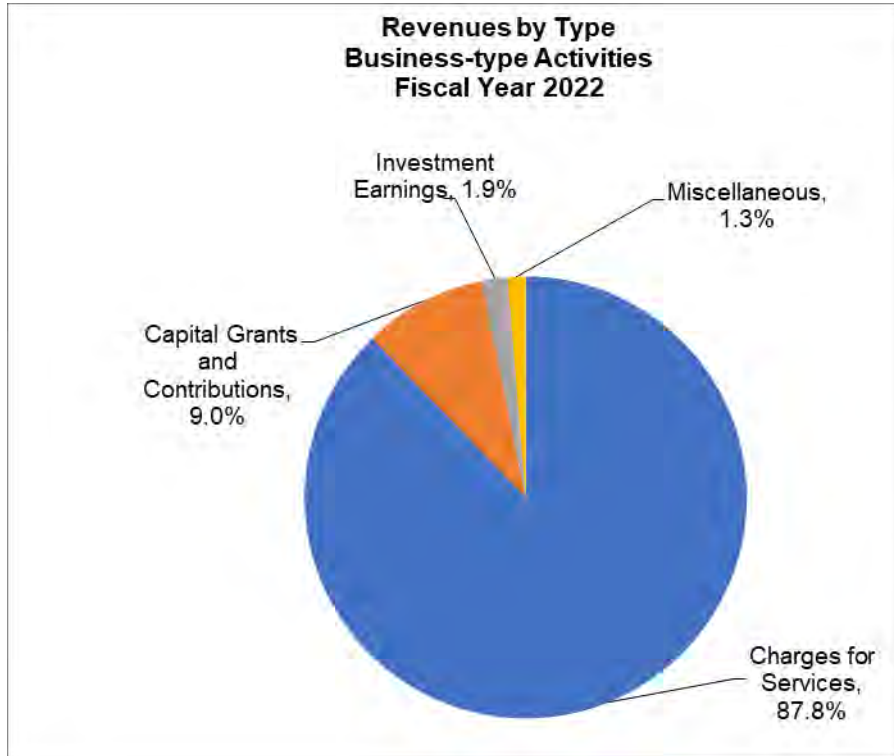
**POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2022**

**Governmental activities.** Governmental activities resulted in a \$69.4 million increase in net position as the result of current fiscal year activities.

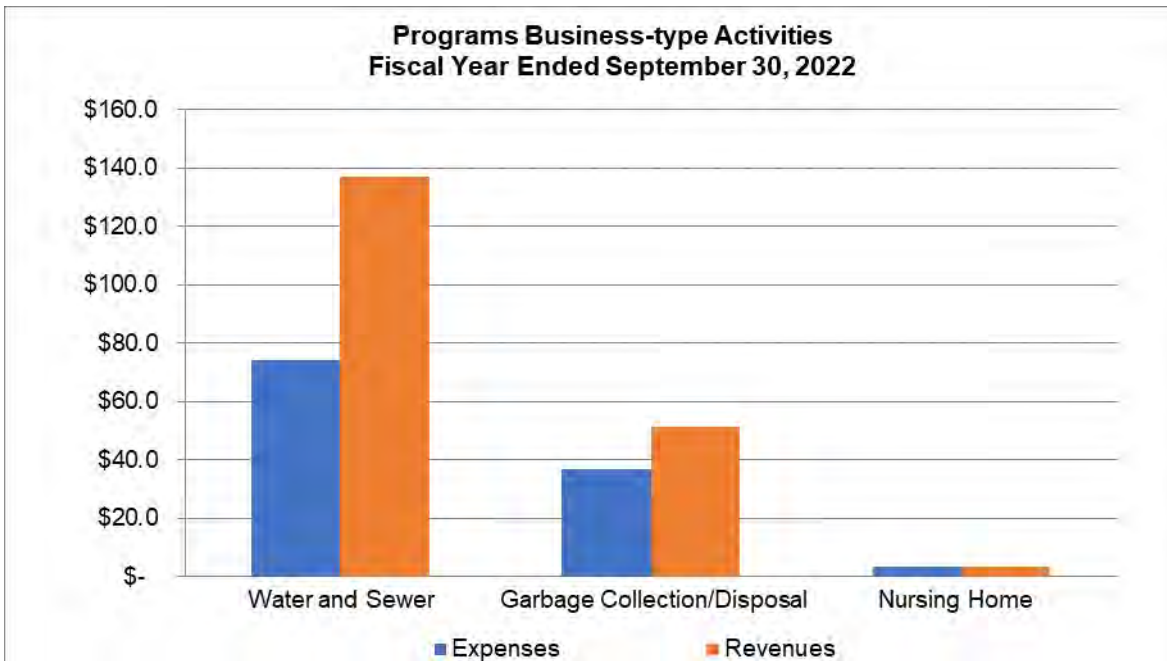
- Overall, revenues related to governmental activities decreased by \$20.2 million or 2.4 percent.
- Charges for services increased by \$10.2 million or 5.0 percent primarily from an increase of \$5.9 million related to fire rescue assessments and other special assessments as well as \$3.3 million in increases from ambulance fees.
- Operating grants and contributions decreased by \$47.0 million or 79.7 percent mainly because \$40.4 million of the Coronavirus Relief Grant funds received from an FY 2020 federal grant were recognized in FY 2021 compared to recognition of only \$0.9 million in FY 2022. Large reductions in operating grant revenue from the State Housing Initiatives Partnership program (\$2.0 million) and Emergency and Disaster Relief (\$1.2 million) also contributed to the decrease.
- Capital grants and contributions increased by \$15.7 million or 79.7 percent primarily due to an \$8.0 million increase in capital contributions related to donated roads, right-of-ways, and other assets and a \$2.0 million grant for the purchase of five fire tanker trucks. The remainder of the increase was primarily transportation related.
- General revenues from various taxes increased overall in FY 2022. Property taxes increased by \$26.4 million or 9.2 percent due to growth in local real estate market values. The County's taxable property values increased approximately 9.0 percent in 2022. Sales tax revenues increased by \$18.7 million, or 17.6 percent compared to an increase of \$16.8 million in 2021. Other taxes, which is mainly tourist development taxes, increased by \$6.3 million overall or 35.0 percent – \$6.5 million is attributable to an increase in tourism taxes offset by a \$0.2 million decrease in local business taxes.
- The net change in the fair value of investments was a reduction of \$75.8 million in investments compared to an \$8.8 million reduction in 2021 and investment earnings decreased \$0.7 million or 5.9 percent primarily because of fluctuations in the value of marketable investments.
- Miscellaneous revenues increased \$4.8 million compared to a \$26.1 million increase in 2021. The County continues to manage its ongoing growth and development with new/improved infrastructure, contributed capital assets and donations and other capital-related items. These, along with revenues related to employee health insurance, contributed to the FY 2022 increase.
- In total, expenses for governmental activities increased by \$39.9 million or 5.5 percent led primarily by increases in public safety, transportation, and general government expenses. Public safety expenses increased by \$29.2 million or 8.4 percent primarily due to increases in personnel expenses such as other post-employment benefits (OPEB), the addition of new staff, and the expansion in services required by the County's rapid growth. Transportation expenses increased by \$7.3 million or 6.3 percent primarily due to increases in pavement management and street lighting projects. General government expenses increased \$5.4 million or 4.0 percent primarily due to increases in personnel expenses and operating and maintenance expenses.
- The net pension liability for governmental activities increased by \$254.4 million. This increase is attributed to the recording of the County's proportionate share of net pension liabilities for its various defined benefit retirement plans for County employees as determined by the plan's actuaries. The majority of this increase is related to the Florida Retirement System (FRS) and was caused primarily by decreases in investment returns during fiscal year 2022.

**POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2022**

The following chart depicts revenues of the business-type activities for the fiscal year, excluding transfers and net change in fair value of investments.



The following chart depicts business-type activities expenses compared to revenues.



**POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2022**

**Business-type activities.** Business-type activities resulted in a \$50.7 million increase in net position for the fiscal year.

- Overall, revenues for business-type activities decreased by \$4.3 million or 2.4 percent.
- Charges for services increased \$20.7 million or 13.5 percent. There was an increase of \$16.2 million in Water and Sewer largely due to growth and a \$12.9 million increase in connection fee collections due to the addition of multiple apartment complexes being built in the county. Garbage Collection/Disposal increased by \$5.4 million or 11.7 percent due to an increase in activity with 48,720 more tons of garbage collected in 2022, while the Rohr Nursing Home had a decrease of \$0.8 million.
- The net change in the fair value of investments was a reduction of \$26.1 million in 2022 compared to a \$3.7 million reduction in 2021, while investment earnings decreased by \$0.8 million or 17.4 percent primarily as a result of market conditions.
- In total, expenses for business-type activities increased \$58.4 million or 104.5 percent in 2022. In 2021, a \$53.1 million reduction in expenses was attributable to Garbage Collection/Disposal due to an adjustment to the liability for landfill closure and long-term care. In 2022, the change in the liability adjustment was significant due to the installation of the leachate drainage system permitted by the Florida Department of Environmental Protection (FLDEP) in 2021.



**POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2022**

**FINANCIAL ANALYSIS OF FUNDS**

Polk County uses fund accounting to demonstrate and ensure compliance with finance-related legal requirements.

**Governmental Funds**

Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. In assessing Polk County's financing requirements, unassigned fund balance is a particularly useful measure of net resources available for spending at the end of the fiscal year. The County's governmental fund types include the general, special revenue, debt service and capital project funds.

As of September 30, 2022, Polk County governmental funds reported combined fund balance of \$669.9 million compared to \$620.2 million in 2021. These fund balances reflect increases of \$49.7 million and \$79.9 million for 2022 and 2021, respectively. Approximately 17.7 percent of the 2022 fund balance (\$118.6 million) represents unassigned fund balance, which is available for spending at the County's discretion. The remainder of the fund balances are either not in a spendable form (\$8.7 million) or are restricted (\$393.6 million), committed (\$111.2 million), or assigned (\$37.7 million) for particular purposes, reflecting constraints that have been placed upon those resources for future use.

**Major Fund Information  
(In Millions)**

	General	County Transportation Trust	Impact Fees	Coronavirus Relief
<u>Fiscal Year 2022:</u>				
Revenues	\$ 418.0	\$ 31.0	\$ 32.7	\$ 5.8
Expenditures	(398.2)	(20.4)	(20.3)	(5.3)
Other Financing Sources (Uses)	(25.5)	(4.3)	(1.5)	(0.5)
Net Change in Fund Balances	<u>\$ (5.7)</u>	<u>\$ 6.3</u>	<u>\$ 10.9</u>	<u>\$ -</u>
<u>Fiscal Year 2021:</u>				
Revenues	\$ 406.4	\$ 37.5	\$ 39.3	\$ 43.3
Expenditures	(367.6)	(16.5)	(11.0)	(41.5)
Other Financing Sources (Uses)	(19.0)	(4.2)	(1.3)	(1.8)
Net Change in Fund Balances	<u>\$ 19.8</u>	<u>\$ 16.8</u>	<u>\$ 27.0</u>	<u>\$ -</u>

The General Fund is the main operating fund of the County. The fund balance for the General Fund decreased by \$5.7 million in 2022. Total revenues increased \$11.6 million or 2.9 percent. Taxes increased by \$22.0 million or 8.3 percent primarily due to an increase in ad valorem taxes of \$15.4 million resulting from increases in property values and a \$5.8 million or 15.1 percent increase in public service taxes due to growth. Intergovernmental revenues increased by \$10.8 million or 18.8 percent with a \$6.2 million increase in sales taxes or 14.3 percent and a \$4.2 million or 40.8 percent increase in state shared revenue. Interest income increased by \$0.6 million or 19.2 percent. All these increases were offset by a \$27.8 million reduction in the net change in fair value of investments compared to a \$2.1 million reduction in 2021, mainly due to market conditions. Total expenditures increased \$30.6 million or 8.3 percent with the most significant increase resulting from public safety expenditures, which increased by \$19.4 million or 8.2 percent, as a result of an increase in emergency medical costs as well

**POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2022**

as increases in salaries and benefits needed to maintain competitive pay and appropriate staffing. When combined, these charges, along with total other financing uses of \$25.5 million in 2022, compared to total other financing uses of \$19.0 million in 2021, resulted in fund balance decreasing to \$133.9 million in 2022 compared to \$139.6 million in 2021.

Most County Transportation Trust Fund revenue is generated through gas taxes and state-shared revenues and is used for the construction and maintenance of roads and bridges. The fund balance for the County Transportation Trust Fund increased by \$6.3 million in 2022 due to a slight increase in revenues primarily from gas taxes, which was offset by an \$8.8 million reduction of net change in fair value of investments. Total expenditures increased by \$3.9 million primarily due to the County's continued work on several high-priority pavement management and road-widening projects. The entire fund balance of the County Transportation Trust Fund is restricted for future use.

Impact fees are charged to new developments to offset the cost of infrastructure needed for additional facilities and services necessitated by the County's robust growth. The County is still in the second phase of its implementation of a new impact fee schedule which increased impact fees collected beginning in 2021. The fund balance for the Impact Fees Fund increased by \$10.9 million, driven primarily by a significant increase in special assessments. The entire fund balance of the Impact Fees Fund is restricted for future use.

Polk County received funding from the U.S. Department of Treasury in 2020 under the Coronavirus Aid, Relief and Economic Security (CARES) Act and the Coronavirus Relief Fund was established to account for all activities related to money received for coronavirus relief. The majority of the revenues received were spent on public safety expenditures.

**Proprietary Funds**

Proprietary fund statements provide the same information as in the business-type activities column of the government-wide statements, but in greater detail, and on a fund basis for enterprise funds and internal service funds.

**Enterprise Funds**

At September 30, 2022, total net position was \$812.5 million for enterprise funds compared to \$761.8 million in 2021.

The Utilities Fund had operating income of \$52.2 million in 2022 compared to \$42.1 million in 2021. Operating revenues increased by \$15.9 million due to growth in the customer base and a \$12.9 million increase in connection fee collections due to the addition of multiple apartment complexes being built in the County. Operating expenses increased by \$5.7 million primarily due to an increase in operations and maintenance. The Utilities division is in the process of implementing new customer information system and computerized maintenance management systems to replace current systems.

The Waste and Recycling Fund had operating income of \$15.3 million in 2022 compared to \$64.5 million in 2021. While operating revenues increased by \$5.6 million, operating expenses increased by \$54.9 million, due to the long-term care liability adjustment of (\$53.1) million in 2021. A leachate drainage solution related to the County landfill's closure and long-term care was approved by the FLDEP and implemented thereby lowering the overall liability in 2021 causing the negative expense.

**POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2022**

The Rohr Nursing Home Fund (a nonmajor enterprise fund) had an operating loss of \$0.09 million in 2022 compared to an operating income of \$0.05 million in 2021. Although the total expenses of the fund decreased in 2022, led primarily by a \$0.6 million decrease in personnel expenses, a corresponding decrease in charges for services were not enough to offset the decreases in total expenses, thus resulting in the operating loss.

**Internal Service Funds**

Internal service funds are designed to recover the costs of general services provided to the other fund groups.

The Fleet Fund operations resulted in an operating income in 2022 of \$3.1 million compared to \$3.8 million in 2021 due to an increase of \$1.2 million in charges for services and an increase in personnel service expenses of \$0.5 million and an increase of \$1.1 million in operations and maintenance.

The Employee Health Insurance Fund operating income for 2022 was \$5.4 million in contrast to an operating loss of \$2.6 million in 2021. A decrease in Healthcare Program expenses of \$6.0 million in 2022 is primarily the reason for the increase in operating income. Charges for services and other revenues overall increased \$1.8 million due to premium increases implemented to cover projected increases in claims. The County continues to review insurance needs as well as cost containment.

The Information Technology Fund had an operating loss of \$0.4 million in 2022 compared to an operating income of \$0.9 million in 2021 primarily due to a \$0.6 million increase in personnel service expenses and a \$1.4 million increase in operations and maintenance expenses in 2022.

**POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2022**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund budget to actual statement is presented in the Basic Financial Statements. Variances between original and final budget amounts are due to excess revenue and unspent appropriations. Revenues were budgeted at 95.0 percent of the anticipated amount as required by State Statute.

The actual net change in the fund balance of the General Fund compared to the final budget was a positive variance of \$37.0 million. General Fund revenues were \$6.7 million more than the final budget amounts. The most significant areas of revenue overages were in the areas of taxes, licenses, and intergovernmental. Furthermore, actual expenditures in the General Fund functional areas were \$28.2 million less than the final budget. Unspent appropriations represent 6.6 percent of the total expenditure budget.

**CAPITAL ASSETS ACTIVITY**

At year end, the County had \$3,976.7 million (net of accumulated depreciation) invested in a variety of capital assets as reflected in the following schedule. The net increase in capital assets in 2022 as a result of additions, deletions, and depreciation/amortization was \$75.7 million. For more detailed information regarding capital asset activity see Note 6 in the Notes to Financial Statements.

**Capital Assets, Net of Accumulated Depreciation/Amortization  
(In Millions)**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021*	2022	2021*	2022	2021*
Land and Right-of-Way	\$ 970.9	\$ 955.2	\$ 19.5	\$ 19.4	\$ 990.4	\$ 974.6
Infrastructure	1,858.4	1,887.9	-	-	1,858.4	1,887.9
Building and Improvements	214.8	218.7	622.3	596.5	837.1	815.2
Equipment	79.1	81.0	5.0	5.5	84.1	86.5
Right-to-Use Buildings	7.2	-	-	-	7.2	-
Right-to-Use Equipment	1.1	-	-	-	1.1	-
Intangibles	5.4	5.2	2.8	2.7	8.2	7.9
Construction in Progress	105.5	69.4	84.7	59.5	190.2	128.9
<b>Total</b>	<b>\$ 3,242.4</b>	<b>\$ 3,217.4</b>	<b>\$ 734.3</b>	<b>\$ 683.6</b>	<b>\$ 3,976.7</b>	<b>\$ 3,901.0</b>

\* Fiscal year 2021 balances are not restated for GASB 87

**POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2022**

**DEBT MANAGEMENT**

At September 30, 2022, the County had \$407.5 million in long-term liabilities (bonds, notes, etc.) outstanding compared to \$421.1 million last year. For additional details see Note 10 in the Notes to Financial Statements.

**Long-Term Liabilities  
(In Millions)**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021*	2022	2021*	2022	2021*
Bonds Payable	\$ 59.5	\$ 62.5	\$ 164.2	\$ 169.7	\$ 223.7	\$ 232.2
Notes Payable	72.3	80.8	-	-	72.3	80.8
Interlocal Agreements	30.5	33.1	1.7	1.9	32.2	35.0
Closure and Long-Term Care	-	-	39.5	40.4	39.5	40.4
Lease Liability	8.6	-	-	-	8.6	-
Compensated Absences	18.2	18.5	1.0	1.0	19.2	19.5
Self-Insurance Liability	11.5	12.8	-	-	11.5	12.8
Other Long-Term Liabilities	-	-	0.5	0.4	0.5	0.4
Total	<u>\$ 200.6</u>	<u>\$ 207.7</u>	<u>\$ 206.9</u>	<u>\$ 213.4</u>	<u>\$ 407.5</u>	<u>\$ 421.1</u>

\*Fiscal year 2021 balances are not restated for GASB 87

The most significant increase in long-term liabilities was the addition of \$8.6 million in leases. Bonds payable, notes payables and interlocal agreements overall decreased \$19.8 million due to principal payments. All of Polk County's bonded debt represents bonds secured solely by specified revenue sources.

**POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2022**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- According to the U.S Bureau of Labor Statistics, the unemployment rate for Polk County in September 2022 was 3.2 percent compared to 4.9 percent in September 2021. In contrast, the statewide and national rates in September 2022 were 2.6 percent and 3.3 percent, respectively.
- Service demands are growing as the County continues to urbanize. Florida's Office of Economic and Demographic Research reported Polk County's 2022 estimated population as 770,019 with forecasts suggesting the County will be home to an estimated 877,761 by 2030 and 979,194 by 2040. Polk County provides many services for its citizens, including fire suppression and ambulance services; building and maintaining parks, roads, sidewalks and trails; garbage and recycling collection; and water/wastewater utilities.
- Countywide budgeted property values increased 17.75 percent in FY 2023 as compared to 9.03 percent in FY 2022. Polk County has experienced ten consecutive years of robust property value increases and remains cautiously optimistic that this can be sustained in the second year of the biennial budget. Projections for the FY 2024 budget slow this valuation growth down to 7.5 percent. Over the past few years, the County has developed a strategic business plan that provides the framework to guide a long-term plan and to help with making difficult decisions for the future.
- The adopted total countywide operating millage rate decreased to 6.6920 mills in the FY 2023 adopted budget, with the General Fund operating millage decreasing to 5.2420 mills. Revenue from millage in this budget includes the fourth year of levies for emergency medical services and millage for transportation. More information can be found by accessing the County's website at [www.polk-county.net](http://www.polk-county.net) and selecting "Government," then "Budget and Management Services."

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Polk County's finances and was prepared by the Comptroller Division of the Clerk of the Circuit Court and County Comptroller. Requests for additional information should be addressed to the above department at P.O. Box 988, Bartow, Florida 33831, or by accessing the website at [www.polkcountyclerk.net](http://www.polkcountyclerk.net).

## **BASIC FINANCIAL STATEMENTS**

**POLK COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 967,725,232	\$ 251,865,229	\$ 1,219,590,461
Cash with Fiscal Agent	700,000	-	700,000
Restricted Cash and Investments	-	58,628,565	58,628,565
Accounts Receivable - Net	29,631,218	13,869,461	43,500,679
Interest Receivable	1,767,842	469,055	2,236,897
Lease Receivable	771,663	-	771,663
Due from Other Governments	23,264,147	211,259	23,475,406
Internal Balances	3,176,129	(3,176,129)	-
Inventory	1,526,579	4,133,853	5,660,432
Other Assets	9,995,115	9,909	10,005,024
Capital Assets Not Being Depreciated/Amortized	1,080,930,304	106,910,995	1,187,841,299
Capital Assets Net of Accumulated Depreciation/Amortization	2,161,484,428	627,390,269	2,788,874,697
Total Assets	<u>4,280,972,657</u>	<u>1,060,312,466</u>	<u>5,341,285,123</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Pension	106,069,361	4,218,569	110,287,930
Deferred Amounts on OPEB	26,329,397	1,732,734	28,062,131
Deferred Charges on Debt Refundings	2,105,620	8,413,536	10,519,156
Total Deferred Outflows of Resources	<u>\$ 134,504,378</u>	<u>\$ 14,364,839</u>	<u>\$ 148,869,217</u>

See accompanying Notes to Financial Statements.



**POLK COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**SEPTEMBER 30, 2022**

	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
Vouchers Payable	\$ 35,021,305	\$ 10,449,829	\$ 45,471,134
Accrued Liabilities	24,126,245	3,256,220	27,382,465
Accrued Interest Payable	1,342,053	-	1,342,053
Customer Deposits and Other Liabilities			
Payable from Restricted Assets	-	7,811,012	7,811,012
Other Deposits	7,458,380	-	7,458,380
Due to Other Governments	68,079,168	54,992	68,134,160
Unearned Revenue	150,361,478	-	150,361,478
Claims Payable	5,760,000	-	5,760,000
Lease Liability Due within One Year	1,524,001	34,546	1,558,547
Noncurrent Liabilities:			
Noncurrent Liabilities Due within One Year	28,181,100	6,978,612	35,159,712
Due in More than One Year	163,780,365	199,835,859	363,616,224
Net Pension Liability	401,862,275	16,761,089	418,623,364
Lease Liability	7,095,262	20,387	7,115,649
Total OPEB Liability	195,893,256	12,891,680	208,784,936
Total Liabilities	1,090,484,888	258,094,226	1,348,579,114
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Pension	29,151,234	1,397,288	30,548,522
Deferred Amounts on OPEB	36,137,193	2,378,183	38,515,376
Leases	779,178	-	779,178
Taxes Received in Advance	2,423,631	312,552	2,736,183
Total Deferred Inflows of Resources	68,491,236	4,088,023	72,579,259
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,124,788,127	585,854,572	3,710,642,699
Restricted for:			
Court Fund and Records Modernization	9,057,771	-	9,057,771
Grants, Federal Elections	442,615	-	442,615
Public Safety	37,813,241	-	37,813,241
Physical Environment	10,877,418	-	10,877,418
Transportation	109,702,554	-	109,702,554
Economic Environment	18,205,975	-	18,205,975
Human Services	77,084,390	-	77,084,390
Culture and Recreation	15,444,321	-	15,444,321
Debt Service	9,415,366	-	9,415,366
Capital Projects	104,182,252	-	104,182,252
Renewal, Replacement, and Improvements	-	1,000,000	1,000,000
Restricted for Other Purposes	909	-	909
Unrestricted	(260,514,028)	225,640,484	(34,873,544)
Total Net Position	\$ 3,256,500,911	\$ 812,495,056	\$ 4,068,995,967

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 139,983,355	\$ 38,539,510	\$ 3,234,429	\$ 1,547,093
Public Safety	378,924,840	131,825,216	1,794,621	843,983
Physical Environment	9,100,379	967,880	292,107	39,544
Transportation	122,981,425	35,313,595	657,500	32,567,645
Economic Environment	24,781,982	299,652	5,577,715	-
Human Services	56,446,406	2,445,240	419,433	29,247
Culture and Recreation	24,125,204	4,327,575	45,591	361,175
<b>Debt Service:</b>				
Interest on Long-Term Debt	4,347,963	-	-	-
Total Governmental Activities	<u>760,691,554</u>	<u>213,718,668</u>	<u>12,021,396</u>	<u>35,388,687</u>
<b>Business-Type Activities:</b>				
Water and Sewer	74,009,120	119,094,458	-	17,776,346
Garbage Collection/Disposal	36,770,767	51,406,018	-	-
Rohr Nursing Home	3,516,974	3,428,189	-	-
Total Business-Type Activities	<u>114,296,861</u>	<u>173,928,665</u>	<u>-</u>	<u>17,776,346</u>
Total Primary Government	<u>\$ 874,988,415</u>	<u>\$ 387,647,333</u>	<u>\$ 12,021,396</u>	<u>\$ 53,165,033</u>

**GENERAL REVENUES**

Taxes:

Property Taxes

Fuel Taxes

Sales Tax

Services Taxes

Other Taxes

State Shared Revenues, Unrestricted

Investment Earnings

Net Change in Fair Value of Investments

Gain on Sale of Capital Assets

Miscellaneous

**TRANSFERS**

Total General Revenues and Transfers

**CHANGE IN NET POSITION**

Net Position - Beginning of Year

**NET POSITION - END OF YEAR**

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (96,662,323)	\$ -	\$ (96,662,323)
(244,461,020)	-	(244,461,020)
(7,800,848)	-	(7,800,848)
(54,442,685)	-	(54,442,685)
(18,904,615)	-	(18,904,615)
(53,552,486)	-	(53,552,486)
(19,390,863)	-	(19,390,863)
<u>(4,347,963)</u>	<u>-</u>	<u>(4,347,963)</u>
(499,562,803)	-	(499,562,803)
-	62,861,684	62,861,684
-	14,635,251	14,635,251
-	(88,785)	(88,785)
<u>-</u>	<u>77,408,150</u>	<u>77,408,150</u>
(499,562,803)	77,408,150	(422,154,653)
314,541,874	-	314,541,874
38,548,037	-	38,548,037
125,048,030	-	125,048,030
53,707,137	-	53,707,137
24,306,986	-	24,306,986
24,048,547	-	24,048,547
11,160,952	3,780,172	14,941,124
(75,789,166)	(26,069,872)	(101,859,038)
1,462,130	-	1,462,130
44,916,670	2,615,702	47,532,372
<u>7,029,612</u>	<u>(7,029,612)</u>	<u>-</u>
<u>568,980,809</u>	<u>(26,703,610)</u>	<u>542,277,199</u>
69,418,006	50,704,540	120,122,546
<u>3,187,082,905</u>	<u>761,790,516</u>	<u>3,948,873,421</u>
<u>\$ 3,256,500,911</u>	<u>\$ 812,495,056</u>	<u>\$ 4,068,995,967</u>

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
SEPTEMBER 30, 2022**

	General	Coronavirus Relief	County Transportation Trust	Impact Fees	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Investments	\$ 219,351,610	\$ 131,041,156	\$ 107,683,963	\$ 104,848,807	\$ 350,357,138	\$ 913,282,674
Cash with Fiscal Agent	200,000	-	-	-	500,000	700,000
Accounts Receivable	27,236,661	-	269	15,611	789,533	28,042,074
Interest Receivable	634,955	-	205,718	197,537	625,965	1,664,175
Lease Receivable	-	-	-	-	771,663	771,663
Due from Other Governments	5,329,387	-	3,751,326	918,581	13,264,853	23,264,147
Due from Other Funds	460,698	-	-	-	3,668,014	4,128,712
Inventory, at Cost	935,738	-	-	-	-	935,738
Other Assets	1,709,842	4,225,292	-	1,641,597	234,209	7,810,940
	<u>\$ 255,858,891</u>	<u>\$ 135,266,448</u>	<u>\$ 111,641,276</u>	<u>\$ 107,622,133</u>	<u>\$ 370,211,375</u>	<u>\$ 980,600,123</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Vouchers Payable	\$ 14,603,953	\$ 1,156,295	\$ 1,151,945	\$ 2,425,232	\$ 12,254,477	\$ 31,591,902
Accrued Liabilities	13,175,217	1,824	395,903	896,772	9,212,478	23,682,194
Customer Deposits	1,888,212	-	-	-	5,570,168	7,458,380
Due to Other Governments	66,258,101	-	92,849	-	1,728,218	68,079,168
Due to Other Funds	5,963,830	159,480	-	-	545,983	6,669,293
Unearned Revenue	388,825	133,948,849	323,103	117,877	16,899,928	151,678,582
Total Liabilities	102,278,138	135,266,448	1,963,800	3,439,881	46,211,252	289,159,519
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Taxes Received in Advance	1,339,252	-	-	-	1,084,379	2,423,631
Leases	-	-	-	-	779,178	779,178
Unavailable Revenue	18,368,790	-	-	-	-	18,368,790
Total Deferred Inflows of Resources	19,708,042	-	-	-	1,863,557	21,571,599
<b>FUND BALANCES</b>						
Nonspendable	2,645,580	4,225,292	-	1,641,597	234,209	8,746,678
Restricted	6,133,948	-	109,677,476	104,182,252	173,571,519	393,565,195
Committed	90,481	-	-	-	111,109,480	111,199,961
Assigned	160,826	-	-	-	37,576,142	37,736,968
Unassigned	124,841,876	(4,225,292)	-	(1,641,597)	(354,784)	118,620,203
Total Fund Balances	133,872,711	-	109,677,476	104,182,252	322,136,566	669,869,005
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 255,858,891</u>	<u>\$ 135,266,448</u>	<u>\$ 111,641,276</u>	<u>\$ 107,622,133</u>	<u>\$ 370,211,375</u>	<u>\$ 980,600,123</u>

See accompanying Notes to Financial Statements.

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

Total Fund Balances - Total Governmental Funds		\$ 669,869,005
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Nondepreciable/Amortizable Capital Assets	\$ 1,080,930,304	
Depreciable Capital Assets	<u>2,161,484,428</u>	3,242,414,732
Ambulance receivables are not financial resources in the current period and, therefore, are reported as deferred inflows.		18,368,790
Other long-term assets are not available to pay for current period expenditures and, therefore, are expensed in future periods. This item includes unamortized bond insurance.		2,068,274
Deferred Charges on Debt Refundings		2,105,620
Long-term liabilities, including bonds payable, capital leases, and accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds Payable, Net of Premiums (Amortized as Interest Expense)	(59,441,238)	
Notes Payable	(72,319,903)	
Interlocal Agreements	(30,537,597)	
Self-Insurance Liability	(11,460,000)	
Lease Liability	(8,619,263)	
Compensated Absences	<u>(18,202,727)</u>	(200,580,728)
Net Pension Liability and Related Deferred Outflows and Inflows of Resources.		(324,944,148)
Total OPEB Liability and Related Deferred Outflows and Inflows of Resources.		(205,701,052)
Accrued general long-term debt interest expenses are not financial uses and, therefore, are not reported in the funds and other liabilities.		(1,342,053)
Internal service funds are used by management to charge the costs of certain activities, such as employee health insurance, information technology support and fleet management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position, net of amounts for capital assets, net other post employment benefits obligation (OPEB), net pension liability and related amounts, and accrued compensated absences which are listed below:		
Internal Service Net Position	70,057,550	
Internal Service Capital Assets	(31,084,217)	
Internal Service Pension Liability and Related Deferred Outflows and Inflows	6,482,679	
Internal Service OPEB Liability and Related Deferred Outflows and Inflows	5,036,572	
Internal Service Accrued Compensated Absences	<u>438,690</u>	50,931,274
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.		<u>3,311,197</u>
Net Position of Governmental Activities		<u><u>\$ 3,256,500,911</u></u>

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2022**

	General	Coronavirus Relief	County Transportation Trust	Impact Fees	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 285,652,080	\$ -	\$ 26,859,179	\$ -	\$ 179,833,449	\$ 492,344,708
Licenses and Permits	7,769,974	-	-	-	11,960,690	19,730,664
Intergovernmental	67,863,297	5,805,240	11,688,858	1,000,000	42,902,619	129,260,014
Charges for Services	71,222,006	-	-	-	16,917,230	88,139,236
Fines and Forfeitures	2,312,695	-	-	-	7,247,510	9,560,205
Special Assessments	830,535	-	-	39,030,352	57,837,924	97,698,811
Interest Income	3,562,844	702	1,245,973	1,166,692	4,405,048	10,381,259
Net Change in Fair Value of Investments	(27,800,785)	-	(8,819,359)	(8,468,558)	(26,256,195)	(71,344,897)
Miscellaneous Revenue	6,579,519	8,190	4,546	-	9,893,004	16,485,259
Total Revenues	<u>417,992,165</u>	<u>5,814,132</u>	<u>30,979,197</u>	<u>32,728,486</u>	<u>304,741,279</u>	<u>792,255,259</u>
<b>EXPENDITURES</b>						
Current:						
General Government	124,921,742	1,042,795	-	-	15,445,681	141,410,218
Public Safety	257,292,549	3,428,891	-	62,505	93,557,607	354,341,552
Physical Environment	5,890,805	844,879	-	-	2,714,074	9,449,758
Transportation	2,843,381	-	20,402,212	18,416,976	56,217,195	97,879,764
Economic Environment	1,666,008	-	-	-	23,838,726	25,504,734
Human Services	4,053,917	-	-	-	51,152,386	55,206,303
Culture and Recreation	632,885	-	-	1,841,502	25,560,517	28,034,904
Debt Service:						
Principal Retirement	670,762	-	6,510	-	13,975,495	14,652,767
Interest and Fiscal Charges	237,945	-	932	-	5,220,180	5,459,057
Capital Projects	-	-	-	-	26,255,589	26,255,589
Total Expenditures	<u>398,209,994</u>	<u>5,316,565</u>	<u>20,409,654</u>	<u>20,320,983</u>	<u>313,937,450</u>	<u>758,194,646</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	19,782,171	497,567	10,569,543	12,407,503	(9,196,171)	34,060,613
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	12,633,251	10,886	-	-	56,288,721	68,932,858
Transfers Out	(47,456,229)	(508,453)	(4,250,000)	(1,550,000)	(8,863,564)	(62,628,246)
Proceeds from the Sale of Capital Assets	1,904,304	-	-	-	-	1,904,304
Lease Proceeds	7,384,966	-	-	-	59,755	7,444,721
Total Other Financing Sources (Uses)	<u>(25,533,708)</u>	<u>(497,567)</u>	<u>(4,250,000)</u>	<u>(1,550,000)</u>	<u>47,484,912</u>	<u>15,653,637</u>
<b>NET CHANGE IN FUND BALANCES</b>	(5,751,537)	-	6,319,543	10,857,503	38,288,741	49,714,250
Fund Balances - Beginning of Year	<u>139,624,248</u>	<u>-</u>	<u>103,357,933</u>	<u>93,324,749</u>	<u>283,847,825</u>	<u>620,154,755</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 133,872,711</u>	<u>\$ -</u>	<u>\$ 109,677,476</u>	<u>\$ 104,182,252</u>	<u>\$ 322,136,566</u>	<u>\$ 669,869,005</u>

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ 49,714,250

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which depreciation expense is more than capital outlay in the current period.

Reduction in Capital Expenditures (excluding internal service)	\$ (57,892,474)	
Donated Capital Assets	(26,079,804)	
Net Book Value of Disposed Capital Assets (excluding internal service)	3,107,659	
Depreciation Expense (excluding internal service)	<u>104,817,275</u>	23,952,656

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Bond Premium/Discount	256,634	
Principal Payments - Notes Payable	8,432,097	
Principal Payments - Bonds Payable	2,835,000	
Principal Payments - Leases	1,774,371	
Lease Proceeds	(7,371,960)	
Principal Payments - Interlocal Agreements	<u>2,520,241</u>	8,446,383

Some expenses, such as expenses related to accrued compensated absences, accrued interest expense, self-insurance liabilities, postemployment benefits obligations (OPEB), and other accrued liabilities are reported in the statement of activities and do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences	303,271	
Self-Insurance Liability	1,300,000	
Interest Expense	85,686	
Pension Expense	(6,325,211)	
OPEB Expense	<u>(14,160,409)</u>	(18,796,663)

Governmental funds record unavailable ambulance receivables, other assets and unavailable accrued interest receivable as deferred inflows. However, on the government-wide financial statements these are recorded as revenue.

893,339

Internal service funds are used by management to charge the costs of insurance, information technology support and fleet management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

5,208,041

Change in Net Position of Governmental Activities

\$ 69,418,006

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 269,885,839	\$ 269,885,839	\$ 285,652,080	\$ 15,766,241
Licenses and Permits	928,502	928,502	7,769,974	6,841,472
Intergovernmental	51,170,320	51,774,020	67,863,297	16,089,277
Charges for Services	54,982,453	69,466,186	71,222,006	1,755,820
Fines and Forfeitures	1,666,402	5,834,447	2,312,695	(3,521,752)
Special Assessments	3,594,316	394,316	830,535	436,219
Interest Income	3,046,596	3,186,596	3,562,844	376,248
Net Change in Fair Value of Investments	-	-	(27,800,785)	(27,800,785)
Miscellaneous Revenue	5,750,768	9,840,894	6,579,519	(3,261,375)
Total Revenues	<u>391,025,196</u>	<u>411,310,800</u>	<u>417,992,165</u>	<u>6,681,365</u>
<b>EXPENDITURES</b>				
Current:				
General Government	132,043,457	138,214,543	124,921,742	13,292,801
Public Safety	244,509,797	268,524,403	257,292,549	11,231,854
Physical Environment	7,436,950	7,451,100	5,890,805	1,560,295
Transportation	2,895,697	2,895,697	2,843,381	52,316
Economic Environment	1,817,348	1,819,698	1,666,008	153,690
Human Services	5,378,180	5,393,080	4,053,917	1,339,163
Culture and Recreation	980,583	987,583	632,885	354,698
Debt Service:				
Principal Retirement	-	807,900	670,762	137,138
Interest and Fiscal Charges	-	267,025	237,945	29,080
Total Expenditures	<u>395,062,012</u>	<u>426,361,029</u>	<u>398,209,994</u>	<u>28,151,035</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,036,816)	(15,050,229)	19,782,171	34,832,400
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	14,337,962	14,692,714	12,633,251	(2,059,463)
Transfers Out	(50,020,591)	(50,020,591)	(47,456,229)	2,564,362
Proceeds from the Sale of Capital Assets	-	1,285,902	1,904,304	618,402
Lease Proceeds	-	6,346,210	7,384,966	1,038,756
Total Other Financing Sources (Uses)	<u>(35,682,629)</u>	<u>(27,695,765)</u>	<u>(25,533,708)</u>	<u>2,162,057</u>
<b>NET CHANGE IN FUND BALANCE</b>	(39,719,445)	(42,745,994)	(5,751,537)	36,994,457
Fund Balance - Beginning of Year	<u>139,624,248</u>	<u>139,624,248</u>	<u>139,624,248</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 99,904,803</u>	<u>\$ 96,878,254</u>	<u>\$ 133,872,711</u>	<u>\$ 36,994,457</u>

See accompanying Notes to Financial Statements.



**POLK COUNTY, FLORIDA  
CORONAVIRUS RELIEF FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 13,583,557	\$ 13,583,557	\$ 5,805,240	\$ (7,778,317)
Interest Income	329,601	329,601	702	(328,899)
Miscellaneous Revenue	-	-	8,190	8,190
Total Revenues	<u>13,913,158</u>	<u>13,913,158</u>	<u>5,814,132</u>	<u>(8,099,026)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	(97,616,443)	(97,580,421)	1,042,795	(98,623,216)
Public Safety	109,422,601	109,386,579	3,428,891	105,957,688
Physical Environment	33,457,000	33,457,000	844,879	32,612,121
Total Expenditures	<u>45,263,158</u>	<u>45,263,158</u>	<u>5,316,565</u>	<u>39,946,593</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(31,350,000)	(31,350,000)	497,567	31,847,567
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	10,886	10,886
Transfers Out	-	-	(508,453)	(508,453)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(497,567)</u>	<u>(497,567)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(31,350,000)	(31,350,000)	-	31,350,000
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (31,350,000)</u>	<u>\$ (31,350,000)</u>	<u>\$ -</u>	<u>\$ 31,350,000</u>

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA  
COUNTY TRANSPORTATION TRUST FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 28,623,962	\$ 28,623,962	\$ 26,859,179	\$ (1,764,783)
Intergovernmental	12,234,676	12,234,676	11,688,858	(545,818)
Interest Income	451,799	451,799	1,245,973	794,174
Net Change in Fair Value of Investments	-	-	(8,819,359)	(8,819,359)
Miscellaneous Revenue	28,000	28,000	4,546	(23,454)
Total Revenues	<u>41,338,437</u>	<u>41,338,437</u>	<u>30,979,197</u>	<u>(10,359,240)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	34,896,491	39,024,217	20,402,212	18,622,005
Debt Service:				
Principal Retirement	-	7,000	6,510	490
Interest and Fiscal Charges	-	1,100	932	168
Total Expenditures	<u>34,896,491</u>	<u>39,032,317</u>	<u>20,409,654</u>	<u>18,622,663</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	6,441,946	2,306,120	10,569,543	8,263,423
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	44,000,000	44,000,000	-	(44,000,000)
Transfers Out	<u>(48,250,000)</u>	<u>(48,250,000)</u>	<u>(4,250,000)</u>	<u>44,000,000</u>
Total Other Financing Sources (Uses)	<u>(4,250,000)</u>	<u>(4,250,000)</u>	<u>(4,250,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,191,946	(1,943,880)	6,319,543	8,263,423
Fund Balance - Beginning of Year	<u>103,357,933</u>	<u>103,357,933</u>	<u>103,357,933</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 105,549,879</u>	<u>\$ 101,414,053</u>	<u>\$ 109,677,476</u>	<u>\$ 8,263,423</u>

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA  
IMPACT FEES FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Special Assessments	20,331,769	20,331,769	39,030,352	18,698,583
Interest Income	512,224	512,224	1,166,692	654,468
Net Change in Fair Value of Investments	-	-	(8,468,558)	(8,468,558)
Total Revenues	<u>20,843,993</u>	<u>20,843,993</u>	<u>32,728,486</u>	<u>11,884,493</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	6,360,889	6,360,889	62,505	6,298,384
Transportation	36,844,603	37,438,354	18,416,976	19,021,378
Culture and Recreation	3,141,013	3,141,013	1,841,502	1,299,511
Total Expenditures	<u>46,346,505</u>	<u>46,940,256</u>	<u>20,320,983</u>	<u>26,619,273</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(25,502,512)	(26,096,263)	12,407,503	38,503,766
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	45,660	45,660	-	(45,660)
Transfers Out	(1,595,660)	(1,595,660)	(1,550,000)	45,660
Total Other Financing Sources (Uses)	<u>(1,550,000)</u>	<u>(1,550,000)</u>	<u>(1,550,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(27,052,512)	(27,646,263)	10,857,503	38,503,766
Fund Balance - Beginning of Year	<u>93,324,749</u>	<u>93,324,749</u>	<u>93,324,749</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 66,272,237</u>	<u>\$ 65,678,486</u>	<u>\$ 104,182,252</u>	<u>\$ 38,503,766</u>

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA  
PROPRIETARY FUNDS  
STATEMENT OF FUND NET POSITION  
SEPTEMBER 30, 2022**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utilities	Waste and Recycling	Rohr Nursing Home (Nonmajor Fund)	Total	
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
<b>CURRENT ASSETS</b>					
Cash and Investments	\$ 107,924,591	\$ 143,940,638	\$ -	\$ 251,865,229	\$ 54,442,558
Restricted Cash and Investments	7,581,452	229,560	-	7,811,012	-
Accounts Receivable	19,072,199	2,266,800	74,343	21,413,342	1,589,144
Allowance for Uncollectible Accounts	(7,483,398)	-	(60,483)	(7,543,881)	-
Interest Receivable	250,378	218,677	-	469,055	103,667
Due from Other Funds	1,949	319,793	-	321,742	2,405,513
Due from Other Governments	34,563	-	176,696	211,259	-
Inventory	4,133,853	-	-	4,133,853	590,841
Other Assets	9,909	-	-	9,909	1,780,076
Total Current Assets	<u>131,525,496</u>	<u>146,975,468</u>	<u>190,556</u>	<u>278,691,520</u>	<u>60,911,799</u>
<b>NONCURRENT ASSETS</b>					
Restricted Cash and Investments	11,307,530	39,510,023	-	50,817,553	-
Capital Assets:					
Land and Easements	15,167,904	7,008,301	56,410	22,232,615	-
Buildings, Utility Plants and Improvements	827,246,331	82,721,363	4,081,170	914,048,864	8,858,089
Equipment	5,189,635	12,586,807	253,856	18,030,298	97,891,674
Infrastructure	-	95,783	-	95,783	-
Intangible Assets	6,816,970	399,628	-	7,216,598	7,148,498
Right-to-Use Equipment	88,880	-	-	88,880	-
Construction in Progress	55,683,658	28,994,722	-	84,678,380	158,003
Less: Accumulated Depreciation/Amortization	<u>(229,318,561)</u>	<u>(80,231,203)</u>	<u>(2,540,390)</u>	<u>(312,090,154)</u>	<u>(82,972,047)</u>
Total Capital Assets (Net of Accumulated Depreciation/Amortization)	<u>680,874,817</u>	<u>51,575,401</u>	<u>1,851,046</u>	<u>734,301,264</u>	<u>31,084,217</u>
Total Noncurrent Assets	<u>692,182,347</u>	<u>91,085,424</u>	<u>1,851,046</u>	<u>785,118,817</u>	<u>31,084,217</u>
Total Assets	<u>823,707,843</u>	<u>238,060,892</u>	<u>2,041,602</u>	<u>1,063,810,337</u>	<u>91,996,016</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Amounts on Pension	3,168,097	577,600	472,872	4,218,569	1,962,128
Deferred Amounts on OPEB	1,276,882	260,488	195,364	1,732,734	644,674
Deferred Charges on Debt Refundings	8,413,536	-	-	8,413,536	-
Total Deferred Outflows of Resources	<u>12,858,515</u>	<u>838,088</u>	<u>668,236</u>	<u>14,364,839</u>	<u>2,606,802</u>

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA  
PROPRIETARY FUNDS  
STATEMENT OF FUND NET POSITION (CONTINUED)  
SEPTEMBER 30, 2022**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utilities	Waste and Recycling	Rohr Nursing Home (Nonmajor Fund)	Total	
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>					
<b>CURRENT LIABILITIES</b>					
Vouchers Payable	\$ 6,790,677	\$ 3,492,193	\$ 166,959	\$ 10,449,829	\$ 3,429,403
Accrued Liabilities	2,300,840	857,042	98,338	3,256,220	444,051
Due to Other Funds	2,668	6,353	177,653	186,674	-
Due to Other Governments	54,992	-	-	54,992	-
Unearned Revenue	-	-	-	-	347,071
Accrued Compensated Absences, Current Portion	805,383	130,184	76,968	1,012,535	438,690
Lease Liability - Current Portion	34,546	-	-	34,546	-
Interlocal Agreement, Current Portion	201,217	-	-	201,217	-
Revenue Bonds Payable, Current Portion	5,764,860	-	-	5,764,860	-
Claims Payable	-	-	-	-	5,760,000
Total Current Liabilities	15,955,183	4,485,772	519,918	20,960,873	10,419,215
<b>CURRENT LIABILITIES, Payable from Restricted Assets</b>					
Vouchers Payable	-	2,081	-	2,081	-
Customer Deposits	7,581,452	227,479	-	7,808,931	-
Total Current Liabilities, Payable from Restricted Assets	7,581,452	229,560	-	7,811,012	-
Total Current Liabilities	23,536,635	4,715,332	519,918	28,771,885	10,419,215
<b>NONCURRENT LIABILITIES</b>					
Closure and Long-Term Care, Payable from Restricted Assets	-	39,510,023	-	39,510,023	-
Contracts Payable	58,880	-	-	58,880	-
Interlocal Agreement, Net of Current Portion	1,495,038	-	-	1,495,038	-
Revenue Bonds Payable (Net of Unamortized Premiums)	158,393,933	-	-	158,393,933	-
Total OPEB Liability	9,500,131	1,938,045	1,453,504	12,891,680	4,796,430
Net Pension Liability	12,574,800	2,299,800	1,886,489	16,761,089	7,795,129
Lease Liability	20,387	-	-	20,387	-
Other Noncurrent Liabilities	377,985	-	-	377,985	-
Total Noncurrent Liabilities	182,421,154	43,747,868	3,339,993	229,509,015	12,591,559
Total Liabilities	205,957,789	48,463,200	3,859,911	258,280,900	23,010,774
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Amounts on Pension	1,045,501	192,811	158,976	1,397,288	649,678
Deferred Amounts on OPEB	1,752,526	357,518	268,139	2,378,183	884,816
Taxes Received In Advance	1,928	310,624	-	312,552	-
Total Deferred Inflows of Resources	2,799,955	860,953	427,115	4,088,023	1,534,494
<b>NET POSITION</b>					
Net Investment in Capital Assets	533,142,293	50,861,233	1,851,046	585,854,572	31,084,217
Restricted for:					
Renewal, Replacement and Improvements	1,000,000	-	-	1,000,000	-
Unrestricted (Deficit)	93,666,321	138,713,594	(3,428,234)	228,951,681	38,973,333
Total Net Position	\$ 627,808,614	\$ 189,574,827	\$ (1,577,188)	815,806,253	\$ 70,057,550
Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds (Cumulative)				(3,311,197)	
Net Position of Business-Type Activities				\$ 812,495,056	

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
YEAR ENDED SEPTEMBER 30, 2022**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utilities	Waste and Recycling	Rohr Nursing Home (Nonmajor Fund)	Total	
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 119,094,458	\$ 51,406,018	\$ 3,428,189	\$ 173,928,665	\$ 100,197,976
Intergovernmental	12,053	-	-	12,053	-
Other Revenue	1,971,370	632,279	-	2,603,649	4,995,034
Total Operating Revenues	<u>121,077,881</u>	<u>52,038,297</u>	<u>3,428,189</u>	<u>176,544,367</u>	<u>105,193,010</u>
<b>OPERATING EXPENSES</b>					
Current:					
Personnel Services	15,653,654	3,349,352	1,609,478	20,612,484	9,832,941
Operations and Maintenance	31,814,524	30,964,196	1,677,376	64,456,096	15,404,569
Indirect	2,029,914	664,627	-	2,694,541	1,376,539
Depreciation/Amortization	19,295,682	2,633,746	226,700	22,156,128	8,251,852
Closure and Long-Term Care	-	(832,736)	-	(832,736)	-
Healthcare Program	-	-	-	-	62,190,262
Other	37,704	8,901	2,670	49,275	19,459
Debt Service:					
Interest and Fiscal Charges	3,952	-	-	3,952	-
Total Operating Expenses	<u>68,835,430</u>	<u>36,788,086</u>	<u>3,516,224</u>	<u>109,139,740</u>	<u>97,075,622</u>
<b>OPERATING INCOME (LOSS)</b>	52,242,451	15,250,211	(88,035)	67,404,627	8,117,388
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income (Loss)	1,493,327	2,287,456	(611)	3,780,172	594,899
Net Change in Fair Value of Investments	(10,733,954)	(15,335,918)	-	(26,069,872)	(4,444,269)
Interest Expense	(6,080,539)	-	-	(6,080,539)	-
Gain (Loss) on Disposition of Equipment	(135,502)	(4,458)	-	(139,960)	350,783
Transfer of Capital Assets	594,606	859	-	595,465	332,153
Total Nonoperating Revenues (Expenses), Net	<u>(14,862,062)</u>	<u>(13,052,061)</u>	<u>(611)</u>	<u>(27,914,734)</u>	<u>(3,166,434)</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	37,380,389	2,198,150	(88,646)	39,489,893	4,950,954
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>					
Capital Contributions	17,776,346	-	-	17,776,346	-
Transfers In	-	-	3,940	3,940	725,000
Transfers Out	(2,304,564)	(4,728,988)	-	(7,033,552)	-
Total Capital Contributions and Transfers	<u>15,471,782</u>	<u>(4,728,988)</u>	<u>3,940</u>	<u>10,746,734</u>	<u>725,000</u>
<b>CHANGE IN NET POSITION</b>	52,852,171	(2,530,838)	(84,706)	50,236,627	5,675,954
Total Net Position - Beginning of Year	<u>574,956,443</u>	<u>192,105,665</u>	<u>(1,492,482)</u>		<u>64,381,596</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ 627,808,614</u>	<u>\$ 189,574,827</u>	<u>\$ (1,577,188)</u>		<u>\$ 70,057,550</u>
Adjustments to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds:					
Current Year Adjustment				<u>467,913</u>	
Change in Net Position of Business-Type Activities				<u>\$ 50,704,540</u>	

See accompanying Notes to Financial Statements.

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**POLK COUNTY, FLORIDA  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2022**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utilities	Waste and Recycling	Rohr Nursing Home (Nonmajor Fund)	Total	
<b>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ 120,191,610	\$ 51,673,291	\$ 3,637,474	\$ 175,502,375	\$ 2,011,271
Cash Received from Internal Services	-	-	-	-	97,627,754
Cash Paid for Internal Services	(5,551,074)	(765,703)	(591,800)	(6,908,577)	-
Cash Paid to Suppliers for Goods and Services	(31,312,601)	(33,997,334)	(1,125,701)	(66,435,636)	(79,148,402)
Cash Paid to Employees for Services	(14,621,249)	(566,665)	(2,508,573)	(17,696,487)	(9,373,022)
Cash Received from Other Sources	2,167,299	632,279	-	2,799,578	4,995,034
Net Cash Provided (Used) by Operating Activities	<u>70,873,985</u>	<u>16,975,868</u>	<u>(588,600)</u>	<u>87,261,253</u>	<u>16,112,635</u>
<b>CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from Other Funds	-	-	3,940	3,940	730,468
Transfers to Other Funds	(2,304,564)	(4,728,129)	177,653	(6,855,040)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(2,304,564)</u>	<u>(4,728,129)</u>	<u>181,593</u>	<u>(6,851,100)</u>	<u>730,468</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and Construction of Capital Assets	(36,508,021)	(18,228,332)	-	(54,736,353)	(6,442,297)
Principal Paid on Bonds and Contracts	(4,431,217)	-	-	(4,431,217)	-
Interest Paid on Bonds and Interlocal Loans	(6,395,101)	-	-	(6,395,101)	-
Capital Leases	54,933	-	-	54,933	-
Proceeds on Sales of Capital Assets	87,165	-	-	87,165	812,842
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(47,192,241)</u>	<u>(18,228,332)</u>	<u>-</u>	<u>(65,420,573)</u>	<u>(5,629,455)</u>
<b>CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES</b>					
Interest and Dividends on Investments	(9,252,925)	(12,860,217)	(83)	(22,113,225)	(3,852,278)
Net Cash Provided (Used) by Investing Activities	<u>(9,252,925)</u>	<u>(12,860,217)</u>	<u>(83)</u>	<u>(22,113,225)</u>	<u>(3,852,278)</u>
<b>NET CHANGE IN CASH AND INVESTMENTS</b>	<b>12,124,255</b>	<b>(18,840,810)</b>	<b>(407,090)</b>	<b>(7,123,645)</b>	<b>7,361,370</b>
Cash and Investments - Beginning of Year	114,689,318	202,521,031	407,090	317,617,439	47,081,188
<b>CASH AND INVESTMENTS - END OF YEAR</b>	<b><u>\$ 126,813,573</u></b>	<b><u>\$ 183,680,221</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 310,493,794</u></b>	<b><u>\$ 54,442,558</u></b>
<b>RECONCILIATION OF CASH AND INVESTMENTS TO COMBINING STATEMENT OF NET POSITION</b>					
Cash and Investments	\$ 107,924,591	\$ 143,940,638	\$ -	\$ 251,865,229	\$ 54,442,558
Restricted Cash and Investments - Current	7,581,452	229,560	-	7,811,012	-
Restricted Cash and Investments - Noncurrent	11,307,530	39,510,023	-	50,817,553	-
Total Cash and Investments	<u>\$ 126,813,573</u>	<u>\$ 183,680,221</u>	<u>\$ -</u>	<u>\$ 310,493,794</u>	<u>\$ 54,442,558</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>					
Transfer of Capital Assets - Governmental Funds	\$ 594,606	\$ 859	\$ -	\$ 595,465	\$ 332,153
Contribution and Transfer of Capital Assets	<u>\$ 17,776,346</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,776,346</u>	<u>\$ 332,153</u>

See accompanying Notes to Financial Statements.



**POLK COUNTY, FLORIDA  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utilities	Waste and Recycling	Rohr Nursing Home (Nonmajor Fund)	Total	
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 52,242,451	\$ 15,250,211	\$ (88,035)	\$ 67,404,627	\$ 8,117,388
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation/Amortization	19,295,682	2,633,746	226,700	22,156,128	8,251,852
Change in Long-Term Care Liability	-	(832,736)	-	(832,736)	-
(Increase) Decrease in Assets and Deferred Outflows:					
Accounts Receivable, Net of Allowance	313,109	319,108	(41,417)	590,800	(1,001,072)
Due from Other Governments	195,929	-	250,702	446,631	-
Due from Other Funds	502	64,367	-	64,869	429,183
Other Assets	177,446	-	-	177,446	17,081
Inventory	(1,770,626)	-	-	(1,770,626)	(182,720)
Deferred Outflow from Pension	(461,979)	(43,320)	11,520	(493,779)	(302,893)
Deferred Outflow from OPEB	55,527	(47,742)	81,265	89,050	(6,131)
Increase (Decrease) in Liabilities and Deferred Inflows:					
Vouchers Payable	(1,031,056)	(1,456,105)	(37,455)	(2,524,616)	259,644
Accrued Liabilities	763,233	745,448	16,372	1,525,053	170,033
Accrued Compensated Absences	19,500	12,397	(22,772)	9,125	(23,662)
Customer Deposits	784,566	18,999	-	803,565	-
Unearned Revenue	-	-	-	-	12,938
Self-Insurance Liability	-	-	-	-	(260,000)
Total OPEB Liability	(71,779)	409,701	(533,752)	(195,830)	209,206
Due to Other Governments	436	-	-	436	-
Due to Other Funds	2,412	6,299	-	8,711	(300)
Taxes Received In Advance	(523)	(70,834)	-	(71,357)	-
Net Pension Liability	7,046,979	1,187,480	868,629	9,103,088	4,365,110
Deferred Inflow from Pension	(6,098,558)	(1,204,757)	(1,102,302)	(8,405,617)	(3,705,562)
Deferred Inflow from OPEB	(589,266)	(16,394)	(218,055)	(823,715)	(237,460)
Total Adjustments	<u>18,631,534</u>	<u>1,725,657</u>	<u>(500,565)</u>	<u>19,856,626</u>	<u>7,995,247</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 70,873,985</u>	<u>\$ 16,975,868</u>	<u>\$ (588,600)</u>	<u>\$ 87,261,253</u>	<u>\$ 16,112,635</u>

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA  
CUSTODIAL FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2022**

**ASSETS**

Cash and Cash Equivalents	\$ 31,177,387
Due from Individuals and Businesses	48,230
Due from Other Governments	<u>11,581</u>
 Total Assets	 <u><u>\$ 31,237,198</u></u>

**LIABILITIES AND FIDUCIARY NET POSITION**

**LIABILITIES**

Due to State of Florida	\$ 2,059,483
Due to Municipalities	146,775
Due to Others	7,742,935
Due to Individuals and Businesses	1,017
Deposits, Registry of the Court	4,299,988
Deposits, Witness Fees	32,494
Deposits, Other	<u>608,116</u>
 Total Liabilities	 14,890,808

**FIDUCIARY NET POSITION**

Restricted for Individuals, Organizations, and Other Governments	<u>16,346,390</u>
 Total Liabilities and Fiduciary Net Position	 <u><u>\$ 31,237,198</u></u>

**POLK COUNTY, FLORIDA  
CUSTODIAL FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED SEPTEMBER 30, 2022**

**ADDITIONS**

Fines, Taxes, and Fees Collections:	
Individuals and Businesses	\$ 166,398,608
Other Governments	62,227,034
Licenses and Fees Collected from State Agencies	165,064,756
Contributions from Individuals and Businesses	5,473,963
Total Additions	<u>399,164,361</u>

**DEDUCTIONS**

Payments of Fines and Fees	521,008
Payments of Property Tax	
Individuals and Businesses	4,978,715
Other Governments	217,584,011
Canteen Purchases	3,102,973
Inmate Spending	816,871
Payments to State Agencies	164,575,692
Miscellaneous Charges	1,505,928
Total Deductions	<u>393,085,198</u>

<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	6,079,163
Net Position - Beginning of Year	<u>10,267,227</u>
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	<u><u>\$ 16,346,390</u></u>

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**POLK COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

Polk County is a political subdivision of the state of Florida governed by the State Constitution and general laws of the state of Florida.

The legislative and governing body of the County is the five-member Board of County Commissioners (Board). Each County Commissioner is elected on a county-wide basis for a four-year term of office and each County Commissioner is a resident of their Commission District. Polk County became a Home Rule Charter County on January 1, 1999, with an appointed County Manager, and with separate legislative and executive functions. The County Manager is the head of the administrative branch of county government and is responsible to the Board of County Commissioners for the proper administration of all affairs of the County, except for those powers, duties and functions residing, as specified by law, with the elected constitutional officers.

There are six offices elected countywide which are as follows: Board of County Commissioners, Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector.

The Board of County Commissioners and all Constitutional Officers maintain their accounts in accordance with the uniform classification of accounts required by Section 218.33, *Florida Statutes*. Pursuant to Section 125.17, *Florida Statutes*, the Clerk of the Courts of the County is designated as clerk, auditor and accountant for the Board.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The County is financially responsible if it appoints a voting majority of the organization's governing body and (a) is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County. The County may be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. If a component unit is, in substance, part of the government's operations, it should be reported as a blended component unit. Otherwise, a component unit should be discretely presented. For the year ended September 30, 2022, the County had no discretely presented component units.

**POLK COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Blended Component Units**

The Harden/Parkway and Eloise Community Redevelopment Agencies (CRAs), were created pursuant to Section 163.360 of the *Florida Statutes* and by County Ordinances 04-11, and 98-50, respectively. The CRAs provide for the rehabilitation and/or conservation of the communities in the interest of the public health, safety, morals or welfare of the residents in these unincorporated areas of Polk County. The financial information for these component units is included with the financial information of the primary government in the government-wide statements since the Board of County Commissioners serves as the governing body of these CRAs and approves the annual budgets. The Harden/Parkway and Eloise CRAs are reported as special revenue funds of Polk County.

The CRAs are presented separately as blended units due to the CRA's governing bodies being substantively the same as the governing body of the Board of County Commissioners and the financial burden between the County and the CRAs.

**Measurement Focus and Basis of Accounting**

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

**Government-Wide Financial Statements**

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report all of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, gains and losses on all of the nonfiduciary activities of the County, providing a consolidated financial picture of the government as a whole. The effect of interfund activity has been removed from these statements.

Each statement distinguishes between activities that are supported primarily by taxes and intergovernmental revenues (governmental activities) and activities that are intended to recover all or most of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. The business-type activities of the County include the Utilities Fund, Waste and Recycling Fund, and the Rohr Nursing Home Fund.

The statement of net position reports all financial and capital resources and obligations of the County as a whole. The effects of fiduciary funds are not included as a part of this statement. The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position. The statement of activities presents information showing how the County's net position changed during the fiscal year. Further, this statement demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government–Wide Financial Statements (Continued)**

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflows, liabilities and deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows, liabilities and deferred inflows resulting from nonexchange transactions are recognized in accordance with the requirements of the Government Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program revenues are derived directly from the program itself or from parties outside the reporting government’s taxpayers or citizenry, as a whole; they reduce the cost of the function to be financed from the government’s general revenues. Program revenues include charges for services, program specific operating grants and contributions, and program specific capital grants and contributions. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

As a general rule, the effects of intrafund transfers among governmental funds and enterprise funds, respectively, have been eliminated from the government-wide financial statements. However, certain interfund services, accounted for in the internal service funds, have not been eliminated from the government-wide financial statements. The County eliminates the indirect costs between governmental activities to avoid a “doubling up” effect.

The County’s fiduciary funds are presented in the fund financial statements by type (Custodial). Since these assets are being held for the benefit of a third-party and cannot be used to address the activities or obligations of the government, these funds are not incorporated into the government-wide statements.

**Fund Financial Statements**

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Financial Statements (Continued)**

Fund financial statements, for the primary governments, governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. The Custodial fund of the County primarily represents assets held by the County in a custodial capacity for other individuals or governments.

**Governmental Funds**

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 collected 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 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Property taxes, intergovernmental revenues and interest earned associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the County.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources." Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Due to the spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.



**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Proprietary Funds**

Proprietary funds focus on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The proprietary fund category includes enterprise and internal service funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met: (a) the activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity, (b) laws or regulations require that the activity's costs of providing services, including capital costs be recovered with fees and charges, rather than with taxes or similar revenues, or (c) the pricing policies of the activity establish fees and charges designated to recover its costs, including capital costs.

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

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

**Basis of Presentation**

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. The County has used GASB Statement No. 34 minimum criteria for major fund determination. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

**Governmental Major 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.

**Coronavirus Relief Fund** – The Coronavirus Relief Fund accounts for all activities related to money received from the U.S. Department of Treasury for Coronavirus relief.

**County Transportation Trust** – The main sources of revenues are from the state-shared revenues and local option gas taxes. These revenues are used for roads and bridge maintenance and construction.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

**Governmental Major Funds (Continued)**

**Impact Fee Fund** – This fund accounts for impact fees used for the construction or improvement of the County’s emergency medical system, roads, and correctional facilities.

**Business-Type Major Funds**

**Utilities Fund** – This fund accounts for all activities necessary to provide water and sewer services to residents in certain unincorporated areas of the County.

**Waste and Recycling Fund** – This fund accounts for all activities necessary to provide garbage collection and disposal services to the residents and businesses of the County.

**Other Fund Types**

**Internal Service Funds** – Internal Service Funds account for Fleet Management, Information Technology, and Employee Health Insurance services provided to other departments of the County on a cost reimbursement basis.

**Custodial Fund** – The Custodial Fund accounts for all assets held by Polk County in its capacity as custodian for individuals, other governmental units, and nonpublic organizations. The County’s Custodial Funds are: County Court Fund, Registry of Court Fund, Jury and Witness Fund, Domestic Relations Fund, Tax Deed Fund, Intangible Tax and Documentary Stamp Fund, County Court / Civil Court Fund, Cash Bonds Fund, Other Custodial Funds, Fees and Suspense Fund, Fines and DRD Fund, and Inmate Fund. A description of each custodial fund can be found on pages G-52 and G-53.

**Noncurrent Governmental Assets/Liabilities**

GASB Statement No. 34 requires noncurrent governmental assets, such as land and buildings, and noncurrent governmental liabilities, such as general obligation bonds and capital leases, to be reported in the governmental activities column in the government-wide statement of net position.

**Pooled Cash and Investments**

All funds participate in the pooled cash and investments program for the purpose of maximizing investment yields. The earnings of the pool are allocated on a monthly basis to individual funds based upon their average monthly balance in the pool.

Each fund’s equity in the County’s pool is considered to be a cash equivalent since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

Pooled cash of the County determined to be available in excess of immediate needs is placed in investments in accordance with the Polk County Investment Policy as amended December 17, 2019, under the guidelines of Section 218.415, *Florida Statutes*.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Allowance for Doubtful Accounts**

The County provides an allowance for water and sewer accounts, Rohr nursing home, and governmental funds receivables, which include ambulance and impact fee receivables, which may become uncollectible. At September 30, 2022, these allowances were \$7,483,398, \$60,483, and \$11,028,075, respectively. No other allowances for doubtful accounts are maintained since all other receivables are considered collectible as reported at September 30, 2022.

**Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

**Inventory**

Inventories are stated at cost using the first-in, first-out, (FIFO) method. Inventories consist of expendable supplies held for consumption (consumption method).

**Restricted Assets**

Certain funds of the County are classified as restricted assets on the statement of net position because the restriction is either imposed by law through constitutional provisions or enabling legislation or imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. Therefore, their use is limited by applicable laws and regulations.

**Capital Assets**

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, water and sewer distribution systems and similar items), and intangible assets (e.g., software and easements), are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

Capital assets are valued at historical cost or estimated historical cost if actual is not available. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Betterments and major improvements which significantly increase the values, change capacities, or extend the useful lives are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are charged to expenditures/expenses as incurred and not capitalized.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (Continued)**

Capital assets acquired by lease/purchase agreements or multiple year installment purchase contracts are recorded in the governmental funds in the year acquired as capital outlay expenditures and as other financing sources in the amount of the discounted present value of the total stipulated payments.

The Sheriff is accountable for and thus maintains capital asset records pertaining only to equipment used in his operations. These assets have been combined with the rest of the County's governmental capital assets in the statement of net position.

Property, plant, equipment, infrastructure, and intangibles related to software of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives. Assets with an initial, individual cost equal to or greater than the following thresholds, along with their estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Buildings and Improvements	10, 40 - 45	Capitalize All
Equipment	5 - 15	\$5,000
Infrastructure	10 - 75	Capitalize All
Intangibles - Software	3 - 10	\$100,000

**Ad Valorem Taxes**

The property tax calendar for 2022 is as follows:

Lien Date	January 1
Levy Date	January 1
Due Dates	November 1 through March 31
Delinquent Date	April 1
Tax Certificate Sale	Not Later than June 1

No accrual for the property tax levy becoming due in November of 2022 is included in the accompanying financial statements since such taxes are collected to finance expenditures of the subsequent period.

**Pension**

In the government-wide statement of net position, liabilities are recognized for the County's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Other Postemployment Benefits (OPEB)**

In the statement of net position, liabilities are recognized for the County's total OPEB liability as determined by an actuarial review of the healthcare coverage purchased by retirees to continue participation in the County's health plan. OPEB expense is recognized for changes in the OPEB liability resulting from current year service cost, interest on the total OPEB liability, and changes of benefit terms or actuarial assumptions. Changes to liability are first put into deferred inflows of resources and deferred outflows of resources then amortized.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources which represents 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 amounts from pension, OPEB, and deferred amounts of refunding will be recognized as increases in expense in future years. In addition to liabilities, the statement of net position includes a separate section for the deferred inflows of resources. This represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue or decrease in expense) until that time. The amounts will be recognized as decreases in pension and OPEB expenses in future years. In addition, the County has deferred inflows as of September 30, 2022, resulting from prepayment of taxes collected by the Tax Collector. These prepaid taxes will be recorded as revenue in November 2022.

**Compensated Absences**

The unpaid vacation and sick leave accumulated by employees is accrued as an expense when incurred in the government-wide statement of activities and the proprietary funds. Therefore, the entire unpaid liability for compensated absences is recorded in the government-wide statement of net position. Compensated absences are reported in governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement).

**Leases**

**Lessee Arrangements**

The County determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

Lease assets represent the County's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (Continued)**

**Lessee Arrangements (Continued)**

Lease liabilities represent the County's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the County will exercise that option.

The County recognized payments for short-term leases with a lease term of 12 months or less as expenses are incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

Significant lease terms are disclosed in Note 7.

The County accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the County treats the components as a single lease unit.

**Lessor Arrangements**

The County determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

Lease receivables represent the County's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (Continued)**

**Lessor Arrangements (Continued)**

The County recognized payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

Significant lease terms are disclosed in Note 7.

The County accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the County treats the components as a single lease unit.

**Unearned Revenue**

Revenue related to federal and state financial assistance programs is recognized when funds are expended. Grant funds received in advance of meeting any eligibility requirements other than a time requirement are reported as unearned revenues.

**Amortization**

Bond premiums and discounts are presented as additions or reductions of the face amount of bonds payable.

**Contributions**

Contributions of cash or property received from other County funds, other governmental units and from contractors or developers are credited directly to the contribution accounts in the proprietary funds. Property and equipment contributed for general governmental purposes are recorded in the government-wide statement of net position.

**Use of Estimates**

The preparation of the 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 reported amounts of assets and liabilities and contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance and Spending Policies**

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. The following are the definitions of the fund balance classifications:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Board of County Commissioners, the County's highest level of decision-making authority, by establishment of an Ordinance. Commitments may be modified or removed by the Board of County Commissioners by amending or repealing an Ordinance.

Assigned – Amounts that are intended by the Board to be used for specific purposes, but are neither restricted nor committed. The Board has not granted any specific individual the authority to assign amounts, thus assignments may be made only by the Board.

Unassigned – All other spendable amounts. The general fund is the only fund that may report a positive unassigned fund balance amount.

The County has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states when a general fund expenditure is incurred and where restricted, committed, assigned, or unassigned amounts are available to be used, the County will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts. All other funds in which an expenditure is incurred and where restricted, committed, assigned, or unassigned amounts are available to be used, the County will first use unassigned amounts, then assigned amounts, then committed amounts, and finally restricted amounts.



**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance and Spending Policies (Continued)**

The Unbudgeted Other Special Revenue Funds are comprised of the Clerk of Courts' Records Modernization Trust, the Sheriff's Other Special Revenue Funds (Grants Fund and Other Governmental Funds) and the Supervisor of Elections' Special Revenue Grants Fund. These funds have distinct revenue sources and serve different purposes for the entities which administer them; therefore, their respective fund balances are classified separately before being combined together for financial reporting purposes.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the County's policy is to first use restricted net position then unrestricted net position.

**New GASB Pronouncement**

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized 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 standard, 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.

The County adopted the requirements of the guidance effective October 1, 2021, and has elected to apply the provisions of this standard to the beginning of the earliest comparative period presented. The County has implemented this Statement for fiscal year 2022.

**NOTE 2 BUDGETS AND BUDGETARY ACCOUNTING**

The Board follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to July 15, the County Manager, as County Budget Officer, submits to the Board of County Commissioners a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are conducted to obtain taxpayer comments.
- 3) Prior to October 1, the budget is legally enacted through passage of a resolution.
- 4) Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, debt service funds and capital projects funds.
- 5) Budgets for the general, certain special revenue, debt service and capital projects funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

**POLK COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 2 BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)**

- 6) The County Manager (or his designee) approves budget transfers at the department level within a fund. Budget amendments at the fund level are approved by the Board.
- 7) Section 129.07, *Florida Statutes*, provides that expenditures in excess of total fund budgets are unlawful. When supplemental appropriations are necessary, the budget is amended by the Board in a legally permissible manner. The budgetary data presented herein reflects the original adopted budget and the final budget after all amendments were made.
- 8) Unused appropriations lapse at the end of each fiscal year. However, some amounts may be carried forward to the following fiscal year in the form of a new appropriation which must be approved by the County Commission.

Chapter 195, *Florida Statutes*, governs the preparation, adoption and administration of the Tax Collector and Property Appraiser's annual budgets. The annual budget of the Tax Collector and the Property Appraiser must be submitted to and approved by the Department of Revenue, state of Florida.

The budget for the Clerk of the Circuit Court's general fund is prepared, adopted and administered in accordance with Sections 129.03 and 218.35, *Florida Statutes*, which requires separation of the part pertaining to the court system from that pertaining to the Clerk and Comptroller to the Board of County Commissioners.

The budget for the Clerk of the Circuit Court's court fund is prepared, adopted and administered in accordance with Section 28.36, *Florida Statutes*.

The budget for the Sheriff's general fund is prepared, adopted and administered in accordance with Section 30.49, *Florida Statutes*.

The budget for the Supervisor of Election's general fund is prepared, adopted and administered in accordance with Sections 129.201 and 129.202, *Florida Statutes*.

**NOTE 3 POOLED CASH AND INVESTMENTS**

In order to minimize its cost basis and limit taxpayer liability in the provision of a full range of county services, the County manages a portfolio of cash and investments to maximize net investment earnings on invested surplus funds. The Board of County Commissioners and Constitutional Officers each maintain investment guidelines in compliance with Section 218.415, *Florida Statutes*. Investment policy objectives place an emphasis on enhancing yield while maintaining safety and liquidity by continually balancing risk and cash flow management.

Investment risk is managed in the following forms:

- Custodial credit risk – risk that a government will not be able to recover deposits or the value of an investment that is in the possession of a failed institution or counterparty;

**POLK COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 3 POOLED CASH AND INVESTMENTS (CONTINUED)**

- Credit risk – risk of loss from an issuer’s failure to repay principal and/or interest on a debt obligation;
- Liquidity risk – risk that an investment cannot be bought or sold quickly enough to minimize a loss stemming from a lack of marketability;
- Concentration risk – increasing probability of loss arising from heavily lopsided exposure to an asset class, issuer, structure or maturity;
- Interest rate risk – risk that a security’s value will decrease with a rise in interest rates.

**Custodial Credit Risk**

To manage custodial credit risk for deposits, the County’s investment policy requires that all demand and time deposits, including money market accounts, are insured and fully collateralized. The County’s bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for each banking relationship. The remaining balances are insured and collateralized in accordance with Chapter 280, *Florida Statutes*, which established the Public Deposit Security Trust Fund, a multiple financial institution collateral pool. Section 280.08, *Florida Statutes*, provides for assessments against the members of the pool on a pro rata basis in the event that the collateral pool is insufficient to cover the losses of a member financial institution that fails. As such, all deposits covered by the collateral pool are considered to be fully insured. As of September 30, 2022, the County’s book balance of cash was \$81,067,856 and the bank balance was \$95,951,274.

The County may also enter into overnight repurchase agreements with a local banking institution. On any given banking day, the County may authorize the bank to “sweep” their account for the purpose of entering into repurchase agreements and other investments. The next day the same account is credited for the principal amount of the previous day’s sweep, plus interest earned. As such, the balance is included as part of the deposit total for purposes of financial statement presentation. The amounts are fully collateralized by U.S. government treasury and/or agency securities. There were no outstanding amounts on September 30, 2022.

**Investment in State Investment Pool**

The County participates in the State of Florida Local Government Surplus Funds Trust Fund (LGIP), also known as Florida Prime administered by the State Board of Administration (SBA), under the regulatory oversight of the state of Florida. The purpose of this pool is to promote, through state assistance, the maximization of net interest earnings on invested surplus funds of local units of government. The LGIP is a 2a-7 like external investment pool and therefore uses amortized cost which is reported at a stable Net Asset Value (NAV), typically \$1.00 per share. Therefore, the account balance should be considered the fair value of the investment. As of September 30, 2022, the LGIP, now known as Florida Prime, is rated AAAM for Credit Quality by Standard & Poor’s Rating Agency and had a weighted average maturity (WAM) of 21 days, and had a weighted average life (WAL) of 72 days.

A portfolio’s WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 3 POOLED CASH AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk (Continued)**

**Investment in State Investment Pool (Continued)**

In accordance with GASB Statement No. 79, as a participant in a qualifying external investment pool, the County should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority) to impose liquidity fees or redemption gates in the notes to the financial statements.

With regard to redemption gates, Section 218.409(8)(a), *Florida Statutes*, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the monies in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest monies entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days."

With regard to liquidity fees, Section 218.409(4), *Florida Statutes*, provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. As of September 30, 2022, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

In addition, the County participates in the Florida Trust, formerly known as the Florida Local Government Investment Trust, which is administered by a board of trustees appointed by the Florida Association of Court Clerks and County Comptrollers, and the Florida Association of Counties, Inc. The Florida Trust was created in December 1991 to provide a means for public entities to pool surplus funds to maximize net earnings. As of September 30, 2022, all noncash investments held by the Florida Trust were money market, U.S. Treasury Notes, Commercial Paper, Collateralized Mortgage Obligations, Asset-Backed Securities, Corporate Notes, Government Related securities, Agency Notes, and Municipal Notes. The Florida Trust reports share all information at Net Asset Value and reflects share value, in accordance with GASB Statement No. 31. As of September 30, 2022, the Florida Trust was rated AA+ for Credit Quality and S1 for Bond Fund Volatility by Fitch Ratings and had an effective duration of 1.76.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 3 POOLED CASH AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk (Continued)**

**Investment in State Investment Pool (Continued)**

In relation to the FLGIT Day to Day Fund, at September 30, 2022, the average maturity in days was 29 days. The investments in the Day to Day Fund meet all of the necessary criteria to elect to measure all of the investments at amortized cost, as a cash equivalent.

To further manage custodial credit risk for investments, the County's investment policy specifies the County will execute a Third-Party Custodial Safekeeping Agreement with a commercial bank's trust department separately chartered by the U.S. government or state of Florida. All securities purchased by the County are properly designated as an asset of the County and are held in safekeeping by the bank's trust department.

**Credit Risk**

To manage credit risk, the County's investment policy identifies and limits investments to only top ratings issued by nationally recognized statistical rating organizations (NRSROs). The County's investments in Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA) and Government National Mortgage Association (GNMA) were rated AAA by Moody's Investor Service and as of the reporting date, exceeded 5% of the portfolio. At time of purchase, Commercial Paper should be rated at least "Prime-2" by Moody's and "A-2" by Standard & Poor's. Municipal debt should be rated "A- or equivalent" or better by at least one NRSRO at the time of purchase. Corporate debt securities should be rated "BBB- or equivalent" or better by at least two NRSROs at time of purchase. Asset Backed Securities are limited to traditional receivables, such as auto, equipment, or credit card receivables provided that such instrument is rated "A-1/P-1" or equivalent if the maturity is 13 months or less and "AAA" or equivalent for longer maturities by at least two NRSROs at time of purchase. Supranational Securities of a multilateral organization of governments must be rated "AAA" or equivalent by at least two NRSROs. Generally Commercial Paper securities purchased with a rating of "A-2" or "Prime-2" should have maturities not exceeding 90 days and corporates with BBB ratings should have maturities not exceeding two years. The investment policy allows for the timely and appropriate disposal when an investment credit rating falls below a minimum threshold. The following table illustrates the credit quality distribution with credit exposure as a percentage of the County's investment securities.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 3 POOLED CASH AND INVESTMENTS (CONTINUED)**

**Rating Concentration Matrix**

TYPE / RATING	AAAf <sup>1</sup> AAA <sup>m2</sup>	AAA	AA	A	BBB	NR <sup>3</sup>	Totals
U.S. Treasury							
Notes	-	-	12.05 %	-	-	-	12.05 %
Corporates							
Fixed	-	-	0.08	1.35	-	-	1.43
Adjustable Rates	-	-	0.41	5.76	0.39	-	6.56
CMOs							
Fixed	-	-	6.00	-	-	-	6.00
Adjustable Rates	-	-	0.04	-	-	-	0.04
GSEs							
Fixed	-	-	6.61	-	-	-	6.61
Adjustable Rates	-	-	10.18	-	-	-	10.18
MBS							
Fixed	-	-	8.53	-	-	-	8.53
Adjustable Rates	-	-	0.38	-	-	-	0.38
Municipal							
Fixed	-	3.24	9.36	2.55	-	-	15.15
Asset Backed							
Fixed	-	1.22	-	-	-	-	1.22
CMBS							
Fixed	-	-	0.71	-	-	-	0.71
Adjustable Rates	-	-	0.68	-	-	-	0.68
CDs							
Fixed	-	-	-	-	-	-	-
Adjustable Rates	-	-	-	-	-	-	-
Other							
FL Trust (FLGIT) <sup>1</sup>	3.39	-	-	-	-	-	3.39
Wells Fargo- GVIXX <sup>2</sup>	13.42	-	-	-	-	-	13.42
FL Prime (SBA) <sup>2</sup>	3.29	-	-	-	-	-	3.29
FL Trust Day to Day <sup>1</sup>	5.24	-	-	-	-	-	5.24
Bank United (Money Market) <sup>4</sup>	-	-	-	-	-	5.12	5.12
Total	<u>25.34 %</u>	<u>4.46 %</u>	<u>55.03 %</u>	<u>9.66 %</u>	<u>0.39 %</u>	<u>5.12 %</u>	<u>100.00 %</u>

<sup>1</sup> Florida Trust

<sup>2</sup> Florida Prime

<sup>3</sup> Not Rated

<sup>4</sup> Qualified Public Depository

**Liquidity Risk**

To manage liquidity risk, the County's investment policy identifies and limits investment to only top ratings issued by nationally recognized statistical rating organizations. In order to ensure deep liquid markets, the County's investment policy identifies and limits investment in various issuers. Position size is also taken into consideration with regard to liquidity risk.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 3 POOLED CASH AND INVESTMENTS (CONTINUED)**

**Concentration Risk**

To manage concentration of investment risk, the County's investment policy stipulates maximum limitation guidelines for diversification by instrument. The following limits are established to serve as guidelines for diversification by instrument:

Local Government Surplus Funds Trust Fund	100 %
Certificates of Deposit	50
Federal Instrumentalities/ Government Sponsored Enterprises (GSEs)	50
SEC Registered Money Market Funds	50
United States Treasury Bills/Notes/Bonds/Strips	50
Repurchase Agreements	35
Asset Backed Securities (ABS)	35
Commercial Paper	35
Corporate Bonds	35
Collateralized Mortgage Obligations	25
Mortgage Backed Securities (MBS) Pass Through(s)	25
Municipal Bonds Gen.Oblg. (GO) and Water & Sewer (WS)	25
Supranationals	25
United States Federal Agencies Full Faith & Credit (FFC)	25
Banker's Acceptances	20
Florida Local Government Investment Trust	20
Israel Bonds	5

**Interest Rate Risk**

To manage interest rate risk, the County maintains a formal investment policy that limits investment maturities. The County manages interest rate risk by limiting how much of the portfolio is allocated to longer dated maturities. This coupled with a diversified portfolio of differing maturities and coupons that employ callable and structured securities limits exposure to fair value losses arising from interest rate risk.

In accordance with the County's investment policy, the County may invest in mortgage-backed securities, including collateralized mortgage-backed securities. It is management's opinion that the credit and legal risk associated with these investments would be comparable to other investments within the portfolio. The principal repayment portions may be sensitive to prepayment by mortgagors, which may be affected by interest rate changes.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 3 POOLED CASH AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk (Continued)**

The prepayments and anticipated interest rate changes can therefore affect the fair values of the respective investments. As of September 30, 2022, the County has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		< 1 Year	1 - 5 Years	> 5 Years
U.S. Treasury Notes:				
Fixed	\$ 148,120,493	\$ -	\$ 118,637,754	\$ 29,482,739
Corporates:				
Fixed	17,572,455	2,464,808	15,107,647	-
Adjustable Rates	80,510,788	23,549,183	56,961,605	-
CMOs:				
Fixed	73,748,243	6,574	269,494	73,472,175
Adjustable Rates	489,066	-	-	489,066
GSEs:				
Fixed	81,292,455	-	41,107,225	40,185,230
Adjustable Rates	125,070,852	-	125,070,852	-
MBS:				
Fixed	104,870,549	-	5,372,623	99,497,926
Adjustable Rates	4,668,581	-	-	4,668,581
Municipal:				
Fixed	186,099,794	13,712,322	97,741,431	74,646,041
Asset Backed:				
Fixed	15,025,469	-	15,025,469	-
CMBS:				
Fixed	8,752,465	1,076,649	-	7,675,816
Adjustable Rates	8,349,943	-	1,025,945	7,323,998
CDs:				
Fixed	-	-	-	-
FL Trust	41,657,797	41,657,797	-	-
GVIXX	164,950,313	164,950,313	-	-
Florida Prime (SBA)	40,460,550	40,460,550	-	-
FL Trust Day to Day	64,452,393	64,452,393	-	-
Bank United (Money Market)	62,936,351	62,936,351	-	-
Total	<u>\$ 1,229,028,557</u>	<u>\$ 415,266,940</u>	<u>\$ 476,320,045</u>	<u>\$ 337,441,572</u>



**POLK COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 3 POOLED CASH AND INVESTMENTS (CONTINUED)**

**Fair Value Measurements**

GASB Statement No. 72, *Fair Value Measurements and Application*, sets forth the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described as follows:

*Level 1* – Investments reflect prices quoted in active markets for identical assets or liabilities.

*Level 2* – Investments reflect prices that are based on similar observable assets either directly or indirectly, which may include input in markets that are not considered to be active; or other inputs that are observable or can be corroborated by observable market data.

*Level 3* – Investments reflect prices that are based on unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Investments whose values are based on quoted market prices in active markets, and are therefore classified as Level 1, primarily include those assets that are traded daily in public markets in the United States. The fair value of these investments is based on the last reported sales price on the last day of the fiscal year.

Investments that trade in markets that are not considered to be actively traded on a daily basis, but are valued based on quoted market prices, dealer and broker quotations, bid prices, or alternative pricing sources using observable inputs, are classified within Level 2. Inputs used in fair value measurement should be consistent with the inputs that market participants would use in pricing the asset or liability. These include U.S. government obligations, investment grade corporate bonds and bank loans, certain mortgage and asset backed securities, less liquid listed securities and certain government agency securities. For example, inputs other than quoted prices, which provide a reasonable basis for fair value determination may include interest rates and yield curves, volatilities, prepayment speeds, credit risks and default rates. The fair value of these investments is based upon the last reported observable input(s) on the last day of the fiscal year.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 3 POOLED CASH AND INVESTMENTS (CONTINUED)**

**Fair Value Measurements (Continued)**

Investments classified Level 3 have significant unobservable inputs, as they trade infrequently or not at all. Level 3 investments include private equity funds, real estate investment, limited partnerships, certain mortgages and asset backed and common and collective trust funds that are primarily real estate. The fair value of these investments is determined by estimations provided by independent pricing sources in asset classes, nonbinding prices from industry vendors and managers, and the net asset value on the last day of the fiscal year.

The County has the following recurring fair value measurements as of September 30, 2022:

Investments by Fair Value Level	Fair Value Measurements			September 30, 2022
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Debt Securities</b>				
U.S. Treasury Notes	\$ -	\$ 148,120,493	\$ -	\$ 148,120,493
Corporate - Fixed	-	17,572,455	-	17,572,455
Corporate - Adjustable	-	80,510,788	-	80,510,788
CMO - Fixed	-	73,748,243	-	73,748,243
CMO - Adjustable	-	489,066	-	489,066
GSE - Fixed	-	81,292,455	-	81,292,455
GSE - Adjustable	-	125,070,852	-	125,070,852
MBS - Fixed	-	104,870,549	-	104,870,549
MBS - Adjustable	-	4,668,581	-	4,668,581
Municipal - Fixed	-	186,099,794	-	186,099,794
Asset Backed - Fixed	-	15,025,469	-	15,025,469
CMBS -Fixed	-	8,752,465	-	8,752,465
CMBS - Adjustable	-	8,349,943	-	8,349,943
<b>Total Investments by Fair Value Level</b>	<b>\$ -</b>	<b>\$ 854,571,153</b>	<b>\$ -</b>	<b>\$ 854,571,153</b>
<b>Investments Measured at the Net Asset Value (NAV)</b>				
Florida Trust (FLGIT)				41,657,797
<b>Total Investments Measured at the NAV</b>				<b>41,657,797</b>
<b>Investments Measured at \$1.00</b>				
<b>LGIP</b>				
State Board of Administration - FL PRIME				40,460,550
FL Trust Day to Day				64,452,393
SEC Reg. Money Mkt Fund				
Wells Fargo-GVIXX				164,950,313
<b>Qualified Public Deposits</b>				
Money Market Deposits				62,936,351
<b>Total Investments Measured at \$1.00</b>				<b>332,799,607</b>
<b>Total Investments</b>				<b>\$ 1,229,028,557</b>

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 4 RESTRICTED ASSETS, LIABILITIES AND NET POSITION – ENTERPRISE FUNDS**

Revenue bond ordinances and certain other agreements generally require the restriction of certain fund assets for specific purposes. Reserves, representing the excess of amounts provided for certain restricted asset accounts over the liabilities payable there from, are established by a reduction of unrestricted net position.

Restricted assets, liabilities, and net position as of September 30, 2022, consist of the following:

Utilities Fund	Capital Projects	Renewal Replacement and Improvements	Customer Deposits	Total
Cash and Investments	\$ 10,307,530	\$ 1,000,000	\$ 7,581,452	\$ 18,888,982
Liabilities, Payable from Restricted Assets	-	-	(7,581,452)	(7,581,452)
Unspent Bond Proceeds	(10,307,530)	-	-	(10,307,530)
Restricted Net Position	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
Waste and Recycling Fund	Landfill Closure	Customer Deposits	Other Liabilities	Total
Cash and Investments	\$ 39,510,023	\$ 227,479	\$ 2,081	\$ 39,739,583
Liabilities, Payable from Restricted Assets	(39,510,023)	(227,479)	(2,081)	(39,739,583)
Restricted Net Position	\$ -	\$ -	\$ -	\$ -

Rule 62-701 of the Florida Administrative Code requires owners or operators of existing landfills to establish and maintain a landfill management escrow account or an alternative financial mechanism to show proof of financial responsibility for future landfill closure costs. The reserve for landfill closure includes funds restricted for this purpose.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 5 INTERFUND BALANCES**

The outstanding balances between funds result mainly from a time lag between the dates that (1) interfund services are provided or reimbursement occurs, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are expected to be collected in the subsequent year.

The composition of interfund balances as of September 30, 2022, was as follows:

Due to General Fund from:	
Coronavirus Relief Fund	\$ 159,480
Nonmajor Governmental Funds	114,544
Utilities Fund	2,668
Waste and Recycling Fund	6,353
Rohr Nursing Home Fund	177,653
Total	<u>\$ 460,698</u>
Due to Nonmajor Governmental Funds from:	
General Fund	\$ 3,236,575
Nonmajor Governmental Funds	431,439
Total	<u>\$ 3,668,014</u>
Due to Utilities Fund from:	
General Fund	\$ 1,949
Total	<u>\$ 1,949</u>
Due to Waste and Recycling Fund from:	
General Fund	\$ 319,793
Total	<u>\$ 319,793</u>
Due to Internal Service Funds from:	
General Fund	\$ 2,405,513
Total	<u>\$ 2,405,513</u>

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 6 CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2022, was as follows:

	October 1, 2021	Additions	Deletions	September 30, 2022
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated/Amortized:				
Land and Right of Way	\$ 955,161,912	\$ 17,160,741	\$ (1,396,750)	\$ 970,925,903
Intangibles - Easements	4,001,960	489,647	-	4,491,607
Construction in Process	69,412,579	72,268,955	(36,168,740)	105,512,794
Total Capital Assets Not Being Depreciated/Amortized	1,028,576,451	89,919,343	(37,565,490)	1,080,930,304
Capital Assets Being Depreciated/Amortized:				
Buildings and Improvements	452,696,334	7,336,886	(32,000)	460,001,220
Equipment	232,899,799	21,963,630	(14,326,865)	240,536,564
Infrastructure	3,828,057,935	49,282,249	-	3,877,340,184
Intangibles - Software	22,052,339	213,825	-	22,266,164
Right-to-Use Buildings	1,725,033	6,664,495	-	8,389,528
Right-to-Use Equipment	1,296,641	707,465	(48,133)	1,955,973
Total Capital Assets Being Depreciated/Amortized	4,538,728,081	86,168,550	(14,406,998)	4,610,489,633
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	(234,035,458)	(11,214,824)	3,733	(245,246,549)
Equipment	(151,857,476)	(20,499,736)	10,929,996	(161,427,216)
Infrastructure	(1,940,128,685)	(78,837,746)	-	(2,018,966,431)
Intangibles - Software	(20,874,585)	(478,072)	-	(21,352,657)
Right-to-Use Buildings	-	(1,192,338)	26,397	(1,165,941)
Right-to-Use Equipment	-	(846,411)	-	(846,411)
Total Accumulated Depreciation/Amortization	(2,346,896,204)	(113,069,127)	10,960,126	(2,449,005,205)
Total Capital Assets Being Depreciated/Amortized, Net	2,191,831,877	(26,900,577)	(3,446,872)	2,161,484,428
Governmental Activities Capital Assets, Net	<u>\$ 3,220,408,328</u>	<u>\$ 63,018,766</u>	<u>\$ (41,012,362)</u>	<u>\$ 3,242,414,732</u>
<b>Business-Type Activities:</b>				
Capital Assets Not Being Depreciated/Amortized:				
Land and Right of Way	\$ 19,387,822	\$ 151,522	\$ (4,162)	\$ 19,535,182
Intangibles - Easements	2,569,434	127,999	-	2,697,433
Construction in Progress	59,477,676	54,221,873	(29,021,169)	84,678,380
Total Capital Assets Not Being Depreciated/Amortized	81,434,932	54,501,394	(29,025,331)	106,910,995
Capital Assets Being Depreciated/Amortized:				
Buildings and Improvements	868,014,123	46,639,089	(604,348)	914,048,864
Equipment	17,609,118	1,126,321	(705,141)	18,030,298
Infrastructure	95,783	-	-	95,783
Intangibles - Software	7,216,598	-	-	7,216,598
Right-to-Use Equipment	88,880	-	-	88,880
Total Capital Assets Being Depreciated/Amortized	893,024,502	47,765,410	(1,309,489)	939,480,423
Less Accumulated Depreciation/Amortization for:				
Buildings, Distribution Systems, and Improvements	(271,554,286)	(20,661,762)	423,044	(291,793,004)
Equipment	(12,078,093)	(1,379,493)	436,274	(13,021,312)
Infrastructure	(84,235)	(1,295)	-	(85,530)
Intangibles - Software	(7,076,730)	(79,926)	-	(7,156,656)
Right-to-Use Equipment	-	(33,652)	-	(33,652)
Total Accumulated Depreciation/Amortization	(290,793,344)	(22,156,128)	859,318	(312,090,154)
Total Capital Assets Being Depreciated/Amortized, Net	602,231,158	25,609,282	(450,171)	627,390,269
Business-Type Activities Capital Assets, Net	<u>\$ 683,666,090</u>	<u>\$ 80,110,676</u>	<u>\$ (29,475,502)</u>	<u>\$ 734,301,264</u>

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

The beginning balance was restated due to implementation of GASB Statement No. 87, *Leases*.

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

Governmental Activities:		
General Government		\$ 5,769,330
Public Safety		18,307,901
Physical Environment		605,868
Transportation		74,430,789
Economic Environment		528,974
Human Services		1,591,975
Culture/Recreation		3,582,438
Capital Assets Held by Internal Service Funds		<u>8,251,852</u>
Total Additions to Accumulated Depreciation/Amortization		<u>\$ 113,069,127</u>
Business-Type Activities:		
Utilities		\$ 19,295,682
Waste and Recycling		2,633,746
Rohr Nursing Home		<u>226,700</u>
Total Additions to Accumulated Depreciation/Amortization		<u>\$ 22,156,128</u>

**NOTE 7 LEASES**

**Lessee Arrangements**

The County leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2040.

Total future minimum lease payments under lease agreements are as follows:

	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2023	\$ 1,524,001	\$ 403,427	\$ 34,546	\$ 1,954	\$ 1,963,928
2024	787,302	351,300	20,387	420	1,159,409
2025	705,300	319,318	-	-	1,024,618
2026	446,252	292,441	-	-	738,693
2027	375,403	271,089	-	-	646,492
2028-2032	1,961,844	1,050,013	-	-	3,011,857
2033-2037	2,163,194	416,565	-	-	2,579,759
2038 and Thereafter	655,968	53,614	-	-	709,582
Total Minimum Lease Payments	<u>\$ 8,619,263</u>	<u>\$ 3,157,768</u>	<u>\$ 54,933</u>	<u>\$ 2,374</u>	<u>\$ 11,834,338</u>

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 7 LEASES (CONTINUED)**

**Lessee Arrangements (Continued)**

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	Governmental Activities	Business-Type Activities
Equipment	\$ 1,955,973	\$ 88,880
Buildings	8,389,528	-
Less: Accumulated Amortization	<u>(2,012,352)</u>	<u>(33,652)</u>
Total	<u><u>\$ 8,333,149</u></u>	<u><u>\$ 55,228</u></u>

**Lessor Arrangements**

The County, acting as lessor, leases office space and cell towers under long-term, noncancelable lease agreements. The leases expire at various dates through 2032 and provide for renewal options ranging from three months to six years. During the year ended September 30, 2022, the County recognized \$95,612 and \$9,482 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

	Governmental Activities		Total
	Principal	Interest	
2023	\$ 95,956	\$ 29,959	\$ 125,915
2024	105,589	26,205	131,794
2025	115,922	22,000	137,922
2026	121,174	17,416	138,590
2027	126,656	12,615	139,271
2028 - 2032	206,366	12,065	218,431
Total Minimum Lease Payments	<u><u>\$ 771,663</u></u>	<u><u>\$ 120,260</u></u>	<u><u>\$ 891,923</u></u>

**NOTE 8 RISK MANAGEMENT**

The County is exposed to various risk of loss related to theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. A self-insurance program is effectively maintained by the County to administer insurance activities related to workers' compensation insurance, general and employment practices liability, auto liability and health. The County's self-insurance program covers operations of the Board of County Commissioners and the constitutional officers. Under the program, the County has retention limits for each type of claim, which is covered by commercial insurance purchased by the County. Additional information regarding the self-insured employee health plan can be found in Note 8. The County also maintains fully-insured policies with several different carriers for property insurance with the total insured value for all properties estimated at \$900,884,274.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 8 RISK MANAGEMENT (CONTINUED)**

There have been no significant reductions in insurance coverage in the last year. Settled claims have not exceeded the insurance provided by third-party carriers in any of the last three years.

**Litigation**

Various suits and claims arising in the ordinary course of operations, some of which involve substantial amounts, are pending against the County. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the County, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the County or the results of its operations.

Claim Type	County Coverage (Deductible / Self-insured Amount)	Excess Carrier's Coverage
Property	Deductible \$ 1,000,000 except for as below:  Named Windstorm 3% of TIV with \$ 5,000,000 Maximum \$ 1,000,000 Builders Risk	\$ 60,000,000 Named Windstorm \$ 100,000,000 All Other Perils (AOP) \$ 50,000,000 Builder's Risk \$ 25,000,000 Earthquake Aggregate \$ 20,000,000 Flood Aggregate \$ 10,000,000 Flood Aggregate (zones A & V)
General and Employment Practices Liability	\$ 1,500,000 Self-insurance Retention Sovereign immunity limits: \$ 200,000 Any One Person \$ 300,000 Any One Claim	\$ 5,000,000 Per Occurrence \$ 10,000,000 Aggregate
General and Auto Liability	\$ 1,500,000 Self-insured Retention Sovereign immunity limits: \$ 200,000 Any One Person \$ 300,000 Any One Claim	\$ 5,000,000 Per Occurrence
Employee Health	\$ 1,000,000 Self-insurance Retention	Unlimited Stop Loss
Workers Compensation	\$ 1,500,000 Self-insured Retention \$ 1,000,000 Employers Liability	Workers Compensation Statutory Employers Liability - No Excess Coverage



**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 9 SELF-INSURED EMPLOYEE HEALTH PLAN**

The County provides a self-insured health plan for all eligible employees, retirees under the age of 65, and their dependents. Medical claims for the self-insured plan are paid from premium contributions made by participants and the County. The amount of the contribution toward the premium paid by the participant and the County are determined by projected claims based on historical and actuarial experience. Claim liabilities are recorded when it is probable to determine that a liability has been incurred and the amount can be reasonably estimated. This estimate is based on the County's actual claims incurred and payment patterns. The County incurred no claims against its stop loss policy in the current fiscal year.

The following table shows the changes in aggregate liabilities for claims for the past two fiscal years:

Fiscal Year	Beginning Balance	Incurred Claims	Payments	Ending Balance
2022	\$ 6,020,000	\$ 37,579,479	\$ 37,839,479	\$ 5,760,000
2021	4,560,000	46,210,618	44,750,618	6,020,000

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 10 LONG-TERM LIABILITIES**

The following is a summary of the changes in long-term liabilities of the County for the year ended September 30, 2022:

	October 1, 2021	Additions	Deletions	September 30, 2022	Due Within One Year
<b>Governmental Activities:</b>					
Revenue Bonds Payable from					
Direct Borrowings	\$ 58,940,000	\$ -	\$ (2,835,000)	\$ 56,105,000	\$ 2,915,000
Plus Deferred Amounts:					
For Issuance Premium	3,592,872	-	(256,634)	3,336,238	256,634
Net Bonds Payable	<u>62,532,872</u>	<u>-</u>	<u>(3,091,634)</u>	<u>59,441,238</u>	<u>3,171,634</u>
Direct Borrowings:					
Interlocal Agreements	33,057,838	-	(2,520,241)	30,537,597	1,976,842
Notes Payable	80,752,000	-	(8,432,097)	72,319,903	8,633,882
Lease Liability	3,021,674	7,371,960	(1,774,371)	8,619,263	1,524,001
Compensated Absences	18,529,660	21,929,159	(22,256,092)	18,202,727	9,308,742
Self-Insurance Liability	12,760,000	4,495,306	(5,795,306)	11,460,000	5,090,000
Governmental Activities Long-Term Liabilities	<u>\$ 210,654,044</u>	<u>\$ 33,796,425</u>	<u>\$ (43,869,741)</u>	<u>\$ 200,580,728</u>	<u>\$ 29,705,101</u>
<b>Business-Type Activities:</b>					
Revenue Bonds Payable from					
Direct Borrowings	\$ 147,025,000	\$ -	\$ (4,230,000)	\$ 142,795,000	\$ 4,425,000
Plus Deferred Amounts:					
For Issuance Premium	22,703,652	-	(1,339,859)	21,363,793	1,339,860
Net Bonds Payable	<u>169,728,652</u>	<u>-</u>	<u>(5,569,859)</u>	<u>164,158,793</u>	<u>5,764,860</u>
Direct Borrowings:					
Interlocal Agreements	1,897,472	-	(201,217)	1,696,255	201,217
Contracts Payable	58,880	-	-	58,880	-
Closure and Long-Term Care	40,342,759	-	(832,736)	39,510,023	-
Lease Liability	88,877	-	(33,944)	54,933	34,546
Compensated Absences	1,003,410	1,626,884	(1,617,759)	1,012,535	1,012,535
Other Long-Term Liabilities	377,985	-	-	377,985	-
Business-Type Activities Long-Term Liabilities	<u>\$ 213,498,035</u>	<u>\$ 1,626,884</u>	<u>\$ (8,255,515)</u>	<u>\$ 206,869,404</u>	<u>\$ 7,013,158</u>

The beginning balance was restated due to implementation of GASB Statement No. 87, *Leases*.

Long-term liabilities are typically liquidated by the individual fund to which the liability is directly associated. Claims and judgments are typically liquidated by the General Fund and charged to the funds to which a portion of the liabilities directly relates.

The self-insurance claims liability consists of \$11,460,000 for workers' compensation, general liability and employment practices, and automobile liability.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 10 LONG-TERM LIABILITIES (CONTINUED)**

**Revenue Bonds, Notes, and Interlocal Agreements**

Revenue bonds payable and interlocal agreements at September 30, 2022, are comprised of the following individual issues:

<u>Business-Type Activities - Revenue Bonds Payable</u>	<u>Amount</u>
<p>\$43,815,000 in Utility System Revenue Refunding Bonds, Series 2012; due in annual installments of \$1,568,038 to \$4,818,000, including interest, through October 1, 2029, with principal payments beginning October 1, 2018; interest rate ranging from 3% to 5%; collateralized by an irrevocable senior lien on gross revenues derived from the operation of the system and certain connection charges.</p>	\$ 19,705,000
<p>\$53,630,000 in Utility System Revenue and Refunding Bonds, Series 2013; due in annual installments of \$1,954,715 to \$12,596,000, including interest through October 1, 2043; interest ranging from 1.75% to 5.0%; collateralized by an irrevocable senior lien on gross revenues derived from the operation of the system and certain connection charges.</p>	5,820,000
<p>\$41,740,000 in Utility System Revenue Refunding Bonds, Series 2014A, Utility System Revenue Refunding Bonds, Series 2014B and Utility System Revenue Refunding Bonds, Series 2014C (not being reoffered pursuant to a Tender and Purchase Agreement with Citibank); due in annual installments of \$904,058 to \$7,708,313, including interest through October 1, 2034; interest ranging from 0.58% to 5.0%; collateralized by an irrevocable senior lien on gross revenues derived from the operation of the system and certain connection charges.</p>	29,720,000
<p>\$87,550,000 in Utility System Revenue and Refunding Bonds, Series 2020; due in annual installments of \$3,108,750 to \$11,886,600, including interest through October 1, 2043; interest ranging from 1.75% to 5.0%; collateralized by an irrevocable senior lien on gross revenues derived from the operation of the system and certain connection charges.</p>	87,550,000
<p>Total Business-Type Activities - Revenue Bonds Payable</p>	142,795,000
<u>Business Type Activities - Interlocal Agreements</u>	
<p>\$4,050,046 interlocal agreement with the City of Bartow due in annual installments of \$201,217 through August 15, 2031, collateralized by a portion of operating revenue.</p>	1,696,255
<p>Total Business-Type Activities - Interlocal Agreements</p>	1,696,255
<p>Total Business-Type Activities - Revenue Bonds Payable and Interlocal Agreement Payable</p>	\$ 144,491,255

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 10 LONG-TERM LIABILITIES (CONTINUED)**

**Revenue Bonds, Notes, and Interlocal Agreements (Continued)**

<u>Governmental Activities - Revenue Bonds Payable</u>	Amount
<p>\$71,510,000 in Public Facilities Revenue Refunding Bonds, Series 2014, due in annual installments of \$1,787,556 to \$5,453,600, including interest through December 1, 2035; interest ranging from 3.0% to 5.0%; collateralized by a pledge of revenues from the State Revenue Sharing Trust Funds, and 8.0% of the 10.0% public service tax accruing to the County under provisions of Chapter 210, <i>Florida Statutes</i>, Section 212.20 and Chapter 125, <i>Florida Statutes</i>; Chapter 218, Part II, <i>Florida Statutes</i>; Section 166.231, <i>Florida Statutes</i>.</p>	\$ 56,105,000
Total Governmental Activities - Revenue Bonds Payable	56,105,000
<u>Governmental Activities - Revenue Notes Payable</u>	
<p>\$18,157,000 in Public Facilities Revenue Refunding Note, Series 2015, due in annual installments of \$592,356 to \$2,151,780; including interest through December 1, 2026; interest of 2.14%; collateralized by a pledge of State Revenue Sharing Trust Funds and 8.0% of the 10.0% public service tax accruing to the County under provisions of Section 210, <i>Florida Statutes</i>, Section 212.20 and Chapter 125, <i>Florida Statutes</i>; Chapter 218, Part II, <i>Florida Statutes</i>; Section 166.231, <i>Florida Statutes</i>.</p>	9,945,000
<p>\$27,062,000 in Promissory Note, Series 2020A, due in annual installments of \$648,285 to \$2,249,066; including interest through April 1, 2035; interest of 2.20%; collateralized by a non-ad valorem revenue.</p>	25,389,903
<p>\$41,955,000 in Promissory Note, Series 2020C, due in annual installments of \$611,319 to \$5,741,775; including interest through December 1, 2029; interest of 1.95%; collateralized by non-ad valorem revenue.</p>	36,985,000
Total Governmental Activities - Revenue Notes Payable	\$ 72,319,903

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 10 LONG-TERM LIABILITIES (CONTINUED)**

**Revenue Bonds, Notes, and Interlocal Agreements (Continued)**

<u>Governmental Activities - Interlocal Agreements</u>	<u>Amount</u>
\$5,500,000 interlocal agreement with the City of Auburndale due in annual installments not to exceed \$303,672, through October 2035; collateralized by a portion of the local 4% and 5% of the Tourist Development Tax.	3,445,000
\$13,616,000 interlocal agreement with the City of Lakeland (Joker Marchant Stadium) due in annual installments not to exceed \$1,044,561, through September 2036; collateralized by a portion of the Tourist Development Tax.	10,514,786
\$6,718,697 interlocal agreement with the City of Lakeland due in annual installments not to exceed \$537,016, through October 2032; collateralized by a portion of the local 4% and 5% of the Tourist Development Tax.	4,737,811
\$10,000,000 interlocal agreement with the City of Winter Haven (Chain of Lakes) due in annual installments not to exceed \$786,375, through September 2037.	8,340,000
\$3,500,000 interlocal agreement with the City of Auburndale due in annual installments not to exceed \$381,325, through December 2030; collateralized by a portion of the local 4% and 5% of the Tourist Development Tax.	<u>3,500,000</u>
Total Governmental Activities - Interlocal Agreements	<u>30,537,597</u>
Total Governmental Activities - Revenue Bonds Payable, Revenue Notes Payable, and Interlocal Agreements Payable	<u><u>\$ 158,962,500</u></u>

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 10 LONG-TERM LIABILITIES (CONTINUED)**

**Revenue Bonds, Notes, and Interlocal Agreements (Continued)**

Annual debt service requirements to maturity for bonds, notes, and interlocal agreements are as follows:

Year Ending September 30,	Governmental Activities			
	Bonds		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest
2023	\$ 2,915,000	\$ 2,475,250	\$ 10,610,724	\$ 2,394,032
2024	3,030,000	2,341,200	10,871,437	2,158,006
2025	3,180,000	2,185,950	11,134,109	1,915,976
2026	3,340,000	2,022,950	11,413,797	1,667,742
2027	3,510,000	1,851,700	11,695,562	1,413,087
2028-2032	20,350,000	6,397,375	32,701,067	4,298,704
2033-2037	19,780,000	1,621,000	14,430,804	1,212,053
Total	<u>\$ 56,105,000</u>	<u>\$ 18,895,425</u>	<u>\$ 102,857,500</u>	<u>\$ 15,059,600</u>

Year Ending September 30,	Business Type Activities			
	Bonds		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest
2023	\$ 4,425,000	\$ 6,192,556	\$ 201,217	\$ -
2024	4,635,000	5,986,500	201,217	-
2025	4,865,000	6,754,750	201,217	-
2026	5,160,000	5,511,500	201,217	-
2027	5,225,000	5,260,375	201,217	-
2028-2032	30,690,000	22,602,723	690,170	-
2033-2037	32,600,000	15,610,225	-	-
2038-2042	43,770,000	7,906,700	-	-
2043 and thereafter	11,425,000	457,000	-	-
Total	<u>\$ 142,795,000</u>	<u>\$ 76,282,329</u>	<u>\$ 1,696,255</u>	<u>\$ -</u>

There are a number of limitations and restrictions contained in the various bond indentures. As of September 30, 2022, all funds are being maintained in accordance with the ordinances and resolutions.

The County's revenue bonds and notes payable include provisions that in the event of default, all outstanding interest and principal will be due on demand. Events of default include nonpayment of interest and principal, incurring new debt above amounts allowed by the lender and other administrative requirements. The County is not in default on any long-term liabilities.

**POLK COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 10 LONG-TERM LIABILITIES (CONTINUED)**

**Revenue Bonds – Pledged Future Revenues**

Polk County Board of County Commissioners has pledged future water and sewer customer revenues, net of specified operating expenses, to repay \$142,795,000 in revenue bonds issued in, 2012, 2013, 2014, and 2020. Proceeds from the bonds were used to finance the cost of the acquisition and construction of additions, extensions and improvements to the System. Principal and interest on the bonds are payable through 2043, from the water and sewer gross revenues and connection charges. Annual principal and interest on the bonds are expected to require approximately 9% of such gross revenues and connection charges. Principal and interest paid for the year ended September 30, 2022, was \$10,620,406.

**Revenue Bonds Refunding**

Bonds are refunded to retire all or a portion of an outstanding bond issue. Most typically, refunding is done to refinance at a lower interest rate to reduce overall debt service. Certain issues of bonds may be refunded prior to the call date, known as an advance refunding.

Future principal and interest payments on refunded bonds have been provided through advance refunding bond issues whereby refunding bonds are issued and the net proceeds, plus any additional resources that may be required, are used to purchase securities issued and guaranteed by the United States government. The County then deposits these securities in an irrevocable trust under an escrow agreement which states that all proceeds from the trust will be used to fund the principal and interest payments of the previously issued debt being refunded. The trust deposits have been computed so that the securities in the trust, along with future cash flows generated by the securities, will be sufficient to service the previously issued bonds.

**Closure and Long-Term Care Costs**

State and federal laws and regulations require that a final cover be placed on all landfill sites when they are no longer accepting waste and that certain maintenance and monitoring functions are performed at the respective sites for thirty years after closure. Although closure and long-term care costs will be paid only near or after the date that the landfill stops accepting waste, a portion of these closure and long-term care costs are reported as an operating expense in each period based on the landfill capacity used as of each balance sheet date. The \$39,510,023 payable from restricted assets reported as landfill closure and long-term care liability at September 30, 2022, represents the cumulative amount reported to date based on the use of 78.71% of the estimated capacity for all landfill sites. These amounts are estimated based on what it would cost to perform all closure and long-term care as of September 30, 2022. County landfills are permitted to remain open through 2038. One phase of the County's current landfill is not open yet and one phase is expected to close within the next 24 months. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**POLK COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 10 LONG-TERM LIABILITIES (CONTINUED)**

**Closure and Long-Term Care Costs (Continued)**

State and federal laws and regulations require that annual contributions be made to a trust to finance closure and long-term care. At September 30, 2022, cash, investments and receivables of \$39,510,023 are held for these purposes; therefore, the County is in compliance with financial assurance requirements. These assets are reported as Restricted Assets on the statement of net position. Future inflation costs are expected to be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional long-term care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

Each year the Florida Department of Environmental Protection (FLDEP) requires the County to assess the estimate of post-closure costs for each landfill owned by the County. During the year ended September 30, 2022, the post-closure liability decreased by \$832,736, for an ending balance of \$39,510,023. As a result of this decrease in the liability, the Waste and Recycling Fund shows a negative expense because of this change in the liability.

**Compensated Absences**

The liability for compensated absences is liquidated in the fund in which an employee's payroll expense is normally recorded. The significant funds that have been used in prior years to liquidate this liability have been the General, Utilities, and Fire Rescue Funds. Total available vacation and sick leave hours are multiplied by the current pay rate to determine the accrued liability. The County uses the last-in, first-out (LIFO) method of recognizing the use of vacation and sick leave hours. Employees are charged for the last day of vacation or sick leave earned when the leave is used. Thus, unless it is anticipated that vacation or sick leave will be used in excess of a normal year's accumulation, no additional expenditures are accrued.

**Self-Insurance**

In an effort to combat the rising cost of insurance premiums and the unavailability of coverage, the County has initiated self-insured workers' compensation, general liability, employment practices and automobile liability programs. The programs effectively interrelate between an independent risk manager, a loss control consultant, an excess reinsurer, and County management.



**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 10 LONG-TERM LIABILITIES (CONTINUED)**

**Self-Insurance (Continued)**

The changes in aggregate liability for claims and judgments for the past two fiscal years are:

Year Ended September 30,	Beginning Balance	Current Year Claims and Changes in Estimates	Current Year Claims Payments	Ending Balance
2022:				
Worker's Compensation General and Employment	\$ 9,240,000	\$ 3,858,574	\$ 4,478,574	\$ 8,620,000
Practices Liability	2,510,000	(355,076)	344,924	1,810,000
Automobile Liability	1,010,000	991,808	971,808	1,030,000
Total Self-Insurance Liability	<u>\$ 12,760,000</u>	<u>\$ 4,495,306</u>	<u>\$ 5,795,306</u>	<u>\$ 11,460,000</u>
2021:				
Worker's Compensation General and Employment	\$ 6,620,000	\$ 5,811,616	\$ 3,191,616	\$ 9,240,000
Practices Liability	3,190,000	(166,449)	513,551	2,510,000
Automobile Liability	790,000	1,015,686	795,686	1,010,000
Total Self-Insurance Liability	<u>\$ 10,600,000</u>	<u>\$ 6,660,853</u>	<u>\$ 4,500,853</u>	<u>\$ 12,760,000</u>

**Interlocal Agreements**

The County has entered into Interlocal agreements, in accordance with *Florida Statute* 163.01, with various municipalities within Polk County, Florida. The County and the various municipalities have joint powers to develop projects that contribute to economic development of Polk County, Florida. The County's participation in these projects include providing financing for a portion of the projects. The amounts contributed to these projects are disclosed in this footnote including the term and annual payments. These ventures are funded primarily through the tourism development tax. In addition to providing financing, the County provides other services to the developments including marketing, construction development oversight, and economic development services. These ventures allow for a method for equitably providing for and allocating and financing the capital and operating costs, including payments to reserve funds authorized by law and payments of principal and interest on obligations. The method is established by the participating parties to the interlocal agreement on a ratio of full valuation of real property, on the basis of the amount of services rendered or to be rendered or benefits received or conferred or to be received or conferred, or on any other equitable basis, subject to such limitations as may be contained in the constitution and statutes of this state.

**Pension and Other Postemployment Benefits (OPEB)**

The liabilities for pension and OPEB are liquidated in the fund in which an employee's payroll expense is normally recorded. The significant funds that have been used in prior years to liquidate these liabilities have been the General, Utilities, and Fire Rescue Funds. Additional disclosure for Pension and OPEB can be found in Note 11 and Note 12, respectively of the financial statements.

**POLK COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 11 RETIREMENT PLANS**

**Background**

The Florida Retirement System (FRS) was created by Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the County are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost sharing, multiple-employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The County's aggregate pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense for all plans total \$418,623,364, \$110,287,930, \$30,548,522, and \$6,325,211, respectively.

**Florida Retirement System Pension Plan**

**Plan Description**

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 11 RETIREMENT PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Plan Description (Continued)**

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**Benefits Provided**

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the member's five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the member's 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 11 RETIREMENT PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Benefits Provided (Continued)**

The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>Percent Value</u>
Regular Class Members Initially Enrolled Before July 1, 2011	
Retirement Up to Age 62 or Up to 30 Years of Service	1.60 %
Retirement Up to Age 63 or Up to 31 Years of Service	1.63
Retirement Up to Age 64 or Up to 32 Years of Service	1.65
Retirement Up to Age 65 or Up to 33 Years of Service	1.68
Regular Class Members Initially Enrolled On or After July 1, 2011	
Retirement Up to Age 65 or Up to 33 Years of Service	1.60
Retirement Up to Age 66 or Up to 34 Years of Service	1.63
Retirement Up to Age 67 or Up to 35 Years of Service	1.65
Retirement Up to Age 68 or Up to 36 Years of Service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service On and After October 1, 1974	3.00

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

**Contributions**

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The employer contribution rates by job class for the periods from October 1, 2021, through June 30, 2022, and from July 1, 2022, through September 30, 2022, respectively, were as follows: Regular employees 10.82% and 11.92%; Special Risk employees 25.89% and 27.83%; County Elected Officials 51.42% and 57.00%; Senior Management Services 29.01% and 31.57%; and DROP participants 18.34% and 18.60%. The County's contributions to the FRS Plan were \$40,763,758 for the year ended September 30, 2022.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 11 RETIREMENT PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Pension Costs**

At September 30, 2022, the County reported a liability of \$345,521,643 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The County's proportion of the net pension liability was based on the County's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2022, the County's proportion was 0.928621015%, which was a decrease of 0.005157490% from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the County recognized pension expense of \$47,122,515 for its proportionate share of the FRS Plan's pension expense. In addition, the County reported its proportionate share of the FRS Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 16,410,283	\$ -
Changes in Actuarial Assumptions	42,552,436	-
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	22,814,748	-
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	6,043,433	17,865,146
County's Contributions Subsequent to the Measurement Date	11,528,955	-
Total	<u>\$ 99,349,855</u>	<u>\$ 17,865,146</u>

An amount of \$11,528,955 reported as deferred outflows of resources related to pensions resulting from County contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2023	\$ 17,394,978
2024	4,551,138
2025	(10,018,867)
2026	55,049,832
2027	2,978,673
Thereafter	-
Total	<u>\$ 69,955,754</u>

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 11 RETIREMENT PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Actuarial Assumptions**

The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% Per Year
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	6.70%, Net of Pension Plan Expense

Mortality rates were based on the PUB-2010 base table which varies by member category and sex, projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2022 valuation for the June 30, 2022 measurement date were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

The target allocation, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0 %	2.6 %	2.6 %	1.1 %
Fixed Income	19.8	4.4	4.4	3.2
Global Equity	54.0	8.8	7.3	17.8
Real Estate (Property)	10.3	7.4	6.3	15.7
Private Equity	11.1	12.0	8.9	26.3
Strategic Investments	3.8	6.2	5.9	7.8
Totals	<u>100.0 %</u>			
Assumed Inflation - Mean			2.4	1.3

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 11 RETIREMENT PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 6.70% for the FRS Plan, which was a 0.1% decrease from the rate as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Pension Liability Sensitivity**

The following presents the County's proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	5.70%	6.70%	7.70%
County's Proportionate Share of the FRS Plan Net Pension Liability	\$ 597,555,924	\$ 345,521,643	\$ 134,790,995

**Pension Plan Fiduciary Net Position**

Detailed information about the FRS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

**Retiree Health Insurance Subsidy Program**

**Plan Description**

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 11 RETIREMENT PLANS (CONTINUED)**

**Retiree Health Insurance Subsidy Program (Continued)**

**Benefits Provided**

For the fiscal year ended June 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**Contributions**

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2022, the contribution rate was 1.66% of payroll pursuant to Section 112.363, *Florida Statutes*. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The County's contributions to the HIS Plan were \$4,227,855 for the year ended September 30, 2022.

**Pension Costs**

At September 30, 2022, the County reported a liability of \$73,101,721 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, and update procedures were used to determine liabilities as of July 1, 2022. The County's proportion of the net pension liability was based on the County's contributions received during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all participating employers. At June 30, 2022, the County's proportion was 0.690185997%, which is an increase of 0.000827947% from its proportion measured as of June 30, 2021.



**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 11 RETIREMENT PLANS (CONTINUED)**

**Retiree Health Insurance Subsidy Program (Continued)**

**Pension Costs (Continued)**

For the year ended September 30, 2022, the County recognized pension expense of \$4,754,652 for its proportionate share of HIS's pension expense. In addition, the County reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 2,218,810	\$ 321,654
Changes in Actuarial Assumptions	4,190,238	11,308,789
Net Difference Between Projected and Actual		
Earnings on HIS Program Investments	105,836	-
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	3,279,538	1,052,933
County's Contributions Subsequent to the Measurement Date	1,143,653	-
Total	<u>\$ 10,938,075</u>	<u>\$ 12,683,376</u>

An amount of \$1,143,653 reported as deferred outflows of resources related to pensions resulting from County contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2023	\$ (457,274)
2024	(9,388)
2025	92,604
2026	(359,116)
2027	(1,454,416)
Thereafter	(701,364)
Total	<u>\$ (2,888,954)</u>

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 11 RETIREMENT PLANS (CONTINUED)**

**Retiree Health Insurance Subsidy Program (Continued)**

**Actuarial Assumptions**

The total pension liability in the July 1, 2022 actuarial valuation for the June 30, 2022 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**HIS Actuarial Assumptions**

Inflation	2.40% Per Year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	3.54%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018. The actuarial assumptions used in the July 1, 2022 valuation for the June 30, 2022 measurement date were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

**Discount Rate**

The discount rate used to measure the total pension liability was 3.54% for the HIS Plan, which was a 1.38% increase from the 2.16% rate as of June 30, 2021. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan Sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**Pension Liability Sensitivity**

The following presents the County's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	2.54%	3.54%	4.54%
County's Proportionate Share of the HIS Plan Net Pension Liability	\$ 83,634,371	\$ 73,101,721	\$ 64,386,170

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 11 RETIREMENT PLANS (CONTINUED)**

**Retiree Health Insurance Subsidy Program (Continued)**

**Pension Plan Fiduciary Net Position**

Detailed information about the HIS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

**FRS Investment Plan**

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 11 RETIREMENT PLANS (CONTINUED)**

**FRS Investment Plan (Continued)**

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The County's contributions to the Investment Plan totaled \$6,475,093 for the year ended September 30, 2022.

Employee contributions to the Investment Plan totaled \$1,256,676 for the year ended September 30, 2022.

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description**

The postemployment benefits plan is a single-employer defined benefit plan administered by the County. In accordance with Section 112.0801, *Florida Statutes*, and as authorized by County Ordinance 2018-073 effective November 20, 2018, and County Ordinance 2020-044 effective January 1, 2021, the County offers retiring employees enrolled in the County's plans at the time of retirement and their covered dependents the opportunity to continue to participate in health and/or life insurance plans through the County's Retiree Benefits Program. The postemployment benefits plan does not issue a separate financial statement.

If an employee wishes to immediately continue group health insurance through the County, the appropriate paperwork must be submitted within 30 days of their employment termination date. A retired employee, who retired on or after November 20, 2018, has a one-time option to elect to cease participation in the group health insurance plan upon retirement, enter into inactive status, and enroll at a later date. A surviving spouse may also elect this one-time option. An employee who retires under a state retirement system or a state optional annuity or retirement program or is placed on disability retirement must immediately begin receiving retirement benefits after leaving County employment to qualify for this benefit. Any employee who retires under the Investment Plan must meet the age and service requirements set forth in Section 121.021(29), *Florida Statutes*, or attained the retirement age specified by Section 72(t)(2)AA(i) of the Internal Revenue Code and have the years of service required for vesting as set forth in Section 121.021(45), *Florida Statutes*.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Plan Description (Continued)**

However, an exception to this qualification is that some employees who did not retire, were employed with County government a minimum of 15 years and terminated their employment prior to January 1, 2012, qualified for participation in the Retiree Benefits Program based solely upon their years of service. Retirees age 65 and older and/or their Medicare eligible dependents participate in the fully-insured Medicare Advantage plan and must enroll in the Federal Medicare program (Part A & Part B) to be eligible for enrollment in this plan option. Retirees under the age of 65 may remain on the County's self-insured medical plan.

The premiums for the retirees and dependents participating in the County's health plans are the same as that of active employees. If a retiree was employed before January 1, 2009, elects to continue group health insurance, and was employed by County government for a minimum of ten years, or eight years for elected officials and senior management, the County contributes toward the payment of the premium for the employee only coverage. If an employee retired or entered DROP before January 1, 2012, the County contributes 3% of the retiree's premium for each full year of employment that the employee had with a Polk County agency affiliated with the County's health plan. The maximum contribution that the County will provide to a retiree at 3% per year is 75% of the premium. If an employee retires after January 1, 2012, the County contributes the lesser of \$20 per year of service, up to a maximum of \$500 or 3% per year of service up to a maximum of 75%. The County does not make a contribution toward premiums for any employee hired after December 31, 2008. The County also subsidizes the premium rates paid by non-Medicare eligible retirees and their dependents by allowing them to participate in the self-insured plans at the blended group (implicitly subsidized) premium rates for both active and non-Medicare eligible retired employees. These rates provide an implicit subsidy because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

Employees may also retain the amount of basic life coverage in effect on the group life insurance plan at the time they become a retiree; however, they are fully responsible for the premium.

**Funding Policy**

The County has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) or the net OPEB obligation. Contribution requirements of the County are established and may be amended through the County. The plan is currently being funded on a pay-as-you-go basis. No trust fund has been established for the plan. The plan does not issue a separate financial report.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Employees Covered by Benefit Terms**

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

Plan Participants:

Inactive Employees or Beneficiaries Currently Receiving Benefits	1,483
Active Plan Members	4,222
Total Participants	5,705

**Total OPEB Liability**

The County's Total OPEB liability was measured as of September 30, 2021 and was determined by an actuarial valuation as of September 30, 2020. The following table shows the County's total OPEB liability for the year ended September 30, 2022.

	Total OPEB Liability	Net OPEB Liability
Balance - October 1, 2021	\$ 186,387,615	\$ 186,387,615
Changes for the Year:		
Service Cost	4,871,937	4,871,937
Interest	4,513,869	4,513,869
Changes in Assumptions	16,434,859	16,434,859
Differences Between Expected and Actual Experience	4,501,038	4,501,038
Benefit Payments	(7,924,382)	(7,924,382)
Net Changes	22,397,321	22,397,321
Balance - September 30, 2022	\$ 208,784,936	\$ 208,784,936

**Discount Rate Sensitivity**

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	1.19 %	2.19 %	3.19 %
Total OPEB Liability	\$ 234,000,531	\$ 208,784,936	\$ 187,208,890

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Healthcare Trend Rate Sensitivity**

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Description	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB Plan Healthcare Cost Rate	5.25 %	6.25 %	7.25 %
Total OPEB Liability	\$ 194,717,062	\$ 208,784,936	\$ 223,001,794

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended September 30, 2022, the County recognized OPEB expense of \$21,736,670. In addition, the County reported deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 20,361	\$ 2,403,630
Changes of Assumptions	19,505,536	36,111,746
County's Contributions Subsequent to the Measurement Date	8,536,234	-
Total	<u>\$ 28,062,131</u>	<u>\$ 38,515,376</u>

An amount of \$8,536,234 reported as deferred outflows of resources related to OPEB resulting from County Contributions subsequent to measurement date will be recognized as reduction of the total OPEB liability in the year ending September 30, 2023. Amounts reported as deferred inflows and outflows of resources related to OPEB will be amortized over five years and will be recognized as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2023	\$ (4,083,993)
2024	(4,083,993)
2025	(4,083,993)
2026	(4,083,993)
2027	(3,562,953)
Thereafter	909,446
Total	<u>\$ (18,989,479)</u>

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Actuarial Assumptions**

The total OPEB liability in the September 30, 2022, actuarial roll forward was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.19 %
Inflation	2.25 %
Healthcare Cost Trend Rates	6.25 %

The actuarial cost method used was the Entry Age Normal method.

Mortality tables used for Regular Class and Special Risk Class members in the July 1, 2020 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2013 through 2018.

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this actuarial roll forward, the municipal bond rate is 2.19% (based on the daily rate of Fidelity's "20-Year Municipal GO AA Index" closest to but not later than the measurement date). The discount rate was 2.41% as of the previous measurement date.



**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 13 GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

The County's governmental fund balances as of September 30, 2022, were classified as follows:

	General Fund	Coronavirus Relief Fund	County Transportation Trust Fund	Impact Fees Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>						
Prepays	\$ 1,709,842	\$ 4,225,292	\$ -	\$ 1,641,597	\$ 234,209	\$ 7,810,940
Inventories	935,738	-	-	-	-	935,738
Total Nonspendable	<u>2,645,580</u>	<u>4,225,292</u>	<u>-</u>	<u>1,641,597</u>	<u>234,209</u>	<u>8,746,678</u>
<b>Restricted:</b>						
Economic Development	1,776,041	-	-	-	-	1,776,041
General County Admin Events	4,337	-	-	-	-	4,337
Human Services Multi-Purpose Centers and Healthy Families Program	11,911	-	-	-	-	11,911
Roadway Maintenance, Operations, and Capital	(3,429)	-	109,677,476	-	7,766,097	117,440,144
Community Redevelopment Areas	-	-	-	-	780,100	780,100
Emergency Services	-	-	-	-	17,191,395	17,191,395
Libraries, Museums and Parks, Maintenance Operations and Capital	116,728	-	-	-	18,432,275	18,549,003
Law Enforcement	833,125	-	-	-	5,827,208	6,660,333
Court Related Operation/Technology	1,999,810	-	-	-	7,057,962	9,057,772
Debt Service	-	-	-	-	10,757,419	10,757,419
Tourism Development	-	-	-	-	16,429,934	16,429,934
Indigent Healthcare	-	-	-	-	76,317,457	76,317,457
Impact Fees	-	-	-	104,182,252	-	104,182,252
Building Code Enforcement	1,395,425	-	-	-	12,572,727	13,968,152
Election Activities	-	-	-	-	438,945	438,945
Grant Housing Program	-	-	-	-	-	-
Total Restricted	<u>6,133,948</u>	<u>-</u>	<u>109,677,476</u>	<u>104,182,252</u>	<u>173,571,519</u>	<u>393,565,195</u>
<b>Committed:</b>						
Roadway Maintenance, Operations, and Capital	90,481	-	-	-	50,524,512	50,614,993
Environmental Lands Acquisition and Maintenance	-	-	-	-	39,088,550	39,088,550
Emergency Medical Services	-	-	-	-	21,496,418	21,496,418
Total Committed	<u>90,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,109,480</u>	<u>111,199,961</u>
<b>Assigned:</b>						
Project Excess of Expected Expenditures Over Expected Revenues	160,826	-	-	-	-	160,826
Roadway Maintenance, Operations, and Capital	-	-	-	-	2,725,515	2,725,515
Debt Service	-	-	-	-	2,856,855	2,856,855
General Capital Improvement Projects	-	-	-	-	31,993,772	31,993,772
Total Assigned	<u>160,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,576,142</u>	<u>37,736,968</u>
Unassigned	<u>124,841,876</u>	<u>(4,225,292)</u>	<u>-</u>	<u>(1,641,597)</u>	<u>(354,784)</u>	<u>118,620,203</u>
Total Fund Balances	<u>\$ 133,872,711</u>	<u>\$ -</u>	<u>\$ 109,677,476</u>	<u>\$ 104,182,252</u>	<u>\$ 322,136,566</u>	<u>\$ 669,869,005</u>

**POLK COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 14 PROPERTY TAX REVENUES**

Taxable values for all property are established as of January 1, which is the date of lien, for the fiscal year starting October 1. Property tax revenues recognized for the year ended September 30, 2022, were levied in January 2021. All taxes are payable on November 1 and due by March 31, or as soon as the assessments roll is certified and delivered to the Tax Collector. Discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount. All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to June 1; therefore, there were no material taxes receivable at fiscal year-end. Any prepaid taxes paid in June through September are accrued as deferred inflows at the fiscal year-end.

**NOTE 15 REHABILITATION AND HOMEOWNERSHIP LOAN PROGRAMS**

The County has multi and single-family home rehabilitation and homeownership loan programs funded under the Community Development Block Grant (CDBG), HOME Investment Partnership Loan Program (HOME), and the State Housing Initiative Partnership Program (SHIP). If the homeowners remain in their homes for the full term of the deferred loan, the loan is forgiven. If the property is transferred or sold before the end of the loan period, the proceeds from the repayment including interest, if any, are then repaid and returned to the appropriate grant program. If the net proceeds from a voluntary (sale) or involuntary (foreclosure) sale are insufficient to repay the amount of the assistance, the County shall recapture the balance due on the loan or 100% of net proceeds from the sale, whichever is less. If there are no net proceeds from the sale, no repayment is required. A lien is placed against the property to ensure the repayment of the loan and interest, if any. As collection is uncertain on these loans, they are not recognized in the financial statements.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 16 PROPERTY TAX REVENUES AFFORDABLE HOUSING ASSISTANCE TRUST FUND  
STATE HOUSING INITIATIVE PARTNERSHIP PROGRAM (SHIP)**

The Affordable Housing Assistance Trust Fund – State Housing Initiative Partnership Program (SHIP) is included in the Nonmajor Governmental Funds. Separate financial information for this fund is reported below:

**ASSETS**

Cash and Investments	\$ 7,567,725
Accounts Receivable	9,184
Interest Receivable	<u>13,521</u>
Total Assets	<u><u>\$ 7,590,430</u></u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Vouchers Payable	\$ 75,611
Accrued Liabilities	6,191
Unearned Revenue	<u>7,508,628</u>
Total Liabilities	<u>7,590,430</u>

**FUND BALANCE**

Total Liabilities and Fund Balance	<u><u>\$ 7,590,430</u></u>
------------------------------------	----------------------------

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 3,895,000	\$ 3,895,000	\$ 665,075	\$ (3,229,925)
Interest Income	50,000	50,000	63,404	13,404
Miscellaneous Revenues	250,000	250,000	2,050,616	1,800,616
Total Revenues	<u>4,195,000</u>	<u>4,195,000</u>	<u>2,779,095</u>	<u>(1,415,905)</u>
<b>EXPENDITURES</b>				
Economic Environment	<u>4,195,000</u>	<u>4,195,000</u>	<u>2,779,095</u>	<u>1,415,905</u>
Total Expenditures	<u>4,195,000</u>	<u>4,195,000</u>	<u>2,779,095</u>	<u>1,415,905</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 17 COMMITMENTS AND CONTINGENCIES**

**Federal Grant Programs**

The County participates in a number of federal programs. Grant programs are subject to financial and compliance audits by the grantors or their representatives. The grantor audits of all programs for or including the year ended September 30, 2022, have not been completed. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

**Litigation**

Various suits and claims involving disputed ad valorem real property taxes are pending against Polk County. Portions of these taxes have been voluntarily paid, others have been paid under protest, and in certain instances, there are unpaid balances.

Various other suits and claims arising in the ordinary course of County operations, some of which may involve substantial amounts, are pending against the County. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the County, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of Polk County or the results of its operations.

**Polk Regional Water Cooperative  
Background**

The Polk Regional Water Cooperative (PRWC) was created on April 1, 2016 by an interlocal agreement between the City of Lake Alfred, City of Auburndale, City of Bartow, City of Davenport, City of Eagle Lake, City of Fort Meade, City of Frostproof, Haines City, City of Lakeland, City of Lake Wales, City of Mulberry, Polk City, City of Winter Haven, Town of Dundee, Town of Lake Hamilton and Polk County in accordance with Chapters 163 and 373 of the Florida Statutes. These local government units are collectively considered the Member Governments. The PRWC is a separate legal entity organized under the laws and the state of Florida, and the Member Governments have no equity ownership and no rights to the assets or obligations to satisfy liabilities of PRWC.

The PRWC is devoted to encouraging the development of fully integrated robust public water supply systems comprised of diverse sources managed in a manner that take full advantage of Florida's intense climatic cycles to ensure reliable, sustainable and drought resistant systems which maximize the use of alternative water supplies to the greatest extent practicable. The PRWC will evaluate, plan and implement water projects and coordinate partnerships with other water users.

**Commitments to Membership Fees**

The terms of the interlocal agreement require each Member Government to contribute their proportionate share of the PRWC's annual working capital needs which are established annually by a resolution of the PRWC's Board of Directors.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 17 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Large Contractual Commitments**

The County has contractual commitments at September 30, 2022 for the following:

<u>PROJECT</u>	<u>ESTIMATED AMOUNT</u>
WEST PIPKIN ROAD WIDENING CONSTRUCTION PROJECT	\$ 30,512,732
LAKE WILSON ROAD WIDENING	16,589,827
NORTH CENTRAL LANDFILL PHASE VI EXPANSION	9,220,865
ENGINEERING SERVICES IN CONNECTION WITH THE THOMPSON NURSERY ROAD PROJECT	5,047,320
BUILDING CONSTRUCTION SERVICES AT THE NORTHEAST POLK COUNTY GOVERNMENT CENTER	4,212,007
BONE VALLEY ATV PARK BRIDGE	3,502,191
PROFESSIONAL SERVICES AGREEMENT FOR STORMWATER INFRASTRUCTURE IMPROVEMENT PROJECT	3,387,465
GIBSON OAKS WATER PRODUCTIONS FACILITY	2,603,070
ENGINEERING AND INSPECTION SERVICES IN CONNECTION WITH THE ROAD WIDENING PROJECT FOR WEST PIPKIN RD FROM MEDULLA RD TO SR 37	2,465,109
PROVIDE ORACLE SAAS ERP SERVICES AND IMPLEMENTATION SERVICES	2,139,911
UTILITIES CUSTOMER INFORMATION SYSTEM	2,105,263
SUBSCRIPTION SERVICE AGREEMENT	2,102,085
RADIO PURCHASES (OVER 5 YEARS)	1,965,067
STANDBY POWER SYSTEM IMPROVEMENTS PHASE 2 - NE1, SE & SW	1,914,150
MARIGOLD AVE & CR 580 (CYPRESS PARKWAY) WIDENING	1,884,374
PRIMARY CARE SERVICES FOR QUALIFIED POLK COUNTY RESIDENTS AT OR BELOW 200% OF THE FEDERAL POVERTY LEVEL	2,236,507
PROFESSIONAL ENGINEERING SERVICES FOR CR 557 (BEUNA VISTA DR.) WIDENING	1,683,230
PROFESSIONAL SERVICES WITH CONSTRUCTION ENGINEERING AND INSPECTION SERVICES FOR LAKE WILSON RD WIDENING PROJECT	1,638,668
POLK COUNTY CENTRAL COUNTY JAIL - ROOF REPLACEMENT	1,601,722
HOLLY HILL WATER PRODUCTION FACILITY UPPER FLORIDAN PRODUCTION WELL NO 2	1,484,123
LIFT STATION NO. 253 UPGRADE (PROVIDENCE)	1,250,092
CR 655 (RIFLE RANGE) STREET LIGHTING	1,248,248
CHERRY HILL WPF CONSTRUCTION	1,090,167
ROADS & DRAINAGE NEW MAPPING AND SURVEY OFFICE BUILDING	1,066,229
ERNIE CALDWELL RECLAIMED WATER MAIN IMPROVEMENTS PHASE 2	1,059,359
CONSTRUCTION OF A NEW WASTEWATER CLARIFIER AND RELATED IMPROVEMENTS AT PCNRWTF	1,035,912
AMERICAN RECOVERY PLAN LOCAL FISCAL RECOVERY FUNDING AGREEMENT	1,000,000
PROVIDE CONSULTANT SERVICES TO IMPLEMENT A NEW COMPUTERIZED MAINTENANCE MANAGEMENT SYSTEM	988,858
STANDBY POWER SYSTEM IMPROVEMENTS PHASE 2 - NE2 & NW	772,916
AMERICAN RECOVERY PLAN LOCAL FISCAL RECOVERY FUNDING AGREEMENT	735,000
PROVIDE DENTAL CARE SERVICES TO QUALIFIED RESIDENTS OF POLK COUNTY	683,450
AMERICAN RECOVERY PLAN FUNDS-LOCAL FISCAL RECOVERY FUNDING AGREEMENT	674,204
NORTHWEST REGIONAL UTILITY SERVICE AREA (NWRUSA) CHERRY HILL WATER PRODUCTION FACILITY CONSTRUCTION-POLK NE GOV'T CENTER	666,568
COURTHOUSE PARKING GARAGE REMEDIATION	654,407
BEHAVIORAL HEALTH SERVICES TO QUALIFIED RESIDENTS OF POLK COUNTY	646,809
PRIMARY CARE SERVICES FOR QUALIFIED POLK RESIDENTS AT OR BELOW 200% OF FEDERAL POVERTY LEVEL	581,246
DENTAL CARE SERVICES TO QUALIFIED RESIDENTS OF POLK COUNTY	572,546
GIBSON OAKS OFFSITE PIPELINE IMPROVEMENTS	558,040
LIFT STATION UPGRADES 2021 (17 SITES)	549,599
AMERICAN RESCUE PLAN-LOCAL FISCAL RECOVERY FUNDING AGREEMENT	519,355
BEHAVIORAL HEALTH SERVICES	511,998
TOTAL	<u>\$ 115,668,551</u>

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 18 TRANSFERS**

Transfers for the year ended September 30, 2022, consisted of the following:

Transfers to General Fund from:	
Nonmajor Governmental Funds	\$ 5,608,177
Utilities Fund	2,137,633
Coronavirus Relief Fund	158,453
Waste and Recycling Fund	4,728,988
Total	<u>\$ 12,633,251</u>
Transfer to Coronavirus Relief Fund from:	
General Fund	\$ 10,886
Total	<u>\$ 10,886</u>
Transfers to Nonmajor Governmental Funds from:	
General Fund	\$ 47,441,403
County Transportation Trust Fund	4,250,000
Impact Fees Fund	1,550,000
Nonmajor Governmental Funds	2,880,387
Utilities Fund	166,931
Total	<u>\$ 56,288,721</u>
Transfer to Rohr Nursing Home Fund from:	
General Fund	\$ 3,940
Total	<u>\$ 3,940</u>
Transfers to Internal Service from:	
Coronavirus Relief Fund	\$ 350,000
Nonmajor Governmental Funds	375,000
Total	<u>\$ 725,000</u>

Transfers are used to: 1) move revenues from the fund which state law requires to collect them to the fund that state law requires to expend them, 2) provide matching funds for grants, 3) or use unrestricted General Fund and other fund revenues to finance transportation or other activities which must be accounted for in another fund.

**POLK COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 19 DEFICIT FUND BALANCES**

At September 30, 2022, the Information Technology Fund, Lighting District Fund, and Capital Improvement Projects Fund had a net position deficit of \$3,264,025, \$32,668, and \$149,424 respectively. The deficit in the Information Technology Fund will be eliminated through future charges to other funds. The deficit in the Lighting District Fund will be eliminated through the review and annual adjustments to the non-ad valorem assessments for each individual lighting district. The Capital Improvement Projects Fund is scheduled to be closed in fiscal year 2023 and any remaining balances will be absorbed into the General Capital Improvements Fund.

**NOTE 20 POLK COUNTY ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION PROGRAM**

On November 6, 2012, the electorate of Polk County, Florida, passed a referendum authorizing the County to grant ad valorem tax exemptions to qualifying businesses. The Polk County Board of County Commissioners adopted Ordinance 2013-017 on May 7, 2013, to establish such a program. This ordinance authorized the County to grant economic development ad valorem tax exemptions to new businesses and expansions of existing businesses as defined in Section 196.012, of the *Florida Statutes* as authorized by Article VII, Section 3 of the Florida Constitution and section 196.195, *Florida Statutes*.

The ad valorem tax exemption program currently recognizes three categories of businesses for eligibility: new businesses in qualified target industries (QTI), existing businesses in QTI seeking to expand, and manufacturing expansion. Qualified applicants are eligible to receive ad valorem tax exemptions for up to 100% of the assessed value of the property for a maximum of 10 years. There were 26 businesses participating in the ad valorem tax exemption program for year ended September 30, 2022. The mutual agreement provides financial incentives to the companies and economic job growth for the County. The County assesses compliance with these agreements on an annual basis. The exemptions offered by the County do not apply to taxes levied by the Polk County School Board, Southwest Florida Water Management District, or any other taxing authorities not governed by the County.

**POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 20 POLK COUNTY ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION PROGRAM (CONTINUED)**

The following is a schedule of tax assessments and exemptions by exemption type for year ended September 30, 2022:

Taxable Value Summary - New Business QTI	
Assessed Taxes Without Abatements	\$ 3,966,344
Tax Revenue Abated	3,509,840
Tax Revenue to County	<u>\$ 456,504</u>
Tax Revenue Summary - New Business NonQTI	
Assessed Taxes Without Abatements	\$ 977,295
Tax Revenue Abated	710,304
Tax Revenue to County	<u>\$ 266,991</u>
Taxable Value Summary - Existing Business QTI	
Assessed Taxes Without Abatements	\$ 1,614,008
Tax Revenue Abated	1,084,588
Tax Revenue to County	<u>\$ 529,420</u>
Taxable Value Summary - Manufacturing Expansion	
Assessed Taxes Without Abatements	\$ 78,551
Tax Revenue Abated	39,275
Tax Revenue to County	<u>\$ 39,276</u>
Taxable Value Summary - AVTE Expansion	
Assessed Taxes Without Abatements	\$ 563,557
Tax Revenue Abated	342,782
Tax Revenue to County	<u>\$ 220,775</u>

**NOTE 21 SUBSEQUENT EVENTS**

**Changes in Risk Management Footnote**

Effective April 1, 2023, the Board approved renewal adjustments to the Insurance Loss Limits noted within Footnote 8. These adjustments relate to Property Claims of Excess Carrier's Coverage for Named Windstorms from \$60,000,000 to \$20,000,000 and All Other Perils (AOP) from \$100,000,000 to \$50,000,000 except for losses sustained at the Courthouse which remains at \$100,000,000.



**REQUIRED SUPPLEMENTARY INFORMATION**



**POLK COUNTY, FLORIDA  
SCHEDULE OF CHANGES IN THE COUNTY'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST TEN FISCAL YEARS**

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	\$ 4,871,937	\$ 5,010,354	\$ 4,515,181	\$ 5,016,274	\$ 5,521,352
Interest	4,513,869	5,482,702	6,618,093	6,957,959	6,311,071
Difference Between Expected and Actual Experience	4,501,038	(3,062,160)	-	-	42,401
Changes of Assumptions	16,434,859	(11,669,908)	23,137,736	(37,082,312)	(13,232,965)
Benefit Payments	<u>(7,924,382)</u>	<u>(7,467,966)</u>	<u>(8,914,773)</u>	<u>(9,675,173)</u>	<u>(7,893,882)</u>
Net Change in Total OPEB Liability	22,397,321	(11,706,978)	25,356,237	(34,783,252)	(9,252,023)
Total OPEB Liability - Beginning	<u>186,387,615</u>	<u>198,094,593</u>	<u>172,738,356</u>	<u>207,521,608</u>	<u>216,773,631</u>
Total OPEB Liability - Ending	<u>\$ 208,784,936</u>	<u>\$ 186,387,615</u>	<u>\$ 198,094,593</u>	<u>\$ 172,738,356</u>	<u>\$ 207,521,608</u>
County's Covered-Employee Payroll	\$ 216,549,962	\$ 209,227,016	\$ 278,386,886	\$ 268,972,837	\$ 201,726,831
County's Total OPEB Liability as a Percentage of Covered-Employee Payroll	96.41 %	89.08 %	71.16 %	64.22 %	102.87 %
OPEB Plan's Fiduciary Net Position	\$ -	\$ -	\$ -	\$ -	\$ -
OPEB Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule:**

Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available. There are no assets accumulated in a trust to pay for OPEB.

Changes in Assumptions: The following assumptions have been updated in accordance with GASB Statement No. 75.

- The assumed rate of long-term inflation did not change from 2.25%. As a result, long term trend rates of healthcare cost did not change from 3.99%.
- The medical claims cost and premiums were updated based on actual claims experience and premium information provided for this valuation. This change increased the Total OPEB Valuation.
- The discount rate was changed from 2.41% as of the previous measurement date to 2.19% as of September 30, 2021. This change is reflected in the Schedule of Changes in Total OPEB Liability.
- Demographic assumptions were changed to align with updated assumptions adopted by the Florida Retirement System for its July 1, 2021 actuarial valuation.
- Effective January 1, 2021, for retirements and DROP enrollments on or after January 1, 2012, employees will receive the lesser of \$20/ month per year of service up to a maximum of \$500/ month or 3% per year of service, up to a maximum of 75% of the total premium from employee only coverage. This benefit change is reflected in the Schedule of Changes in Total OPEB Liability.

**POLK COUNTY, FLORIDA**  
**SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –**  
**FLORIDA RETIREMENT SYSTEM PENSION PLAN**  
**LAST TEN MEASUREMENT PERIODS<sup>1</sup>**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's Proportion of the Net Pension Liability	0.928621015%	0.933778505%	1.006785508%	0.984599641%
County's Proportionate Share of the Net Pension Liability	\$ 345,521,643	\$ 70,536,352	\$ 436,355,676	\$ 339,082,409
County's Covered Payroll <sup>2</sup>	\$ 202,292,985	\$ 196,292,168	\$ 195,548,909	\$ 187,983,897
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	170.80%	35.93%	223.14%	180.38%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.89%	96.40%	78.85%	82.61%

\* The amounts presented for each fiscal year were determined as of June 30.

<sup>1</sup> Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

<sup>2</sup> Covered payroll consists of pensionable wages calculated as of the respective measurement date.

2018	2017	2016	2015
0.979972181%	0.957941800%	0.941256310%	0.857017154%
\$ 295,172,700	\$ 283,352,754	\$ 237,667,957	\$ 110,695,258
\$ 187,511,944	\$ 172,448,583	\$ 175,979,949	\$ 162,213,496
157.42%	164.31%	135.05%	68.24%
84.26%	83.89%	84.88%	92.00%

**POLK COUNTY, FLORIDA  
SCHEDULE OF COUNTY CONTRIBUTIONS –  
FLORIDA RETIREMENT SYSTEM PENSION PLAN  
LAST TEN FISCAL YEARS<sup>1</sup>**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 40,763,758	\$ 36,676,127	\$ 34,117,293	\$ 31,176,804
Contributions in Relation to the Contractually Required Contribution	<u>(40,763,758)</u>	<u>(36,676,127)</u>	<u>(34,117,293)</u>	<u>(31,176,804)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 205,226,995	\$ 197,335,827	\$ 195,101,781	\$ 189,658,115
Contributions as a Percentage of Covered Payroll	19.86%	18.59%	17.49%	16.44%

\* The amounts presented for each fiscal year were determined as of September 30.

<sup>1</sup> Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 28,567,372	\$ 25,519,776	\$ 24,584,511	\$ 21,103,282
<u>(28,567,372)</u>	<u>(25,519,776)</u>	<u>(24,584,511)</u>	<u>(21,103,282)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 189,552,917	\$ 176,635,169	\$ 180,312,824	\$ 171,452,221
15.07%	14.45%	13.63%	12.31%

**POLK COUNTY, FLORIDA**  
**SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –**  
**HEALTH INSURANCE SUBSIDY PENSION PLAN**  
**LAST TEN MEASUREMENT PERIODS<sup>1</sup>**

	2022	2021	2020	2019
County's Proportion of the Net Pension Liability	0.690185997%	0.689358050%	0.682123618%	0.671150490%
County's Proportionate Share of the Net Pension Liability	\$ 73,101,721	\$ 84,560,128	\$ 83,286,183	\$ 75,095,024
County's Covered Payroll <sup>2</sup>	\$ 244,016,805	\$ 236,133,101	\$ 231,129,920	\$ 219,181,243
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	29.96%	35.81%	36.03%	34.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.81%	3.56%	3.00%	2.63%

\* The amounts presented for each fiscal year were determined as of June 30.

<sup>1</sup> Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

<sup>2</sup> Covered payroll consists of pensionable wages calculated as of the respective measurement date.



2018	2017	2016	2015
0.668910157%	0.647821000%	0.640800865%	0.625554561%
\$ 70,798,201	\$ 69,268,011	\$ 74,682,686	\$ 63,796,725
\$ 218,394,455	\$ 194,438,570	\$ 197,293,241	\$ 190,065,812
32.42%	35.62%	37.85%	33.57%
21.50%	1.64%	0.97%	0.50%

**POLK COUNTY, FLORIDA  
SCHEDULE OF COUNTY CONTRIBUTIONS –  
HEALTH INSURANCE SUBSIDY PENSION PLAN  
LAST TEN FISCAL YEARS<sup>1</sup>**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 4,227,855	\$ 4,093,103	\$ 3,973,874	\$ 3,767,613
Contributions in Relation to the Contractually Required Contribution	<u>(4,227,855)</u>	<u>(4,093,103)</u>	<u>(3,973,874)</u>	<u>(3,767,613)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 247,125,157	\$ 238,317,179	\$ 231,767,620	\$ 221,501,919
Contributions as a Percentage of Covered Payroll	1.71%	1.72%	1.71%	1.70%

\* The amounts presented for each fiscal year were determined as of September 30.

<sup>1</sup> Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 3,643,123	\$ 3,492,346	\$ 3,424,007	\$ 2,391,259
<u>(3,643,123)</u>	<u>(3,492,346)</u>	<u>(3,424,007)</u>	<u>(2,391,259)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 219,482,843	\$ 203,529,598	\$ 202,834,766	\$ 189,492,682
1.66%	1.72%	1.69%	1.26%

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## **COMBINING AND INDIVIDUAL FUND SCHEDULES**



**POLK COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

**SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action.

**Special Revenue Grants Fund**

This fund accounts for the various federal and state grants obtained by the County.

**Tourist Development Tax Fund**

The County's portion of the four and five cent tourism tax revenue is recorded in this fund. These revenues are to be used to promote tourism for the County.

**Lake and River Enhancement Fund**

The annual County vessel registration fee revenues are recorded in this fund. These revenues are used for the maintenance and enhancement of the lakes, rivers, waters, and for other boating related activities.

**Lighting Districts Fund**

This fund accounts for the costs of providing street lighting to residents living within the boundaries of the lighting districts. The primary revenue source is from non-ad valorem special assessments restricted for the purpose of street lighting in special districts.

**Stormwater MSTU Fund**

This fund accounts for MSTU revenue and cost of operating and maintaining the stormwater management system and complying with mandates of the National Pollutant Discharge Elimination System Stormwater (NPDES) permitting program.

**Fire Rescue Fund**

This fund accounts for the costs of providing fire protection services to the residents living within the unincorporated areas of the County. The primary revenue source is from various special assessments to citizens to be used for fire rescue and emergency medical services.

**Emergency 911 Fund**

This fund accounts for fees provided by the Florida emergency telephone act and by ordinance No. 86-23. These revenues are to be used for the acquisition, implementation, and maintenance of public safety answering point equipment and "911" service features.

**POLK COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
SEPTEMBER 30, 2022**

**SPECIAL REVENUE FUNDS (CONTINUED)**

**Hazardous Waste Fund**

This fund accounts for costs of regulations and inspections of hazardous waste facilities. The primary revenue source is from a 3% tax on gross receipts on commercial hazardous waste facilities pursuant to Section 403.7215, *Florida Statutes*. According to Florida Statutes, these funds are restricted to be spent on the regulation and inspection of hazardous waste facilities.

**Radio Communications Fund**

This fund accounts for the cost of constructing and maintaining the County-wide 800-megahertz radio communications system. Primary revenue sources are court fines and radio communication user fees.

**Law Enforcement Trust Fund**

This fund accounts for the monies obtained from cash forfeitures and the sale of property and equipment confiscated by the Sheriff as provided for in Chapter 932, *Florida Statutes*. The amounts in the fund are to be expended only for certain law enforcement purposes.

**Land Management Trust Fund**

This fund accounts for monies obtained from ad valorem taxes, which may only be expended for the purchase and management of environmentally sensitive lands.

**Building Fund**

This fund accounts for building permit fees. Revenues are used solely to defer the costs of inspections and to enforce the building code, as permitted by Section 125.56 and 553.80, *Florida Statutes*.

**Indigent Healthcare Fund**

This fund accounts for receipts and disbursements of monies received from the discretionary half-cent sales tax approved by Polk County voters. Monies may be expended only for healthcare services for qualified residents, including but not limited to, the indigent and medically poor.

**Harden/Parkway CRA Fund**

This fund was established in 2004 and has a 40-year sunset date. This fund accounts for monies obtained from ad valorem taxes, which may only be expended to fund the design, construction, and payment for all components of the transportation improvements to the Harden/Parkway area.



**POLK COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
SEPTEMBER 30, 2022**

**SPECIAL REVENUE FUNDS (CONTINUED)**

**Leisure Services MSTU Fund**

The Leisure Services MSTU was established in 2005 to provide and maintain expanded public access to parks and recreation areas and activities, by improving, acquiring, and operating parks, recreation areas and facilities, historical venues and trails within unincorporated areas of the County. Revenues are provided by ad valorem taxes.

**Libraries MSTU Fund**

The Libraries MSTU fund was established in 2005 to provide and maintain expanded public access to library facilities and programs by improving, acquiring, constructing, and operating library facilities within the unincorporated areas of the County. Revenues are provided by ad valorem taxes.

**Rancho Bonito MSTU Fund**

The Rancho Bonito MSTU fund was established in 2013 to fund County and law enforcement services, facilities, operations, maintenance and programs properly located within Rancho Bonito. Revenues are provided by ad valorem taxes.

**Transportation Millage Fund**

This fund accounts for 1.2 mill of ad valorem revenue levied county-wide. In addition, the Board of Commissioners has assigned a portion of the Public Service Tax, assessed on the purchase of utilities such as electricity, water, natural gas, and petroleum gas, to the fund. The primary purpose of the fund is for pavement management, roadway drainage, road capacity, road safety, and general roadway improvements.

**Eloise CRA Fund**

This fund accounts for monies obtained from ad valorem taxes, which may only be expended for the rehabilitation, conservation, or redevelopment of the Eloise area.

**Emergency Medical Millage Fund**

This fund was established based on a proposed millage increase of 0.25 mills. The fund is to support Emergency Medical Services (EMS) throughout the County, covering operating and capital costs associated with Emergency Medical Services.

**Clerk of the Circuit Courts – Court Fund**

This fund accounts for court-related financial resources. The primary revenue source is revenue sharing from Florida Clerks of Court Operations Corporation and is restricted for court-related operations.

**POLK COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
SEPTEMBER 30, 2022**

**SPECIAL REVENUE FUNDS (CONTINUED)**

**Unbudgeted Other Special Revenue Funds**

The Clerk of Courts' Records Modernization Trust accounts for the proceeds of specified revenue sources that are legally restricted to expenditures for specified purposes. The Sheriff's Other Special Revenue Funds (Grants Fund and Other Governmental Funds) account for the proceeds of specific revenue sources related to law enforcement education, law enforcement equipment, and other governmental activities that are legally restricted or committed to expenditures for these specified purposes. The Supervisor of Elections' Special Revenue Grants Fund accounts for the proceeds and expenditures of grants that are contractually restricted for election related expenditures. Funds are unbudgeted and will not have a budget to actual fund statement.

**DEBT SERVICE FUNDS**

Debt service funds are used to account for the accumulation of resources for and payment of the County's long-term debt other than those payable from the operations of enterprise funds.

**Public Facilities Revenue Refunding Bonds, Series 2014 Fund**

This fund accumulates monies for the payment of the \$71,510,000 Public Facilities Revenue Refunding Bond, Series 2014, which are serial bonds, due in annual installments of \$1,787,556 to \$5,453,600 through December 2035. Principal and interest are paid by a pledge of revenues from the State Revenue Sharing Trust Funds and 8% of the 10% public service tax accruing to the County under provisions of Chapter 210, *Florida Statutes*, Section 212.20 and Chapter 125, *Florida Statutes*; Chapter 218, Part II, *Florida Statutes*; Section 166.231, *Florida Statutes*.

**Public Facilities Revenue Refunding Note, Series 2015 Fund**

This fund accumulates monies for the payment of the \$18,157,000 in Public Facilities Revenue Refunding Note, Series 2015, due in annual installments of \$592,356 to \$2,151,780; including interest through December 1, 2026; interest of 2.14%; collateralized by a pledge of State Revenue Sharing Trust Funds and 8% of the 10% public service tax accruing to the County under provisions of Chapter 210, *Florida Statutes*, Section 212.20 and Chapter 125, *Florida Statutes*; Chapter 218, Part II, *Florida Statutes*; Section 166.231, *Florida Statutes*.

**Promissory Note, Series 2020A Fund**

This fund accumulates monies for the payment of the \$27,062,000 in Promissory Note, Series 2020A, due in annual installments of \$648,285 to \$2,249,066; including interest through April 1, 2035; interest of 2.20%; collateralized by non-ad valorem revenue.

**Promissory Note, Series 2020C Fund**

This fund accumulates monies for the payment of the \$41,955,000 in Promissory Note, Series 2020C, due in annual installments of \$611,319 to \$5,741,775; including interest through December 1, 2029; interest of 1.95%; collateralized by non-ad valorem revenue.

**POLK COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
SEPTEMBER 30, 2022**

**CAPITAL PROJECT FUNDS**

Capital project funds account for funds used for the acquisition or construction of major capital facilities.

**General Capital Improvements Fund**

This fund is used to account for the acquisition, construction, modification, improvement and renovation of major capital facilities such as buildings and parks.

**Capital Improvements Projects Fund**

This fund is used to account for the capital improvement projects throughout the County.

**Northeast Polk Roadway Fund**

This fund was established to spend down the remaining balance on projects in Northeast Polk County transferred from the North Ridge CRA Fund that was sunset in 2015.

**Environmental Lands Acquisition Fund**

This fund is used to account for the purchase of environmentally sensitive lands which are funded by a 0.2 mill ad valorem tax levy that sunset in 2015.

**Drainage and Water Quality Fund**

This fund was established to account for drainage and water quality activities.

**POLK COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2022**

	Special Revenue			
	Special Revenue Grants	Tourist Development Tax	Lake and River Enhancement	Lighting Districts
<b>ASSETS</b>				
Cash and Investments	\$ 9,820,932	\$ 15,901,294	\$ 3,066,489	\$ 182,082
Cash and Investments with Fiscal Agent	-	-	-	-
Accounts Receivable	14,907	84,355	45	-
Interest Receivable	13,521	30,456	6,076	576
Lease Receivable	-	-	-	-
Due from Other Governments	4,019,936	-	-	-
Due from Other Funds	-	1,216,829	67,003	2,260
Other Assets	495	-	-	-
<b>Total Assets</b>	<b>\$ 13,869,791</b>	<b>\$ 17,232,934</b>	<b>\$ 3,139,613</b>	<b>\$ 184,918</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Vouchers Payable	\$ 1,375,491	\$ 702,036	\$ 31,305	\$ 217,242
Accrued Liabilities	184,284	82,790	-	-
Customer Deposits	-	-	-	-
Due to Other Governments	93,608	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	12,216,408	18,174	3,626	344
<b>Total Liabilities</b>	<b>13,869,791</b>	<b>803,000</b>	<b>34,931</b>	<b>217,586</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Taxes Received in Advance	-	-	-	-
Leases	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	495	-	-	-
Restricted	-	16,429,934	3,104,682	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(495)	-	-	(32,668)
<b>Total Fund Balances</b>	<b>-</b>	<b>16,429,934</b>	<b>3,104,682</b>	<b>(32,668)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 13,869,791</b>	<b>\$ 17,232,934</b>	<b>\$ 3,139,613</b>	<b>\$ 184,918</b>

**POLK COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
SEPTEMBER 30, 2022**

Special Revenue

Stormwater MSTU	Fire Rescue	Emergency 911	Hazardous Waste	Radio Communications	Law Enforcement Trust	Land Management Trust
\$ 7,909,805	\$ 13,072,782	\$ 4,585,124	\$ 6,620	\$ 1,987,299	\$ 702,251	\$ 36,505,390
-	-	-	-	-	-	-
-	708	-	-	-	-	-
15,791	15,326	8,614	44	3,886	2,026	67,908
-	-	-	-	598,360	-	-
-	3,325	293,671	-	-	-	-
15,371	607,984	-	-	38,734	305,888	6
-	-	129,101	-	-	-	-
<u>\$ 7,940,967</u>	<u>\$ 13,700,125</u>	<u>\$ 5,016,510</u>	<u>\$ 6,664</u>	<u>\$ 2,628,279</u>	<u>\$ 1,010,165</u>	<u>\$ 36,573,304</u>
\$ 140,466	\$ 511,034	\$ 238,092	\$ -	\$ 347,581	\$ 123,738	\$ 30
10,224	1,749,609	46,724	-	42,208	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
304	12,090	-	-	-	-	-
9,423	9,146	5,140	26	2,319	1,210	40,523
160,417	2,281,879	289,956	26	392,108	124,948	40,553
14,453	591,275	-	-	-	-	-
-	-	-	-	604,939	-	-
14,453	591,275	-	-	604,939	-	-
-	-	129,101	-	-	-	-
7,766,097	10,826,971	4,726,554	6,638	1,631,232	885,217	-
-	-	-	-	-	-	36,532,751
-	-	-	-	-	-	-
-	-	(129,101)	-	-	-	-
<u>7,766,097</u>	<u>10,826,971</u>	<u>4,726,554</u>	<u>6,638</u>	<u>1,631,232</u>	<u>885,217</u>	<u>36,532,751</u>
<u>\$ 7,940,967</u>	<u>\$ 13,700,125</u>	<u>\$ 5,016,510</u>	<u>\$ 6,664</u>	<u>\$ 2,628,279</u>	<u>\$ 1,010,165</u>	<u>\$ 36,573,304</u>

**POLK COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
SEPTEMBER 30, 2022**

	Special Revenue			
	Building	Indigent Healthcare	Harden / Parkway CRA	Leisure Services MSTU
<b>ASSETS</b>				
Cash and Investments	\$ 14,456,450	\$ 72,214,147	\$ 24,879	\$ 14,093,201
Cash and Investments with Fiscal Agent	-	500,000	-	-
Accounts Receivable	378,999	207,810	-	3,094
Interest Receivable	27,551	137,647	495	27,786
Lease Receivable	-	-	-	96,062
Due from Other Governments	-	8,546,058	-	-
Due from Other Funds	-	-	-	86,342
Other Assets	-	-	-	-
<b>Total Assets</b>	<b>\$ 14,863,000</b>	<b>\$ 81,605,662</b>	<b>\$ 25,374</b>	<b>\$ 14,306,485</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Vouchers Payable	\$ 116,424	\$ 2,806,431	\$ -	\$ 367,411
Accrued Liabilities	2,157,408	2,399,634	-	223,654
Customer Deposits	-	-	-	-
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	1,707
Unearned Revenue	16,441	82,140	295	16,580
<b>Total Liabilities</b>	<b>2,290,273</b>	<b>5,288,205</b>	<b>295</b>	<b>609,352</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Taxes Received in Advance	-	-	-	81,200
Leases	-	-	-	95,729
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>176,929</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	12,572,727	76,317,457	25,079	13,520,204
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>12,572,727</b>	<b>76,317,457</b>	<b>25,079</b>	<b>13,520,204</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 14,863,000</b>	<b>\$ 81,605,662</b>	<b>\$ 25,374</b>	<b>\$ 14,306,485</b>

**POLK COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
SEPTEMBER 30, 2022**

Special Revenue

Libraries MSTU	Rancho Bonito MSTU	Transportation Millage	Eloise CRA	Emergency Medical Millage	Clerk of the Circuit Courts Court Fund	Unbudgeted Other Special Revenue Funds
\$ 1,805,348	\$ 47,591	\$ 58,609,915	\$ 755,840	\$ 21,991,722	\$ 7,062,505	\$ 11,981,590
-	-	-	-	-	-	-
-	-	14,756	-	-	79,081	5,778
3,707	92	116,295	1,451	42,856	-	-
-	-	77,241	-	-	-	-
-	-	825	-	-	192,532	41,839
32,421	-	323,637	-	66,465	-	904,734
-	-	-	-	-	-	104,613
<u>\$ 1,841,476</u>	<u>\$ 47,683</u>	<u>\$ 59,142,669</u>	<u>\$ 757,291</u>	<u>\$ 22,101,043</u>	<u>\$ 7,334,118</u>	<u>\$ 13,038,554</u>
\$ 750	\$ -	\$ 3,418,630	\$ -	\$ 22,174	\$ 83,398	\$ 100,188
-	-	284,072	1,404	492,993	194,868	36,565
-	-	139,499	-	-	5,430,669	-
-	-	-	-	-	1,625,183	9,427
641	-	6,401	-	1,314	-	431,439
2,212	54	4,387,448	866	25,574	-	-
<u>3,603</u>	<u>54</u>	<u>8,236,050</u>	<u>2,270</u>	<u>542,055</u>	<u>7,334,118</u>	<u>577,619</u>
30,484	-	304,397	-	62,570	-	-
-	-	78,510	-	-	-	-
<u>30,484</u>	<u>-</u>	<u>382,907</u>	<u>-</u>	<u>62,570</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	104,613
1,807,389	47,629	-	755,021	-	-	12,391,269
-	-	50,523,712	-	21,496,418	-	-
-	-	-	-	-	-	8,149
-	-	-	-	-	-	(43,096)
<u>1,807,389</u>	<u>47,629</u>	<u>50,523,712</u>	<u>755,021</u>	<u>21,496,418</u>	<u>-</u>	<u>12,460,935</u>
<u>\$ 1,841,476</u>	<u>\$ 47,683</u>	<u>\$ 59,142,669</u>	<u>\$ 757,291</u>	<u>\$ 22,101,043</u>	<u>\$ 7,334,118</u>	<u>\$ 13,038,554</u>

**POLK COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
SEPTEMBER 30, 2022**

	Debt Service			
	Public Facilities Revenue Refunding Bonds Series 2014	Public Facilities Revenue Refunding Note Series 2015	Promissory Note Series 2020A	Promissory Note Series 2020C
<b>ASSETS</b>				
Cash and Investments	\$ 5,242,014	\$ 1,689,521	\$ 2,034,081	\$ 4,472,505
Cash and Investments with Fiscal Agent	-	-	-	-
Accounts Receivable	-	-	-	-
Interest Receivable	9,365	2,617	3,127	8,417
Lease Receivable	-	-	-	-
Due from Other Governments	-	-	-	166,667
Due from Other Funds	-	-	-	-
Other Assets	-	-	-	-
<b>Total Assets</b>	<b>\$ 5,251,379</b>	<b>\$ 1,692,138</b>	<b>\$ 2,037,208</b>	<b>\$ 4,647,589</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Vouchers Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Customer Deposits	-	-	-	-
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	5,589	1,561	1,866	5,024
<b>Total Liabilities</b>	<b>5,589</b>	<b>1,561</b>	<b>1,866</b>	<b>5,024</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Taxes Received in Advance	-	-	-	-
Leases	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	3,175,800	1,575,376	1,591,869	4,414,374
Committed	-	-	-	-
Assigned	2,069,990	115,201	443,473	228,191
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>5,245,790</b>	<b>1,690,577</b>	<b>2,035,342</b>	<b>4,642,565</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 5,251,379</b>	<b>\$ 1,692,138</b>	<b>\$ 2,037,208</b>	<b>\$ 4,647,589</b>



**POLK COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
SEPTEMBER 30, 2022**

Capital Projects

General Capital Improvements	Capital Improvement Projects	Northeast Polk Roadway	Environmental Lands Acquisition	Drainage and Water Quality	Total Nonmajor Governmental Funds
\$ 34,233,963	\$ 574,055	\$ 41,029	\$ 2,554,167	\$ 2,732,547	\$ 350,357,138
-	-	-	-	-	500,000
-	-	-	-	-	789,533
66,951	598	2,760	4,922	5,104	625,965
-	-	-	-	-	771,663
-	-	-	-	-	13,264,853
312	-	-	28	-	3,668,014
-	-	-	-	-	234,209
<u>\$ 34,301,226</u>	<u>\$ 574,653</u>	<u>\$ 43,789</u>	<u>\$ 2,559,117</u>	<u>\$ 2,737,651</u>	<u>\$ 370,211,375</u>
\$ 1,466,861	\$ 126,234	\$ 41,342	\$ 381	\$ 17,238	\$ 12,254,477
708,554	597,486	-	-	1	9,212,478
-	-	-	-	-	5,570,168
-	-	-	-	-	1,728,218
92,087	-	-	-	-	545,983
39,952	357	1,647	2,937	3,046	16,899,928
2,307,454	724,077	42,989	3,318	20,285	46,211,252
-	-	-	-	-	1,084,379
-	-	-	-	-	779,178
-	-	-	-	-	1,863,557
-	-	-	-	-	234,209
-	-	-	-	-	173,571,519
-	-	800	2,555,799	-	111,109,480
31,993,772	-	-	-	2,717,366	37,576,142
-	(149,424)	-	-	-	(354,784)
<u>31,993,772</u>	<u>(149,424)</u>	<u>800</u>	<u>2,555,799</u>	<u>2,717,366</u>	<u>322,136,566</u>
<u>\$ 34,301,226</u>	<u>\$ 574,653</u>	<u>\$ 43,789</u>	<u>\$ 2,559,117</u>	<u>\$ 2,737,651</u>	<u>\$ 370,211,375</u>

**POLK COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2022**

	Special Revenue			
	Special Revenue Grants	Tourist Development Tax	Lake and River Enhancement	Lighting Districts
<b>REVENUES</b>				
Taxes	\$ -	\$ 22,544,416	\$ -	\$ -
Licenses and Permits	-	-	136,971	-
Intergovernmental	30,298,105	-	-	-
Charges for Services	-	-	364,331	-
Fines and Forfeitures	-	-	-	-
Special Assessments	-	-	-	2,576,889
Interest Income	68,511	163,564	37,165	11,506
Net Change in Fair Value of Investments	-	(1,305,670)	(260,481)	(24,710)
Miscellaneous Revenue	2,005,479	277,920	4	-
Total Revenues	<u>32,372,095</u>	<u>21,680,230</u>	<u>277,990</u>	<u>2,563,685</u>
<b>EXPENDITURES</b>				
Current:				
General Government	518,633	-	-	-
Public Safety	12,833,786	-	-	-
Physical Environment	827,951	-	214,620	-
Transportation	1,789,304	-	-	2,960,814
Economic Environment	10,432,142	13,385,093	-	-
Human Services	1,831,833	-	-	-
Culture and Recreation	5,517,122	-	59,325	-
Debt Service:				
Principal Retirements	6,316	2,571,869	-	-
Interest and Fiscal Charges	683	1,045,545	-	-
Capital Projects	12,051	-	-	-
Total Expenditures	<u>33,769,821</u>	<u>17,002,507</u>	<u>273,945</u>	<u>2,960,814</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,397,726)	4,677,723	4,045	(397,129)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,513,029	-	-	-
Transfers Out	(456,804)	(66,121)	-	-
Lease Proceeds	12,051	-	-	-
Total Other Financing Sources (Uses)	<u>1,068,276</u>	<u>(66,121)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(329,450)	4,611,602	4,045	(397,129)
Fund Balances - Beginning of Year	329,450	11,818,332	3,100,637	364,461
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 16,429,934</u>	<u>\$ 3,104,682</u>	<u>\$ (32,668)</u>

**POLK COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

Special Revenue

Stormwater MSTU	Fire Rescue	Emergency 911	Hazardous Waste	Radio Communications	Law Enforcement Trust	Land Management Trust
\$ 2,506,042	\$ -	\$ -	\$ 92,767	\$ -	\$ -	\$ 104
-	-	-	-	-	-	-
-	42,106	-	-	-	-	-
-	800,941	3,651,172	-	3,468,285	-	-
-	-	-	-	434,660	277,781	-
-	52,853,866	-	-	-	-	-
100,425	208,119	49,817	494	41,225	17,011	429,443
(676,983)	(657,048)	(369,288)	(1,899)	(166,617)	(86,893)	(2,911,279)
141,423	-	1,000	-	317,391	110,799	-
<u>2,070,907</u>	<u>53,247,984</u>	<u>3,332,701</u>	<u>91,362</u>	<u>4,094,944</u>	<u>318,698</u>	<u>(2,481,732)</u>
-	-	-	-	-	-	-
-	51,568,246	2,606,735	-	4,359,740	906,395	-
1,553,163	-	-	118,340	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	25,891	-	-	53,155	-	-
-	5,818	-	-	8,587	-	-
-	-	-	-	-	-	-
<u>1,553,163</u>	<u>51,599,955</u>	<u>2,606,735</u>	<u>118,340</u>	<u>4,421,482</u>	<u>906,395</u>	<u>-</u>
517,744	1,648,029	725,966	(26,978)	(326,538)	(587,697)	(2,481,732)
-	2,772,743	-	-	-	-	-
(166,279)	(1,369,902)	-	-	-	-	(407,812)
-	-	-	-	-	-	-
<u>(166,279)</u>	<u>1,402,841</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(407,812)</u>
351,465	3,050,870	725,966	(26,978)	(326,538)	(587,697)	(2,889,544)
<u>7,414,632</u>	<u>7,776,101</u>	<u>4,000,588</u>	<u>33,616</u>	<u>1,957,770</u>	<u>1,472,914</u>	<u>39,422,295</u>
<u>\$ 7,766,097</u>	<u>\$ 10,826,971</u>	<u>\$ 4,726,554</u>	<u>\$ 6,638</u>	<u>\$ 1,631,232</u>	<u>\$ 885,217</u>	<u>\$ 36,532,751</u>

**POLK COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

	Special Revenue			
	Building	Indigent Healthcare	Harden / Parkway CRA	Leisure Services MSTU
<b>REVENUES</b>				
Taxes	\$ -	\$ 73,314,653	\$ 601,214	\$ 14,082,134
Licenses and Permits	11,804,899	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	80,738	1,172,577	-	1,042,527
Fines and Forfeitures	5,756	-	-	-
Special Assessments	-	-	-	-
Interest Income	172,474	763,923	6,773	206,635
Net Change in Fair Value of Investments	(1,181,150)	(5,901,060)	(21,227)	(1,191,185)
Miscellaneous Revenue	-	699,991	-	50,111
Total Revenues	<u>10,882,717</u>	<u>70,050,084</u>	<u>586,760</u>	<u>14,190,222</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	10,898,344	87,433	-	-
Physical Environment	-	-	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Human Services	-	49,320,007	-	-
Culture and Recreation	-	-	-	15,280,511
Debt Service:				
Principal Retirements	28,919	9,579	-	3,720
Interest and Fiscal Charges	1,116	1,332	-	458
Capital Projects	-	13,744	-	-
Total Expenditures	<u>10,928,379</u>	<u>49,432,095</u>	<u>-</u>	<u>15,284,689</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(45,662)	20,617,989	586,760	(1,094,467)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	802,242	1,916,052
Transfers Out	-	(40,000)	(1,400,000)	(1,141,808)
Lease Proceeds	-	13,744	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(26,256)</u>	<u>(597,758)</u>	<u>774,244</u>
<b>NET CHANGE IN FUND BALANCES</b>	(45,662)	20,591,733	(10,998)	(320,223)
Fund Balances - Beginning of Year	<u>12,618,389</u>	<u>55,725,724</u>	<u>36,077</u>	<u>13,840,427</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 12,572,727</u>	<u>\$ 76,317,457</u>	<u>\$ 25,079</u>	<u>\$ 13,520,204</u>

**POLK COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

Special Revenue

Libraries MSTU	Rancho Bonito MSTU	Transportation Millage	Eloise CRA	Emergency Medical Millage	Clerk of the Circuit Courts Court Fund	Unbudgeted Other Special Revenue Funds
\$ 5,285,591	\$ 8,547	\$ 50,815,907	\$ -	\$ 10,579,884	\$ -	\$ -
-	-	18,820	-	-	-	-
-	-	-	-	-	1,099,995	105,226
-	-	-	-	-	5,595,652	741,007
-	-	-	-	-	6,031,336	497,977
-	-	-	-	-	-	2,407,169
34,746	559	825,417	9,143	292,078	221,271	105,442
(158,935)	(3,911)	(4,985,693)	(62,225)	(1,837,283)	-	-
4	-	4,947,331	-	-	26,086	1,246,467
<u>5,161,406</u>	<u>5,195</u>	<u>51,621,782</u>	<u>(53,082)</u>	<u>9,034,679</u>	<u>12,974,340</u>	<u>5,103,288</u>
-	-	-	-	-	13,008,300	1,918,748
-	942	-	-	8,949,815	-	1,346,171
-	-	-	-	-	-	-
-	-	51,467,077	-	-	-	-
-	-	-	21,491	-	-	-
-	-	-	546	-	-	-
4,703,559	-	-	-	-	-	-
-	-	8,949	-	-	-	-
-	-	1,203	-	-	-	-
-	-	-	-	-	-	-
<u>4,703,559</u>	<u>942</u>	<u>51,477,229</u>	<u>22,037</u>	<u>8,949,815</u>	<u>13,008,300</u>	<u>3,264,919</u>
457,847	4,253	144,553	(75,119)	84,864	(33,960)	1,838,369
-	-	17,005,500	108,998	-	-	180,000
(287,423)	(464)	(2,879,606)	(5,500)	(599,781)	-	(2,104)
-	-	-	-	-	33,960	-
<u>(287,423)</u>	<u>(464)</u>	<u>14,125,894</u>	<u>103,498</u>	<u>(599,781)</u>	<u>33,960</u>	<u>177,896</u>
170,424	3,789	14,270,447	28,379	(514,917)	-	2,016,265
1,636,965	43,840	36,253,265	726,642	22,011,335	-	10,444,670
<u>\$ 1,807,389</u>	<u>\$ 47,629</u>	<u>\$ 50,523,712</u>	<u>\$ 755,021</u>	<u>\$ 21,496,418</u>	<u>\$ -</u>	<u>\$ 12,460,935</u>

**POLK COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

	Debt Service			
	Public Facilities Revenue Refunding Bonds Series 2014	Public Facilities Revenue Refunding Note Series 2015	Promissory Note Series 2020A	Promissory Note Series 2020C
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	5,796,311	-	-	2,000,000
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Special Assessments	-	-	-	-
Interest Income	37,796	11,276	13,463	22,744
Net Change in Fair Value of Investments	(401,500)	(112,176)	(134,093)	(360,830)
Miscellaneous Revenue	-	-	-	-
Total Revenues	<u>5,432,607</u>	<u>(100,900)</u>	<u>(120,630)</u>	<u>1,661,914</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Physical Environment	-	-	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Human Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Retirements	2,835,000	1,790,000	1,672,097	4,970,000
Interest and Fiscal Charges	2,576,826	231,976	576,971	769,665
Capital Projects	-	-	-	-
Total Expenditures	<u>5,411,826</u>	<u>2,021,976</u>	<u>2,249,068</u>	<u>5,739,665</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	20,781	(2,122,876)	(2,369,698)	(4,077,751)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,050,000	1,950,000	2,470,777	3,700,000
Transfers Out	-	-	-	-
Lease Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,050,000</u>	<u>1,950,000</u>	<u>2,470,777</u>	<u>3,700,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,070,781	(172,876)	101,079	(377,751)
Fund Balances - Beginning of Year	<u>4,175,009</u>	<u>1,863,453</u>	<u>1,934,263</u>	<u>5,020,316</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 5,245,790</u>	<u>\$ 1,690,577</u>	<u>\$ 2,035,342</u>	<u>\$ 4,642,565</u>

**POLK COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

Capital Projects

General Capital Improvements	Capital Improvement Projects	Northeast Polk Roadway	Environmental Lands Acquisition	Drainage and Water Quality	Total All Nonmajor Governmental Funds
\$ 1,440	\$ -	\$ -	\$ 750	\$ -	\$ 179,833,449
-	-	-	-	-	11,960,690
3,560,876	-	-	-	-	42,902,619
-	-	-	-	-	16,917,230
-	-	-	-	-	7,247,510
-	-	-	-	-	57,837,924
458,541	9,215	20,355	31,154	34,763	4,405,048
(2,870,263)	(25,640)	(118,322)	(211,001)	(218,833)	(26,256,195)
-	-	-	2	68,996	9,893,004
<u>1,150,594</u>	<u>(16,425)</u>	<u>(97,967)</u>	<u>(179,095)</u>	<u>(115,074)</u>	<u>304,741,279</u>
-	-	-	-	-	15,445,681
-	-	-	-	-	93,557,607
-	-	-	-	-	2,714,074
-	-	-	-	-	56,217,195
-	-	-	-	-	23,838,726
-	-	-	-	-	51,152,386
-	-	-	-	-	25,560,517
-	-	-	-	-	13,975,495
-	-	-	-	-	5,220,180
16,221,758	5,910,264	2,159,493	118,439	1,819,840	26,255,589
<u>16,221,758</u>	<u>5,910,264</u>	<u>2,159,493</u>	<u>118,439</u>	<u>1,819,840</u>	<u>313,937,450</u>
(15,071,164)	(5,926,689)	(2,257,460)	(297,534)	(1,934,914)	(9,196,171)
21,819,380	-	-	1,000,000	-	56,288,721
(30)	-	-	(39,930)	-	(8,863,564)
-	-	-	-	-	59,755
<u>21,819,350</u>	<u>-</u>	<u>-</u>	<u>960,070</u>	<u>-</u>	<u>47,484,912</u>
6,748,186	(5,926,689)	(2,257,460)	662,536	(1,934,914)	38,288,741
<u>25,245,586</u>	<u>5,777,265</u>	<u>2,258,260</u>	<u>1,893,263</u>	<u>4,652,280</u>	<u>283,847,825</u>
<u>\$ 31,993,772</u>	<u>\$ (149,424)</u>	<u>\$ 800</u>	<u>\$ 2,555,799</u>	<u>\$ 2,717,366</u>	<u>\$ 322,136,566</u>

**POLK COUNTY, FLORIDA  
SPECIAL REVENUE GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 49,656,342	\$ 60,135,156	\$ 30,298,105	\$ (29,837,051)
Interest Income	50,000	50,000	68,511	18,511
Miscellaneous Revenue	607,476	512,476	2,005,479	1,493,003
Total Revenues	<u>50,313,818</u>	<u>60,697,632</u>	<u>32,372,095</u>	<u>(28,325,537)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	6,954,681	3,980,681	518,633	3,462,048
Public Safety	6,311,982	25,825,841	12,833,786	12,992,055
Physical Environment	189,649	1,025,256	827,951	197,305
Transportation	8,244,155	8,246,729	1,789,304	6,457,425
Economic Environment	19,144,007	14,030,907	10,432,142	3,598,765
Human Services	2,318,710	2,453,231	1,831,833	621,398
Culture and Recreation	9,461,069	7,516,793	5,517,122	1,999,671
Debt Service:				
Principal Retirement	-	6,500	6,316	184
Interest and Fiscal Charges	-	800	683	117
Capital Projects	-	-	12,051	(12,051)
Total Expenditures	<u>52,624,253</u>	<u>63,086,738</u>	<u>33,769,821</u>	<u>29,316,917</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,310,435)	(2,389,106)	(1,397,726)	991,380
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,575,498	3,078,898	1,513,029	(1,565,869)
Transfers Out	-	-	(456,804)	(456,804)
Lease Proceeds	-	30,000	12,051	(17,949)
Total Other Financing Sources (Uses)	<u>2,575,498</u>	<u>3,108,898</u>	<u>1,068,276</u>	<u>(2,040,622)</u>
<b>NET CHANGE IN FUND BALANCE</b>	265,063	719,792	(329,450)	(1,049,242)
Fund Balance - Beginning of Year	<u>329,450</u>	<u>329,450</u>	<u>329,450</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 594,513</u>	<u>\$ 1,049,242</u>	<u>\$ -</u>	<u>\$ (1,049,242)</u>



**POLK COUNTY, FLORIDA  
TOURIST DEVELOPMENT TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 14,408,761	\$ 14,408,761	\$ 22,544,416	\$ 8,135,655
Interest Income	20,884	20,884	163,564	142,680
Net Change in Fair Value of Investments	-	-	(1,305,670)	(1,305,670)
Miscellaneous Revenue	170,000	170,000	277,920	107,920
<b>Total Revenues</b>	<u>14,599,645</u>	<u>14,599,645</u>	<u>21,680,230</u>	<u>7,080,585</u>
<b>EXPENDITURES</b>				
Current:				
Economic Environment	13,085,806	14,487,306	13,385,093	1,102,213
Debt Service:				
Principal Retirement	2,520,241	2,574,241	2,571,869	2,372
Interest and Fiscal Charges	1,005,764	1,010,264	1,045,545	(35,281)
<b>Total Expenditures</b>	<u>16,611,811</u>	<u>18,071,811</u>	<u>17,002,507</u>	<u>1,069,304</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,012,166)	(3,472,166)	4,677,723	8,149,889
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(47,000)	(47,000)	(66,121)	(19,121)
<b>Total Other Financing     Sources (Uses)</b>	<u>(47,000)</u>	<u>(47,000)</u>	<u>(66,121)</u>	<u>(19,121)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,059,166)	(3,519,166)	4,611,602	8,130,768
Fund Balance - Beginning of Year	<u>11,818,332</u>	<u>11,818,332</u>	<u>11,818,332</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 9,759,166</u>	<u>\$ 8,299,166</u>	<u>\$ 16,429,934</u>	<u>\$ 8,130,768</u>

**POLK COUNTY, FLORIDA  
LAKE AND RIVER ENHANCEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Licenses and Permits	\$ 149,110	\$ 149,110	\$ 136,971	\$ (12,139)
Charges for Services	310,579	310,579	364,331	53,752
Interest Income	7,080	7,080	37,165	30,085
Net Change in Fair Value of Investments	-	-	(260,481)	(260,481)
Miscellaneous Revenue	-	-	4	4
Total Revenues	<u>466,769</u>	<u>466,769</u>	<u>277,990</u>	<u>(188,779)</u>
<b>EXPENDITURES</b>				
Current:				
Physical Environment	331,185	331,185	214,620	116,565
Culture and Recreation	<u>2,298,524</u>	<u>2,298,524</u>	<u>59,325</u>	<u>2,239,199</u>
Total Expenditures	<u>2,629,709</u>	<u>2,629,709</u>	<u>273,945</u>	<u>2,355,764</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,162,940)	(2,162,940)	4,045	2,166,985
Fund Balance - Beginning of Year	<u>3,100,637</u>	<u>3,100,637</u>	<u>3,100,637</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 937,697</u>	<u>\$ 937,697</u>	<u>\$ 3,104,682</u>	<u>\$ 2,166,985</u>

**POLK COUNTY, FLORIDA  
LIGHTING DISTRICTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Special Assessments	\$ 2,792,604	\$ 2,792,604	\$ 2,576,889	\$ (215,715)
Interest Income	15,000	15,000	11,506	(3,494)
Net Change in Fair Value of Investments	-	-	(24,710)	(24,710)
Total Revenues	<u>2,807,604</u>	<u>2,807,604</u>	<u>2,563,685</u>	<u>(243,919)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	<u>2,925,104</u>	<u>2,925,104</u>	<u>2,960,814</u>	<u>(35,710)</u>
Total Expenditures	<u>2,925,104</u>	<u>2,925,104</u>	<u>2,960,814</u>	<u>(35,710)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(117,500)	(117,500)	(397,129)	(279,629)
Fund Balance - Beginning of Year	<u>364,461</u>	<u>364,461</u>	<u>364,461</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 246,961</u>	<u>\$ 246,961</u>	<u>\$ (32,668)</u>	<u>\$ (279,629)</u>

**POLK COUNTY, FLORIDA  
STORMWATER MSTU FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,455,847	\$ 2,455,847	\$ 2,506,042	\$ 50,195
Interest Income	20,639	20,639	100,425	79,786
Net Change in Fair Value of Investments	-	-	(676,983)	(676,983)
Miscellaneous Revenue	582,500	582,500	141,423	(441,077)
Total Revenues	<u>3,058,986</u>	<u>3,058,986</u>	<u>2,070,907</u>	<u>(988,079)</u>
<b>EXPENDITURES</b>				
Current:				
Physical Environment	<u>7,716,282</u>	<u>7,355,963</u>	<u>1,553,163</u>	<u>5,802,800</u>
Total Expenditures	<u>7,716,282</u>	<u>7,355,963</u>	<u>1,553,163</u>	<u>5,802,800</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,657,296)	(4,296,977)	517,744	4,814,721
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	360,319	-	(360,319)
Transfers Out	<u>(167,917)</u>	<u>(528,236)</u>	<u>(166,279)</u>	<u>361,957</u>
Total Other Financing Sources (Uses)	<u>(167,917)</u>	<u>(167,917)</u>	<u>(166,279)</u>	<u>1,638</u>
<b>NET CHANGE IN FUND BALANCE</b>	(4,825,213)	(4,464,894)	351,465	4,816,359
Fund Balance - Beginning of Year	<u>7,414,632</u>	<u>7,414,632</u>	<u>7,414,632</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,589,419</u>	<u>\$ 2,949,738</u>	<u>\$ 7,766,097</u>	<u>\$ 4,816,359</u>

**POLK COUNTY, FLORIDA  
FIRE RESCUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 59,000	\$ 59,000	\$ 42,106	\$ (16,894)
Charges for Services	292,910	292,910	800,941	508,031
Special Assessments	50,430,196	50,430,196	52,853,866	2,423,670
Interest Income	31,330	31,330	208,119	176,789
Net Change in Fair Value of Investments	-	-	(657,048)	(657,048)
Total Revenues	<u>50,813,436</u>	<u>50,813,436</u>	<u>53,247,984</u>	<u>2,434,548</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	55,311,505	55,377,505	51,568,246	3,809,259
Debt Service:				
Principal Retirement	-	27,000	25,891	1,109
Interest and Fiscal Charges	-	7,000	5,818	1,182
Total Expenditures	<u>55,311,505</u>	<u>55,411,505</u>	<u>51,599,955</u>	<u>3,811,550</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,498,069)	(4,598,069)	1,648,029	6,246,098
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,772,743	2,772,743	2,772,743	-
Transfers Out	(1,416,380)	(1,416,380)	(1,369,902)	46,478
Total Other Financing Sources (Uses)	<u>1,356,363</u>	<u>1,356,363</u>	<u>1,402,841</u>	<u>46,478</u>
<b>NET CHANGE IN FUND BALANCE</b>	(3,141,706)	(3,241,706)	3,050,870	6,292,576
Fund Balance - Beginning of Year	<u>7,776,101</u>	<u>7,776,101</u>	<u>7,776,101</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 4,634,395</u>	<u>\$ 4,534,395</u>	<u>\$ 10,826,971</u>	<u>\$ 6,292,576</u>

**POLK COUNTY, FLORIDA  
EMERGENCY 911 FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 2,458,974	\$ 2,458,974	\$ 3,651,172	\$ 1,192,198
Interest Income	23,173	23,173	49,817	26,644
Net Change in Fair Value of Investments	-	-	(369,288)	(369,288)
Miscellaneous Revenue	-	-	1,000	1,000
Total Revenues	<u>2,482,147</u>	<u>2,482,147</u>	<u>3,332,701</u>	<u>850,554</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	<u>3,234,611</u>	<u>3,234,611</u>	<u>2,606,735</u>	<u>627,876</u>
Total Expenditures	<u>3,234,611</u>	<u>3,234,611</u>	<u>2,606,735</u>	<u>627,876</u>
<b>NET CHANGE IN FUND BALANCE</b>	(752,464)	(752,464)	725,966	1,478,430
Fund Balance - Beginning of Year	<u>4,000,588</u>	<u>4,000,588</u>	<u>4,000,588</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 3,248,124</u>	<u>\$ 3,248,124</u>	<u>\$ 4,726,554</u>	<u>\$ 1,478,430</u>

**POLK COUNTY, FLORIDA  
HAZARDOUS WASTE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 114,000	\$ 114,000	\$ 92,767	\$ (21,233)
Interest Income	248	248	494	246
Net Change in Fair Value of Investments	-	-	(1,899)	(1,899)
Total Revenues	<u>114,248</u>	<u>114,248</u>	<u>91,362</u>	<u>(22,886)</u>
<b>EXPENDITURES</b>				
Current:				
Physical Environment	<u>153,917</u>	<u>153,917</u>	<u>118,340</u>	<u>35,577</u>
Total Expenditures	<u>153,917</u>	<u>153,917</u>	<u>118,340</u>	<u>35,577</u>
<b>NET CHANGE IN FUND BALANCE</b>	(39,669)	(39,669)	(26,978)	12,691
Fund Balance - Beginning of Year	<u>33,616</u>	<u>33,616</u>	<u>33,616</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ (6,053)</u></u>	<u><u>\$ (6,053)</u></u>	<u><u>\$ 6,638</u></u>	<u><u>\$ 12,691</u></u>

**POLK COUNTY, FLORIDA  
RADIO COMMUNICATIONS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 3,560,945	\$ 3,560,945	\$ 3,468,285	\$ (92,660)
Fines and Forfeitures	530,450	530,450	434,660	(95,790)
Interest Income	1,797	1,797	41,225	39,428
Net Change in Fair Value of Investments	-	-	(166,617)	(166,617)
Miscellaneous Revenue	236,000	236,000	317,391	81,391
Total Revenues	<u>4,329,192</u>	<u>4,329,192</u>	<u>4,094,944</u>	<u>(234,248)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	4,807,319	4,963,819	4,359,740	604,079
Debt Service:				
Principal Retirement	-	55,000	53,155	1,845
Interest and Fiscal Charges	-	8,500	8,587	(87)
Total Expenditures	<u>4,807,319</u>	<u>5,027,319</u>	<u>4,421,482</u>	<u>605,837</u>
<b>NET CHANGE IN FUND BALANCE</b>	(478,127)	(698,127)	(326,538)	371,589
Fund Balance - Beginning of Year	<u>1,957,770</u>	<u>1,957,770</u>	<u>1,957,770</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,479,643</u>	<u>\$ 1,259,643</u>	<u>\$ 1,631,232</u>	<u>\$ 371,589</u>



**POLK COUNTY, FLORIDA  
LAW ENFORCEMENT TRUST FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and Forfeitures	\$ -	\$ -	\$ 277,781	\$ 277,781
Interest Income	51,360	51,360	17,011	(34,349)
Net Change in Fair Value of Investments	-	-	(86,893)	(86,893)
Miscellaneous Revenue	-	-	110,799	110,799
Total Revenues	<u>51,360</u>	<u>51,360</u>	<u>318,698</u>	<u>267,338</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	995,348	995,348	906,395	88,953
Total Expenditures	<u>995,348</u>	<u>995,348</u>	<u>906,395</u>	<u>88,953</u>
<b>NET CHANGE IN FUND BALANCE</b>	(943,988)	(943,988)	(587,697)	356,291
Fund Balance - Beginning of Year	<u>1,472,914</u>	<u>1,472,914</u>	<u>1,472,914</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 528,926</u>	<u>\$ 528,926</u>	<u>\$ 885,217</u>	<u>\$ 356,291</u>

**POLK COUNTY, FLORIDA  
LAND MANAGEMENT TRUST FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 104	\$ 104
Interest Income	98,140	98,140	429,443	331,303
Net Change in Fair Value of Investments	-	-	(2,911,279)	(2,911,279)
Total Revenues	<u>98,140</u>	<u>98,140</u>	<u>(2,481,732)</u>	<u>(2,579,872)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	98,140	98,140	(2,481,732)	(2,579,872)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	(407,812)	(407,812)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(407,812)</u>	<u>(407,812)</u>
<b>NET CHANGE IN FUND BALANCE</b>	98,140	98,140	(2,889,544)	(2,987,684)
Fund Balance - Beginning of Year	<u>39,422,295</u>	<u>39,422,295</u>	<u>39,422,295</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 39,520,435</u>	<u>\$ 39,520,435</u>	<u>\$ 36,532,751</u>	<u>\$ (2,987,684)</u>

**POLK COUNTY, FLORIDA  
BUILDING FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Licenses and Permits	\$ 7,841,367	\$ 7,841,367	\$ 11,804,899	\$ 3,963,532
Charges for Services	143,750	143,750	80,738	(63,012)
Fines and Forfeitures	-	-	5,756	5,756
Interest Income	149,744	149,744	172,474	22,730
Net Change in Fair Value of Investments	-	-	(1,181,150)	(1,181,150)
Miscellaneous Revenue	3,322	3,322	-	(3,322)
Total Revenues	<u>8,138,183</u>	<u>8,138,183</u>	<u>10,882,717</u>	<u>2,744,534</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	11,575,590	11,548,590	10,898,344	650,246
Debt Service:				
Principal Retirement	-	30,000	28,919	1,081
Interest and Fiscal Charges	-	2,000	1,116	884
Total Expenditures	<u>11,575,590</u>	<u>11,580,590</u>	<u>10,928,379</u>	<u>652,211</u>
<b>NET CHANGE IN FUND BALANCE</b>	(3,437,407)	(3,442,407)	(45,662)	3,396,745
Fund Balance - Beginning of Year	<u>12,618,389</u>	<u>12,618,389</u>	<u>12,618,389</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 9,180,982</u></u>	<u><u>\$ 9,175,982</u></u>	<u><u>\$ 12,572,727</u></u>	<u><u>\$ 3,396,745</u></u>

**POLK COUNTY, FLORIDA  
INDIGENT HEALTHCARE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 55,020,730	\$ 55,020,730	\$ 73,314,653	\$ 18,293,923
Charges for Services	823,941	823,941	1,172,577	348,636
Interest Income	104,019	104,019	763,923	659,904
Net Change in Fair Value of Investments	-	-	(5,901,060)	(5,901,060)
Miscellaneous Revenue	556,776	556,776	699,991	143,215
Total Revenues	<u>56,505,466</u>	<u>56,505,466</u>	<u>70,050,084</u>	<u>13,544,618</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	88,745	88,745	87,433	1,312
Human Services	65,498,537	65,524,937	49,320,007	16,204,930
Debt Service:				
Principal Retirement	-	11,100	9,579	1,521
Interest and Fiscal Charges	-	2,500	1,332	1,168
Capital Projects	-	-	13,744	(13,744)
Total Expenditures	<u>65,587,282</u>	<u>65,627,282</u>	<u>49,432,095</u>	<u>16,195,187</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(9,081,816)	(9,121,816)	20,617,989	29,739,805
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(40,000)	(40,000)	(40,000)	-
Lease Proceeds	-	(40,000)	13,744	53,744
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>(80,000)</u>	<u>(26,256)</u>	<u>53,744</u>
<b>NET CHANGE IN FUND BALANCE</b>	(9,121,816)	(9,201,816)	20,591,733	29,793,549
Fund Balance - Beginning of Year	<u>55,725,724</u>	<u>55,725,724</u>	<u>55,725,724</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 46,603,908</u>	<u>\$ 46,523,908</u>	<u>\$ 76,317,457</u>	<u>\$ 29,793,549</u>

**POLK COUNTY, FLORIDA  
HARDEN / PARKWAY CRA FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 604,766	\$ 604,766	\$ 601,214	\$ (3,552)
Interest Income	2,404	2,404	6,773	4,369
Net Change in Fair Value of Investments	-	-	(21,227)	(21,227)
Total Revenues	<u>607,170</u>	<u>607,170</u>	<u>586,760</u>	<u>(20,410)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	607,170	607,170	586,760	(20,410)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	802,242	802,242	802,242	-
Transfers Out	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(597,758)</u>	<u>(597,758)</u>	<u>(597,758)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	9,412	9,412	(10,998)	(20,410)
Fund Balance - Beginning of Year	<u>36,077</u>	<u>36,077</u>	<u>36,077</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 45,489</u></u>	<u><u>\$ 45,489</u></u>	<u><u>\$ 25,079</u></u>	<u><u>\$ (20,410)</u></u>

**POLK COUNTY, FLORIDA  
LEISURE SERVICES MSTU FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 13,799,402	\$ 13,799,402	\$ 14,082,134	\$ 282,732
Charges for Services	609,687	609,687	1,042,527	432,840
Interest Income	47,937	47,937	206,635	158,698
Net Change in Fair Value of Investments	-	-	(1,191,185)	(1,191,185)
Miscellaneous Revenue	23,727	23,727	50,111	26,384
Total Revenues	<u>14,480,753</u>	<u>14,480,753</u>	<u>14,190,222</u>	<u>(290,531)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation	18,111,638	18,443,449	15,280,511	3,162,938
Debt Service:				
Principal Retirement	-	4,500	3,720	780
Interest and Fiscal Charges	-	1,000	458	542
Total Expenditures	<u>18,111,638</u>	<u>18,448,949</u>	<u>15,284,689</u>	<u>3,164,260</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(3,630,885)	(3,968,196)	(1,094,467)	2,873,729
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,886,052	1,916,052	1,916,052	-
Transfers Out	<u>(1,301,018)</u>	<u>(1,301,018)</u>	<u>(1,141,808)</u>	159,210
Total Other Financing Sources (Uses)	<u>585,034</u>	<u>615,034</u>	<u>774,244</u>	<u>159,210</u>
<b>NET CHANGE IN FUND BALANCE</b>	(3,045,851)	(3,353,162)	(320,223)	3,032,939
Fund Balance - Beginning of Year	<u>13,840,427</u>	<u>13,840,427</u>	<u>13,840,427</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 10,794,576</u>	<u>\$ 10,487,265</u>	<u>\$ 13,520,204</u>	<u>\$ 3,032,939</u>

**POLK COUNTY, FLORIDA  
LIBRARIES MSTU FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 5,179,381	\$ 5,179,381	\$ 5,285,591	\$ 106,210
Interest Income	6,743	6,743	34,746	28,003
Net Change in Fair Value of Investments	-	-	(158,935)	(158,935)
Miscellaneous Revenue	-	-	4	4
Total Revenues	<u>5,186,124</u>	<u>5,186,124</u>	<u>5,161,406</u>	<u>(24,718)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation	<u>5,027,849</u>	<u>5,027,849</u>	<u>4,703,559</u>	<u>324,290</u>
Total Expenditures	<u>5,027,849</u>	<u>5,027,849</u>	<u>4,703,559</u>	<u>324,290</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	158,275	158,275	457,847	299,572
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(290,866)</u>	<u>(290,866)</u>	<u>(287,423)</u>	<u>3,443</u>
Total Other Financing Sources (Uses)	<u>(290,866)</u>	<u>(290,866)</u>	<u>(287,423)</u>	<u>3,443</u>
<b>NET CHANGE IN FUND BALANCE</b>	(132,591)	(132,591)	170,424	303,015
Fund Balance - Beginning of Year	<u>1,636,965</u>	<u>1,636,965</u>	<u>1,636,965</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,504,374</u>	<u>\$ 1,504,374</u>	<u>\$ 1,807,389</u>	<u>\$ 303,015</u>

**POLK COUNTY, FLORIDA  
RANCHO BONITO MSTU FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 8,403	\$ 8,403	\$ 8,547	\$ 144
Interest Income	420	420	559	139
Net Change in Fair Value of Investments	-	-	(3,911)	(3,911)
Total Revenues	<u>8,823</u>	<u>8,823</u>	<u>5,195</u>	<u>(3,628)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	<u>21,026</u>	<u>21,016</u>	<u>942</u>	<u>20,074</u>
Total Expenditures	<u>21,026</u>	<u>21,016</u>	<u>942</u>	<u>20,074</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(12,203)	(12,193)	4,253	16,446
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(498)</u>	<u>(508)</u>	<u>(464)</u>	<u>44</u>
Total Other Financing Sources (Uses)	<u>(498)</u>	<u>(508)</u>	<u>(464)</u>	<u>44</u>
<b>NET CHANGE IN FUND BALANCE</b>	(12,701)	(12,701)	3,789	16,490
Fund Balance - Beginning of Year	<u>43,840</u>	<u>43,840</u>	<u>43,840</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 31,139</u></u>	<u><u>\$ 31,139</u></u>	<u><u>\$ 47,629</u></u>	<u><u>\$ 16,490</u></u>



**POLK COUNTY, FLORIDA  
TRANSPORTATION MILLAGE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 49,754,257	\$ 49,754,257	\$ 50,815,907	\$ 1,061,650
Licenses and Permits	-	-	18,820	18,820
Interest Income	184,347	184,347	825,417	641,070
Net Change in Fair Value of Investments	-	-	(4,985,693)	(4,985,693)
Miscellaneous Revenue	1,201,125	1,201,125	4,947,331	3,746,206
Total Revenues	<u>51,139,729</u>	<u>51,139,729</u>	<u>51,621,782</u>	<u>482,053</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	59,004,860	66,685,043	51,467,077	15,217,966
Debt Service:				
Principal Retirement	-	10,500	8,949	1,551
Interest and Fiscal Charges	-	1,750	1,203	547
Total Expenditures	<u>59,004,860</u>	<u>66,697,293</u>	<u>51,477,229</u>	<u>15,220,064</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(7,865,131)	(15,557,564)	144,553	15,702,117
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	17,005,500	17,005,500	17,005,500	-
Transfers Out	<u>(2,911,208)</u>	<u>(2,911,208)</u>	<u>(2,879,606)</u>	<u>31,602</u>
Total Other Financing Sources (Uses)	<u>14,094,292</u>	<u>14,094,292</u>	<u>14,125,894</u>	<u>31,602</u>
<b>NET CHANGE IN FUND BALANCE</b>	6,229,161	(1,463,272)	14,270,447	15,733,719
Fund Balance - Beginning of Year	<u>36,253,265</u>	<u>36,253,265</u>	<u>36,253,265</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 42,482,426</u>	<u>\$ 34,789,993</u>	<u>\$ 50,523,712</u>	<u>\$ 15,733,719</u>

**POLK COUNTY, FLORIDA  
ELOISE CRA FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest Income	\$ 2,792	\$ 2,792	\$ 9,143	\$ 6,351
Net Change in Fair Value of Investments	-	-	(62,225)	(62,225)
Total Revenues	2,792	2,792	(53,082)	(55,874)
<b>EXPENDITURES</b>				
Current:				
Economic Environment	25,746	25,746	21,491	4,255
Human Services	135,000	227,912	546	227,366
Total Expenditures	160,746	253,658	22,037	231,621
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(157,954)	(250,866)	(75,119)	175,747
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	108,957	108,957	108,998	41
Transfers Out	(5,500)	(5,500)	(5,500)	-
Total Other Financing Sources (Uses)	103,457	103,457	103,498	41
<b>NET CHANGE IN FUND BALANCE</b>	(54,497)	(147,409)	28,379	175,788
Fund Balance - Beginning of Year	726,642	726,642	726,642	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 672,145</u>	<u>\$ 579,233</u>	<u>\$ 755,021</u>	<u>\$ 175,788</u>

**POLK COUNTY, FLORIDA  
EMERGENCY MEDICAL MILLAGE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 10,365,471	\$ 10,365,471	\$ 10,579,884	\$ 214,413
Interest Income	59,513	59,513	292,078	232,565
Net Change in Fair Value of Investments	-	-	(1,837,283)	(1,837,283)
Total Revenues	<u>10,424,984</u>	<u>10,424,984</u>	<u>9,034,679</u>	<u>(1,390,305)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	<u>22,078,254</u>	<u>22,078,254</u>	<u>8,949,815</u>	<u>13,128,439</u>
Total Expenditures	<u>22,078,254</u>	<u>22,078,254</u>	<u>8,949,815</u>	<u>13,128,439</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(11,653,270)	(11,653,270)	84,864	11,738,134
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(606,502)</u>	<u>(606,502)</u>	<u>(599,781)</u>	<u>6,721</u>
Total Other Financing Sources (Uses)	<u>(606,502)</u>	<u>(606,502)</u>	<u>(599,781)</u>	<u>6,721</u>
<b>NET CHANGE IN FUND BALANCE</b>	(12,259,772)	(12,259,772)	(514,917)	11,744,855
Fund Balance - Beginning of Year	<u>22,011,335</u>	<u>22,011,335</u>	<u>22,011,335</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 9,751,563</u>	<u>\$ 9,751,563</u>	<u>\$ 21,496,418</u>	<u>\$ 11,744,855</u>

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURTS – COURT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 419,943	\$ 609,623	\$ 1,099,995	\$ 490,372
Charges for Services	6,238,892	6,238,892	5,595,652	(643,240)
Fines and Forfeitures	6,031,204	6,031,204	6,031,336	132
Interest Income	54,401	99,401	221,271	121,870
Miscellaneous Revenue	73,424	28,424	26,086	(2,338)
Total Revenues	<u>12,817,864</u>	<u>13,007,544</u>	<u>12,974,340</u>	<u>(33,204)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	12,817,864	13,041,504	13,008,300	33,204
Total Expenditures	<u>12,817,864</u>	<u>13,041,504</u>	<u>13,008,300</u>	<u>33,204</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	(33,960)	(33,960)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Lease Proceeds	-	33,960	33,960	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>33,960</u>	<u>33,960</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**POLK COUNTY, FLORIDA  
PUBLIC FACILITIES REVENUE REFUNDING BONDS, SERIES 2014 FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 4,395,000	\$ 4,395,000	\$ 5,796,311	\$ 1,401,311
Interest Income	5,000	5,000	37,796	32,796
Net Change in Fair Value of Investments	-	-	(401,500)	(401,500)
Total Revenues	<u>4,400,000</u>	<u>4,400,000</u>	<u>5,432,607</u>	<u>1,032,607</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	2,835,000	2,835,000	2,835,000	-
Interest and Fiscal Charges	2,579,075	2,579,075	2,576,826	2,249
Total Expenditures	<u>5,414,075</u>	<u>5,414,075</u>	<u>5,411,826</u>	<u>2,249</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,014,075)	(1,014,075)	20,781	1,034,856
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,050,000	1,050,000	1,050,000	-
Total Other Financing Sources (Uses)	<u>1,050,000</u>	<u>1,050,000</u>	<u>1,050,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	35,925	35,925	1,070,781	1,034,856
Fund Balance - Beginning of Year	<u>4,175,009</u>	<u>4,175,009</u>	<u>4,175,009</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 4,210,934</u></u>	<u><u>\$ 4,210,934</u></u>	<u><u>\$ 5,245,790</u></u>	<u><u>\$ 1,034,856</u></u>

**POLK COUNTY, FLORIDA  
PUBLIC FACILITIES REVENUE REFUNDING NOTE, SERIES 2015 FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest Income	\$ 4,673	\$ 4,673	\$ 11,276	\$ 6,603
Net Change in Fair Value of Investments	-	-	(112,176)	(112,176)
Total Revenues	4,673	4,673	(100,900)	(105,573)
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,790,000	1,790,000	1,790,000	-
Interest and Fiscal Charges	233,476	233,476	231,976	1,500
Total Expenditures	2,023,476	2,023,476	2,021,976	1,500
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,018,803)	(2,018,803)	(2,122,876)	(104,073)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,950,000	1,950,000	1,950,000	-
Total Other Financing Sources (Uses)	1,950,000	1,950,000	1,950,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(68,803)	(68,803)	(172,876)	(104,073)
Fund Balance - Beginning of Year	1,863,453	1,863,453	1,863,453	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,794,650</u>	<u>\$ 1,794,650</u>	<u>\$ 1,690,577</u>	<u>\$ (104,073)</u>

**POLK COUNTY, FLORIDA**  
**PROMISSORY NOTE, SERIES 2020A FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest Income	\$ 9,689	\$ 9,689	\$ 13,463	\$ 3,774
Net Change in Fair Value of Investments	-	-	(134,093)	(134,093)
Total Revenues	<u>9,689</u>	<u>9,689</u>	<u>(120,630)</u>	<u>(130,319)</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,672,097	1,672,097	1,672,097	-
Interest and Fiscal Charges	578,971	578,971	576,971	2,000
Total Expenditures	<u>2,251,068</u>	<u>2,251,068</u>	<u>2,249,068</u>	<u>2,000</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,241,379)	(2,241,379)	(2,369,698)	(128,319)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,470,777	2,470,777	2,470,777	-
Total Other Financing Sources (Uses)	<u>2,470,777</u>	<u>2,470,777</u>	<u>2,470,777</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	229,398	229,398	101,079	(128,319)
Fund Balance - Beginning of Year	<u>1,934,263</u>	<u>1,934,263</u>	<u>1,934,263</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,163,661</u>	<u>\$ 2,163,661</u>	<u>\$ 2,035,342</u>	<u>\$ (128,319)</u>

**POLK COUNTY, FLORIDA**  
**PROMISSORY NOTE, SERIES 2020C FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000
Interest Income	25,433	25,433	22,744	(2,689)
Net Change in Fair Value of Investments	-	-	(360,830)	(360,830)
Total Revenues	<u>25,433</u>	<u>25,433</u>	<u>1,661,914</u>	<u>1,636,481</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	4,970,000	4,970,000	4,970,000	-
Interest and Fiscal Charges	771,665	771,665	769,665	2,000
Total Expenditures	<u>5,741,665</u>	<u>5,741,665</u>	<u>5,739,665</u>	<u>2,000</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(5,716,232)	(5,716,232)	(4,077,751)	1,638,481
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	3,700,000	3,700,000	3,700,000	-
Total Other Financing Sources (Uses)	<u>3,700,000</u>	<u>3,700,000</u>	<u>3,700,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,016,232)	(2,016,232)	(377,751)	1,638,481
Fund Balance - Beginning of Year	<u>5,020,316</u>	<u>5,020,316</u>	<u>5,020,316</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 3,004,084</u></u>	<u><u>\$ 3,004,084</u></u>	<u><u>\$ 4,642,565</u></u>	<u><u>\$ 1,638,481</u></u>



**POLK COUNTY, FLORIDA  
GENERAL CAPITAL IMPROVEMENTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 1,440	\$ 1,440
Intergovernmental	2,700,000	2,700,000	3,560,876	860,876
Interest Income	374,087	374,087	458,541	84,454
Net Change in Fair Value of Investments	-	-	(2,870,263)	(2,870,263)
Total Revenues	<u>3,074,087</u>	<u>3,074,087</u>	<u>1,150,594</u>	<u>(1,923,493)</u>
<b>EXPENDITURES</b>				
Capital Projects	43,223,444	43,870,213	16,221,758	27,648,455
Total Expenditures	<u>43,223,444</u>	<u>43,870,213</u>	<u>16,221,758</u>	<u>27,648,455</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(40,149,357)	(40,796,126)	(15,071,164)	25,724,962
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	21,819,380	21,819,380	21,819,380	-
Transfers Out	-	(40)	(30)	10
Total Other Financing Sources (Uses)	<u>21,819,380</u>	<u>21,819,340</u>	<u>21,819,350</u>	<u>10</u>
<b>NET CHANGE IN FUND BALANCE</b>	(18,329,977)	(18,976,786)	6,748,186	25,724,972
Fund Balance - Beginning of Year	<u>25,245,586</u>	<u>25,245,586</u>	<u>25,245,586</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 6,915,609</u></u>	<u><u>\$ 6,268,800</u></u>	<u><u>\$ 31,993,772</u></u>	<u><u>\$ 25,724,972</u></u>

**POLK COUNTY, FLORIDA  
CAPITAL IMPROVEMENTS PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest Income	\$ 109,849	\$ 109,849	\$ 9,215	\$ (100,634)
Net Change in Fair Value of Investments	-	-	(25,640)	(25,640)
Total Revenues	109,849	109,849	(16,425)	(126,274)
<b>EXPENDITURES</b>				
Capital Projects	8,897,717	8,897,717	5,910,264	2,987,453
Total Expenditures	8,897,717	8,897,717	5,910,264	2,987,453
<b>NET CHANGE IN FUND BALANCE</b>	(8,787,868)	(8,787,868)	(5,926,689)	2,861,179
Fund Balance - Beginning of Year	5,777,265	5,777,265	5,777,265	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (3,010,603)</u>	<u>\$ (3,010,603)</u>	<u>\$ (149,424)</u>	<u>\$ 2,861,179</u>

**POLK COUNTY, FLORIDA  
NORTHEAST POLK ROADWAY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest Income	\$ 8,581	\$ 8,581	\$ 20,355	\$ 11,774
Net Change in Fair Value of Investments	-	-	(118,322)	(118,322)
Total Revenues	8,581	8,581	(97,967)	(106,548)
<b>EXPENDITURES</b>				
Capital Projects	3,442,910	3,442,910	2,159,493	1,283,417
Total Expenditures	3,442,910	3,442,910	2,159,493	1,283,417
<b>NET CHANGE IN FUND BALANCE</b>	(3,434,329)	(3,434,329)	(2,257,460)	1,176,869
Fund Balance - Beginning of Year	2,258,260	2,258,260	2,258,260	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (1,176,069)</u>	<u>\$ (1,176,069)</u>	<u>\$ 800</u>	<u>\$ 1,176,869</u>

**POLK COUNTY, FLORIDA  
ENVIRONMENTAL LANDS ACQUISITION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 750	\$ 750
Interest Income	4,811	4,811	31,154	26,343
Net Change in Fair Value of Investments	-	-	(211,001)	(211,001)
Miscellaneous Revenue	-	-	2	2
Total Revenues	<u>4,811</u>	<u>4,811</u>	<u>(179,095)</u>	<u>(183,906)</u>
<b>EXPENDITURES</b>				
Capital Projects	<u>1,967,052</u>	<u>1,823,971</u>	<u>118,439</u>	<u>1,705,532</u>
Total Expenditures	<u>1,967,052</u>	<u>1,823,971</u>	<u>118,439</u>	<u>1,705,532</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,962,241)	(1,819,160)	(297,534)	1,521,626
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	(1,000,000)	(1,103,150)	1,000,000	2,103,150
Transfers Out	<u>-</u>	<u>(143,081)</u>	<u>(39,930)</u>	<u>103,151</u>
Total Other Financing Sources (Uses)	<u>(1,000,000)</u>	<u>(1,246,231)</u>	<u>960,070</u>	<u>2,206,301</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,962,241)	(3,065,391)	662,536	3,727,927
Fund Balance - Beginning of Year	<u>1,893,263</u>	<u>1,893,263</u>	<u>1,893,263</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ (1,068,978)</u></u>	<u><u>\$ (1,172,128)</u></u>	<u><u>\$ 2,555,799</u></u>	<u><u>\$ 3,727,927</u></u>

**POLK COUNTY, FLORIDA  
DRAINAGE AND WATER QUALITY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest Income	\$ 32,528	\$ 32,528	\$ 34,763	\$ 2,235
Net Change in Fair Value of Investments	-	-	(218,833)	(218,833)
Miscellaneous Revenue	-	-	68,996	68,996
Total Revenues	<u>32,528</u>	<u>32,528</u>	<u>(115,074)</u>	<u>(147,602)</u>
<b>EXPENDITURES</b>				
Capital Projects	6,170,390	5,635,323	1,819,840	3,815,483
Total Expenditures	<u>6,170,390</u>	<u>5,635,323</u>	<u>1,819,840</u>	<u>3,815,483</u>
<b>NET CHANGE IN FUND BALANCE</b>	(6,137,862)	(5,602,795)	(1,934,914)	3,667,881
Fund Balance - Beginning of Year	<u>4,652,280</u>	<u>4,652,280</u>	<u>4,652,280</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ (1,485,582)</u></u>	<u><u>\$ (950,515)</u></u>	<u><u>\$ 2,717,366</u></u>	<u><u>\$ 3,667,881</u></u>

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**POLK COUNTY, FLORIDA  
INTERNAL SERVICE FUNDS  
YEAR ENDED SEPTEMBER 30, 2022**

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies, and to other governments on a cost reimbursement basis.

**FLEET MANAGEMENT FUND**

This fund accounts for all activities necessary to provide for the maintenance, replacement, and management of the County's fleet of vehicles.

**EMPLOYEE HEALTH INSURANCE FUND**

This fund accounts for the provision of health benefits to County employees, retirees, and their dependents.

**INFORMATION TECHNOLOGY FUND**

This fund accounts for the operations of the computer replacement and information technology enhancement and maintenance programs.

**POLK COUNTY, FLORIDA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF FUND NET POSITION  
SEPTEMBER 30, 2022**

	Fleet Management	Employee Health Insurance	Information Technology	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>CURRENT ASSETS</b>				
Cash and Investments	\$ 26,209,761	\$ 25,896,329	\$ 2,336,468	\$ 54,442,558
Accounts Receivable	631,064	957,921	159	1,589,144
Interest Receivable	50,265	49,078	4,324	103,667
Due from Other Funds	176,537	2,228,976	-	2,405,513
Inventory	590,841	-	-	590,841
Other Assets	1,780,076	-	-	1,780,076
Total Current Assets	<u>29,438,544</u>	<u>29,132,304</u>	<u>2,340,951</u>	<u>60,911,799</u>
<b>NONCURRENT ASSETS</b>				
Capital Assets:				
Buildings and Improvements	2,217,306	-	6,640,783	8,858,089
Equipment	92,768,324	3,757	5,119,593	97,891,674
Intangibles	213,825	-	6,934,673	7,148,498
Construction in Progress	158,003	-	-	158,003
Less: Accumulated Depreciation	<u>(66,364,584)</u>	<u>(2,595)</u>	<u>(16,604,868)</u>	<u>(82,972,047)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>28,992,874</u>	<u>1,162</u>	<u>2,090,181</u>	<u>31,084,217</u>
Total Assets	58,431,418	29,133,466	4,431,132	91,996,016
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Amounts on Pension	679,047	105,822	1,177,259	1,962,128
Deferred Amounts on OPEB	249,269	40,818	354,587	644,674
Total Deferred Outflows of Resources	<u>928,316</u>	<u>146,640</u>	<u>1,531,846</u>	<u>2,606,802</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>				
<b>CURRENT LIABILITIES</b>				
Vouchers Payable	1,509,784	1,414,544	505,075	3,429,403
Accrued Liabilities	159,067	23,370	261,614	444,051
Unearned Revenue	-	347,071	-	347,071
Accrued Compensated Absences	164,878	13,378	260,434	438,690
Claims Payable	-	5,760,000	-	5,760,000
Total Current Liabilities	<u>1,833,729</u>	<u>7,558,363</u>	<u>1,027,123</u>	<u>10,419,215</u>
<b>NONCURRENT LIABILITIES</b>				
Total OPEB Liability	1,854,588	303,689	2,638,153	4,796,430
Net Pension Liability	2,691,182	420,622	4,683,325	7,795,129
Total Noncurrent Liabilities	<u>4,545,770</u>	<u>724,311</u>	<u>7,321,478</u>	<u>12,591,559</u>
Total Liabilities	6,379,499	8,282,674	8,348,601	23,010,774
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Amounts on Pension	222,842	35,104	391,732	649,678
Deferred Amounts on OPEB	342,123	56,023	486,670	884,816
Total Deferred Inflows of Resources	<u>564,965</u>	<u>91,127</u>	<u>878,402</u>	<u>1,534,494</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	28,992,874	1,162	2,090,181	31,084,217
Unrestricted (Deficit)	<u>23,422,396</u>	<u>20,905,143</u>	<u>(5,354,206)</u>	<u>38,973,333</u>
Total Net Position	<u>\$ 52,415,270</u>	<u>\$ 20,906,305</u>	<u>\$ (3,264,025)</u>	<u>\$ 70,057,550</u>



**POLK COUNTY, FLORIDA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
YEAR ENDED SEPTEMBER 30, 2022**

	Fleet Management	Employee Health Insurance	Information Technology	Total
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 19,932,141	\$ 67,355,125	\$ 12,910,710	\$ 100,197,976
Other Revenue	2,480	4,987,970	4,584	4,995,034
Total Operating Revenues	<u>19,934,621</u>	<u>72,343,095</u>	<u>12,915,294</u>	<u>105,193,010</u>
<b>OPERATING EXPENSES</b>				
Personnel Services	3,487,539	524,962	5,820,440	9,832,941
Operations and Maintenance	5,650,321	3,959,057	5,795,191	15,404,569
Indirect	434,922	296,992	644,625	1,376,539
Depreciation/Amortization	7,226,199	614	1,025,039	8,251,852
Healthcare Program	-	62,190,262	-	62,190,262
Other Expense	3,669	-	15,790	19,459
Total Operating Expenses	<u>16,802,650</u>	<u>66,971,887</u>	<u>13,301,085</u>	<u>97,075,622</u>
<b>OPERATING INCOME (LOSS)</b>	3,131,971	5,371,208	(385,791)	8,117,388
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	282,964	286,695	25,240	594,899
Net Change in Fair Value of Investments	(2,154,889)	(2,104,021)	(185,359)	(4,444,269)
Gain (Loss) on Disposal of Equipment	375,184	-	(24,401)	350,783
Transfer of Capital Assets	519,239	-	(187,086)	332,153
Total Nonoperating Revenues	<u>(977,502)</u>	<u>(1,817,326)</u>	<u>(371,606)</u>	<u>(3,166,434)</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	2,154,469	3,553,882	(757,397)	4,950,954
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>				
Transfers In	375,000	350,000	-	725,000
Total Capital Contributions and Transfers	<u>375,000</u>	<u>350,000</u>	<u>-</u>	<u>725,000</u>
<b>CHANGE IN NET POSITION</b>	2,529,469	3,903,882	(757,397)	5,675,954
Net Position - Beginning of Year	<u>49,885,801</u>	<u>17,002,423</u>	<u>(2,506,628)</u>	<u>64,381,596</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 52,415,270</u>	<u>\$ 20,906,305</u>	<u>\$ (3,264,025)</u>	<u>\$ 70,057,550</u>

**POLK COUNTY, FLORIDA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2022**

	Fleet Management	Employee Health Insurance	Information Technology	Total
<b>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 2,011,271	\$ -	\$ -	\$ 2,011,271
Cash Received from Internal Services	17,727,006	66,989,652	12,911,096	97,627,754
Cash Paid to Suppliers for Goods and Services	(6,386,747)	(66,177,667)	(6,583,988)	(79,148,402)
Cash Paid to Employees for Services	(3,286,759)	(486,599)	(5,599,664)	(9,373,022)
Cash Received from Other Sources	2,480	4,987,970	4,584	4,995,034
Net Cash Provided (Used) by Operating Activities	<u>10,067,251</u>	<u>5,313,356</u>	<u>732,028</u>	<u>16,112,635</u>
<b>RELATED CASH FLOWS PROVIDED (USED) BY NONCAPITAL AND FINANCING ACTIVITIES</b>				
Transfers from Other Funds	380,468	350,000	-	730,468
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>380,468</u>	<u>350,000</u>	<u>-</u>	<u>730,468</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL AND FINANCING ACTIVITIES</b>				
Acquisition and Construction of Capital Assets	(5,326,314)	-	(1,115,983)	(6,442,297)
Proceeds from Sale of Capital Assets	812,842	-	-	812,842
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(4,513,472)</u>	<u>-</u>	<u>(1,115,983)</u>	<u>(5,629,455)</u>
<b>CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES</b>				
Interest and Dividends on Investments	(1,875,759)	(1,825,393)	(151,126)	(3,852,278)
Net Cash Provided (Used) by Investing Activities	<u>(1,875,759)</u>	<u>(1,825,393)</u>	<u>(151,126)</u>	<u>(3,852,278)</u>
<b>NET CHANGE IN CASH AND INVESTMENTS</b>				
	4,058,488	3,837,963	(535,081)	7,361,370
Cash and Investments - Beginning of Year	<u>22,151,273</u>	<u>22,058,366</u>	<u>2,871,549</u>	<u>47,081,188</u>
<b>CASH AND INVESTMENTS - END OF YEAR</b>	<u>\$ 26,209,761</u>	<u>\$ 25,896,329</u>	<u>\$ 2,336,468</u>	<u>\$ 54,442,558</u>
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>				
Net Income (Loss) from Operations	\$ 3,131,971	\$ 5,371,208	\$ (385,791)	\$ 8,117,388
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation/Amortization	7,226,199	614	1,025,039	8,251,852
(Increase) Decrease in Assets and Deferred Outflows:				
Accounts Receivable, Net of Allowance	(193,864)	(807,594)	386	(1,001,072)
Due from Other Funds	-	429,183	-	429,183
Inventory	(182,720)	-	-	(182,720)
Other Assets	17,081	-	-	17,081
Deferred Outflows of Pension	(110,060)	(21,957)	(170,876)	(302,893)
Deferred Outflows of OPEB	(4,734)	(775)	(622)	(6,131)
Increase (Decrease) in Liabilities and Deferred Outflows:				
Vouchers Payable	(132,196)	520,222	(128,382)	259,644
Accrued Liabilities	66,004	8,722	95,307	170,033
Due to Other Funds	-	(300)	-	(300)
Unearned Revenue	-	12,938	-	12,938
Claims Payable	-	(260,000)	-	(260,000)
Accrued Compensated Absences	(12,134)	(2,248)	(9,280)	(23,662)
Total OPEB Liability	97,873	16,027	95,306	209,206
Net Pension Liability	1,533,735	245,809	2,585,566	4,365,110
Deferred Inflows of Pension	(1,282,242)	(184,139)	(2,239,181)	(3,705,562)
Deferred Inflows of OPEB	(87,662)	(14,354)	(135,444)	(237,460)
Total Adjustments	<u>6,935,280</u>	<u>(57,852)</u>	<u>1,117,819</u>	<u>7,995,247</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 10,067,251</u>	<u>\$ 5,313,356</u>	<u>\$ 732,028</u>	<u>\$ 16,112,635</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Contribution and Transfers of Capital Assets	<u>\$ 519,239</u>	<u>\$ -</u>	<u>\$ (187,086)</u>	<u>\$ 332,153</u>

**POLK COUNTY, FLORIDA  
CUSTODIAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2022**

Custodial funds account for all assets held as custodian for individuals, governmental entities and nonpublic organizations.

**COUNTY COURT FUND**

This fund accounts for the fine and forfeiture collections generated from criminal cases which is then disbursed to state or local agencies.

**REGISTRY OF COURT FUND**

This fund accounts for deposits from civil cases at the direction of the court, the funds are held until the court directs the fund to be disbursed.

**JURY AND WITNESS FUND**

This fund accounts for money used by the state attorney, public defender, and regional counsel to pay their witnesses when called for trial.

**DOMESTIC RELATIONS FUND**

This fund accounts for the money collected for court order child support payments.

**TAX DEED FUND**

This fund accounts for the proceeds from sales of property held due to delinquent property taxes.

**INTANGIBLE TAX AND DOCUMENTARY STAMP FUND**

This fund accounts for the documentary stamps and intangible taxes collected on items recorded in the Official Records to be remitted to the state.

**COUNTY COURT/CIVIL COURT FUND**

This fund accounts for the money collected on civil cases for funds collected for sheriff services.

**CASH BONDS FUND**

This fund accounts for cash bonds received on criminal cases as well as civil bonds deposited by parties in civil cases.

**OTHER CUSTODIAL FUND**

This fund accounts for all the other funds collected by the Clerk to be disbursed out to other agencies. These funds mainly come from civil cases and Official Records filings.

**FEES AND SUSPENSE FUND**

This fund accounts for fees and related sales taxes collected for other governmental units, judgment levies, charity fundraisers, forfeitures and F.S. Chapter 705 property awaiting award or distribution.

**POLK COUNTY, FLORIDA  
CUSTODIAL FUNDS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

**FINES AND DRD FUND**

This fund accounts for the fines and child support payments collected for other governments.

**INMATE FUND**

This fund accounts for monies collected from inmates who have money in their possession at the time of their arrest and subsequent deposits to their accounts during incarceration.

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**POLK COUNTY, FLORIDA  
CUSTODIAL FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
ALL CUSTODIAL FUNDS  
SEPTEMBER 30, 2022**

	<u>County Court</u>	<u>Registry of Court</u>	<u>Jury and Witness</u>	<u>Domestic Relations</u>	<u>Tax Deed</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,060,759	\$ 18,720,288	\$ 32,494	\$ 330,901	\$ 5,905,091
Due from Individuals and Businesses	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,060,759</b>	<b>\$ 18,720,288</b>	<b>\$ 32,494</b>	<b>\$ 330,901</b>	<b>\$ 5,905,091</b>
<b>LIABILITIES AND FIDUCIARY NET POSITION</b>					
<b>LIABILITIES</b>					
Due to State of Florida	\$ 925,455	\$ -	\$ -	\$ -	\$ -
Due to Municipalities	146,775	-	-	-	-
Due to Others	988,529	-	-	330,901	5,905,091
Due to Individuals and Businesses	-	-	-	-	-
Deposits, Registry of the Court	-	4,299,988	-	-	-
Deposits, Witness Fees	-	-	32,494	-	-
Deposits, Other	-	-	-	-	-
<b>Total Liabilities</b>	<b>2,060,759</b>	<b>4,299,988</b>	<b>32,494</b>	<b>330,901</b>	<b>5,905,091</b>
<b>FIDUCIARY NET POSITION</b>					
Restricted for Individuals, Organizations, and Other Governments	-	14,420,300	-	-	-
<b>Total Liabilities and Fiduciary Net Position</b>	<b>\$ 2,060,759</b>	<b>\$ 18,720,288</b>	<b>\$ 32,494</b>	<b>\$ 330,901</b>	<b>\$ 5,905,091</b>

**POLK COUNTY, FLORIDA  
CUSTODIAL FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION (CONTINUED)  
ALL CUSTODIAL FUNDS  
SEPTEMBER 30, 2022**

Intangible Tax and Documentary Stamp	County Court/ Civil Court	Cash Bonds	Other Custodial Funds	Fees and Suspense	Fines and DRDs	Inmate	Total Custodial Funds
\$ 875,206	\$ 12,899	\$ 1,614,172	\$ 763,034	\$ 708,144	\$ 2,500	\$ 151,899	\$ 31,177,387
-	-	-	-	4,999	-	43,231	48,230
-	-	-	-	11,581	-	-	11,581
<u>\$ 875,206</u>	<u>\$ 12,899</u>	<u>\$ 1,614,172</u>	<u>\$ 763,034</u>	<u>\$ 724,724</u>	<u>\$ 2,500</u>	<u>\$ 195,130</u>	<u>\$ 31,237,198</u>
\$ 875,206	\$ -	\$ -	\$ 258,822	\$ -	\$ -	\$ -	\$ 2,059,483
-	-	-	-	-	-	-	146,775
-	-	-	504,212	11,702	2,500	-	7,742,935
-	-	-	-	-	-	1,017	1,017
-	-	-	-	-	-	-	4,299,988
-	-	-	-	-	-	-	32,494
-	-	-	-	608,116	-	-	608,116
875,206	-	-	763,034	619,818	2,500	1,017	14,890,808
-	12,899	1,614,172	-	104,906	-	194,113	16,346,390
<u>\$ 875,206</u>	<u>\$ 12,899</u>	<u>\$ 1,614,172</u>	<u>\$ 763,034</u>	<u>\$ 724,724</u>	<u>\$ 2,500</u>	<u>\$ 195,130</u>	<u>\$ 31,237,198</u>

**POLK COUNTY, FLORIDA  
CUSTODIAL FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
ALL CUSTODIAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2022**

	County Court	Registry of Court	Jury and Witness	Domestic Relations	Tax Deed
<b>ADDITIONS</b>					
Fines, Taxes and Fees Collections:					
Individuals and Businesses	\$ 914,853	\$ -	\$ 30,000	\$ 2,261,485	\$ 7,825,755
Other Governments	2,434,701	59,711,209	-	-	-
Licenses and Fees Collected from State Agencies	8,530,670	-	-	-	-
Contributions:					
Individuals and Businesses	-	-	-	-	-
Total Additions	<u>11,880,224</u>	<u>59,711,209</u>	<u>30,000</u>	<u>2,261,485</u>	<u>7,825,755</u>
<b>DEDUCTIONS</b>					
Payments of Fines and Fees	-	-	-	-	-
Payments of Property Tax:					
Individuals and Businesses	-	2,687,230	30,000	2,261,485	-
Other Governments	3,390,060	50,181,291	-	-	7,825,755
Canteen Purchases	-	-	-	-	-
Inmate Spending	-	-	-	-	-
Payments to State Agencies	8,490,164	-	-	-	-
Miscellaneous Charges	-	-	-	-	-
Total Deductions	<u>11,880,224</u>	<u>52,868,521</u>	<u>30,000</u>	<u>2,261,485</u>	<u>7,825,755</u>
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	-	6,842,688	-	-	-
Net Position - Beginning of Year	<u>-</u>	<u>7,577,612</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 14,420,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**POLK COUNTY, FLORIDA  
CUSTODIAL FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (CONTINUED)  
ALL CUSTODIAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2022**

Intangible Tax and Documentary Stamp	County Court/ Civil Court	Cash Bonds	Other Custodial Funds	Fees and Suspense	Fines and DRDs	Inmate	Total Custodial Funds
\$ 152,664,179	\$ 20	\$ 1,783,575	\$ 447,146	\$ 422,611	\$ 48,984	\$ -	\$ 166,398,608
-	-	17,414	66	63,644	-	-	62,227,034
153,086,294	-	-	3,447,792	-	-	-	165,064,756
-	-	-	-	-	-	5,473,963	5,473,963
305,750,473	20	1,800,989	3,895,004	486,255	48,984	5,473,963	399,164,361
-	-	-	-	472,024	48,984	-	521,008
-	-	-	-	-	-	-	4,978,715
153,090,670	-	2,626,956	469,279	-	-	-	217,584,011
-	-	-	-	-	-	3,102,973	3,102,973
-	-	-	-	-	-	816,871	816,871
152,659,803	-	-	3,425,725	-	-	-	164,575,692
-	-	-	-	-	-	1,505,928	1,505,928
305,750,473	-	2,626,956	3,895,004	472,024	48,984	5,425,772	393,085,198
-	20	(825,967)	-	14,231	-	48,191	6,079,163
-	12,879	2,440,139	-	90,675	-	145,922	10,267,227
\$ -	\$ 12,899	\$ 1,614,172	\$ -	\$ 104,906	\$ -	\$ 194,113	\$ 16,346,390

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## **STATISTICAL SECTION**



## **STATISTICAL SECTION (UNAUDITED)**

The statistical data presents physical, economic, social, and political characteristics of Polk County. It is intended to provide users with a more broad and complete understanding of the County and its financial affairs than is possible from the financial statements and supporting schedules included in the financial section.

### **Contents**

#### **Financial Trends**

These schedules contain trend information designed to help the reader understand how the County's financial performance and well-being have changed over time.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the County's most significant local revenue source, property taxes.

#### **Debt Capacity**

These schedules present information to help the reader assess the factors of affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators designed to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

#### **Operating Information**

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**POLK COUNTY, FLORIDA  
NET POSITION BY COMPONENT  
LAST TEN YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2013	2014	2015	2016
<b>Governmental Activities</b>				
Net Invested in Capital Assets	\$ 3,343,123,129	\$ 3,295,884,984	\$ 3,254,563,988	\$ 3,222,781,761
Restricted	152,319,970	153,476,375	118,288,655	133,940,651
Unrestricted	3,093,083	(15,116,546)	(163,365,832)	(199,386,710)
<b>Total Governmental Activities Net Position</b>	<b><u>\$ 3,498,536,182</u></b>	<b><u>\$ 3,434,244,813</u></b>	<b><u>\$ 3,209,486,811</u></b>	<b><u>\$ 3,157,335,702</u></b>
<b>Business-Type Activities</b>				
Net Invested in Capital Assets	\$ 330,488,480	\$ 320,023,881	\$ 322,060,952	\$ 342,297,477
Restricted	19,551,752	18,664,740	16,734,479	18,524,034
Unrestricted	103,119,602	134,980,905	154,786,344	162,680,642
<b>Total Business-Type Activities Net Position</b>	<b><u>\$ 453,159,834</u></b>	<b><u>\$ 473,669,526</u></b>	<b><u>\$ 493,581,775</u></b>	<b><u>\$ 523,502,153</u></b>
<b>Primary Government</b>				
Net Invested in Capital Assets	\$ 3,673,611,609	\$ 3,615,908,865	\$ 3,576,624,940	\$ 3,565,079,238
Restricted	171,871,722	172,141,115	135,023,134	152,464,685
Unrestricted	106,212,685	119,864,359	(8,579,488)	(36,706,068)
<b>Total Primary Government Net Position</b>	<b><u>\$ 3,951,696,016</u></b>	<b><u>\$ 3,907,914,339</u></b>	<b><u>\$ 3,703,068,586</u></b>	<b><u>\$ 3,680,837,855</u></b>

**Fiscal Year**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 3,177,524,066	\$ 3,114,700,553	\$ 3,076,238,733	\$ 3,117,488,139	\$ 3,128,287,504	\$ 3,124,788,127
155,163,331	191,429,236	241,349,528	248,098,983	343,343,919	392,226,812
(244,108,343)	(279,518,937)	(274,232,722)	(307,653,435)	(284,548,518)	(260,514,028)
<u>\$ 3,088,579,054</u>	<u>\$ 3,026,610,852</u>	<u>\$ 3,043,355,539</u>	<u>\$ 3,057,933,687</u>	<u>\$ 3,187,082,905</u>	<u>\$ 3,256,500,911</u>
\$ 352,745,164	\$ 377,253,771	\$ 429,136,625	\$ 520,040,556	\$ 550,645,838	\$ 585,854,572
30,141,818	36,663,476	30,634,059	1,000,000	1,000,000	1,000,000
184,654,457	156,431,318	183,604,397	127,025,788	210,144,678	225,640,484
<u>\$ 567,541,439</u>	<u>\$ 570,348,565</u>	<u>\$ 643,375,081</u>	<u>\$ 648,066,344</u>	<u>\$ 761,790,516</u>	<u>\$ 812,495,056</u>
\$ 3,530,269,230	\$ 3,491,954,324	\$ 3,505,375,358	\$ 3,637,528,695	\$ 3,678,933,342	\$ 3,710,642,699
185,305,149	228,092,712	271,983,587	249,098,983	344,343,919	393,226,812
(59,453,886)	(123,087,619)	(90,628,325)	(180,627,647)	(74,403,840)	(34,873,544)
<u>\$ 3,656,120,493</u>	<u>\$ 3,596,959,417</u>	<u>\$ 3,686,730,620</u>	<u>\$ 3,706,000,031</u>	<u>\$ 3,948,873,421</u>	<u>\$ 4,068,995,967</u>

**POLK COUNTY, FLORIDA  
CHANGES IN NET POSITION  
LAST TEN YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2013	2014	2015	2016
<b>Expenses</b>				
Governmental Activities:				
General Government	\$ 103,605,266	\$ 103,142,641	\$ 106,269,143	\$ 112,588,018
Public Safety	214,611,466	225,028,502	219,642,284	255,382,758
Physical Environment	7,225,524	7,192,813	8,849,680	7,404,169
Transportation	131,794,835	134,520,164	120,607,902	124,866,353
Economic Environment	19,017,660	16,486,708	20,970,749	28,564,232
Human Services	45,313,412	44,615,646	43,438,103	47,792,049
Culture and Recreation	13,541,668	16,037,738	15,891,522	15,324,797
Debt Service:				
Interest on Long-Term Debt	9,563,343	11,389,933	7,512,970	6,859,878
Other Debt Service	-	260,000	-	-
Total Governmental Activities	<u>544,673,174</u>	<u>558,674,145</u>	<u>543,182,353</u>	<u>598,782,254</u>
Business-Type Activities:				
Water and Sewer	50,774,356	53,800,262	53,461,214	54,859,927
Garbage Collection/Disposal	31,204,164	29,549,650	30,053,873	26,138,255
Rohr Nursing Home	5,345,517	5,651,668	5,591,712	5,405,268
Total Business-Type Activities Expenses	<u>87,324,037</u>	<u>89,001,580</u>	<u>89,106,799</u>	<u>86,403,450</u>
Total Primary Government Expenses	<u>\$ 631,997,211</u>	<u>\$ 647,675,725</u>	<u>\$ 632,289,152</u>	<u>\$ 685,185,704</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$ 33,631,443	\$ 30,626,565	\$ 36,236,245	\$ 34,560,775
Public Safety	68,330,068	69,117,893	73,064,996	82,858,025
Physical Environment	2,504,693	1,477,612	1,864,546	948,514
Transportation	4,415,322	5,296,043	4,401,814	7,182,673
Economic Environment	280,575	363,684	317,089	727,661
Human Services	2,325,203	1,937,828	1,843,022	3,305,504
Culture and Recreation	613,564	585,083	624,396	598,052
Operating Grants and Contributions	32,333,945	28,545,720	23,844,332	19,573,115
Capital Grants and Contributions	8,179,826	9,913,802	5,719,753	15,009,142
Total Governmental Activities Program Revenues	<u>152,614,639</u>	<u>147,864,230</u>	<u>147,916,193</u>	<u>164,763,461</u>
Business-Type Activities:				
Charges for Services:				
Water and Sewer	54,360,685	59,018,202	65,041,048	68,436,965
Garbage Collection/Disposal	37,195,482	34,308,297	36,590,939	35,638,509
Rohr Nursing Home	5,458,664	5,194,508	5,428,674	5,122,598
Operating Grants and Contributions	192,892	1,400,308	635,427	1,906
Capital Grants and Contributions	1,046,001	751,712	4,311,391	7,046,400
Total Business-Type Activities Program Revenues	<u>98,253,724</u>	<u>100,673,027</u>	<u>112,007,479</u>	<u>116,246,378</u>
Total Primary Government Program Revenues	<u>\$ 250,868,363</u>	<u>\$ 248,537,257</u>	<u>\$ 259,923,672</u>	<u>\$ 281,009,839</u>
<b>Net (Expense) / Revenue</b>				
Governmental Activities	\$ (392,058,535)	\$ (410,809,915)	\$ (395,266,160)	\$ (434,018,793)
Business-Type Activities	10,929,687	11,671,447	22,900,680	29,842,928
Total Primary Government Net Expense	<u>\$ (381,128,848)</u>	<u>\$ (399,138,468)</u>	<u>\$ (372,365,480)</u>	<u>\$ (404,175,865)</u>



**Fiscal Year**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$	122,095,397	\$ 128,375,707	\$ 135,675,718	\$ 140,265,715	\$ 134,649,163	\$ 139,983,355
	280,780,239	284,730,743	335,481,293	436,191,212	349,746,313	378,924,840
	7,274,077	7,237,187	7,816,153	7,911,423	9,075,217	9,100,379
	114,415,680	123,289,846	116,998,337	108,772,258	115,738,091	122,981,425
	33,536,843	14,107,210	16,759,484	17,734,331	27,677,491	24,781,982
	53,221,121	57,083,269	64,839,994	63,368,523	60,562,584	56,446,406
	15,858,425	16,559,029	17,896,996	17,674,837	18,765,150	24,125,204
	6,970,445	6,843,112	6,717,274	4,080,074	4,645,475	4,347,963
	-	-	-	-	-	-
	<u>634,152,227</u>	<u>638,226,103</u>	<u>702,185,249</u>	<u>795,998,373</u>	<u>720,859,484</u>	<u>760,691,554</u>
	56,680,180	62,274,176	63,590,688	70,087,866	69,848,512	74,009,120
	17,791,119	58,080,819	32,976,015	79,928,258	(18,211,417)	36,770,767
	<u>5,759,243</u>	<u>5,979,361</u>	<u>4,597,940</u>	<u>6,888,565</u>	<u>4,253,588</u>	<u>3,516,974</u>
	<u>80,230,542</u>	<u>126,334,356</u>	<u>101,164,643</u>	<u>156,904,689</u>	<u>55,890,683</u>	<u>114,296,861</u>
\$	<u>714,382,769</u>	<u>764,560,459</u>	<u>803,349,892</u>	<u>952,903,062</u>	<u>776,750,167</u>	<u>874,988,415</u>
\$	37,585,325	\$ 38,882,736	\$ 37,638,881	\$ 34,490,169	\$ 39,020,958	\$ 38,539,510
	84,436,135	92,282,419	97,192,071	106,854,138	122,656,594	131,825,216
	934,766	863,975	948,197	879,178	1,371,577	967,880
	11,477,984	17,145,175	20,082,007	28,036,302	32,686,102	35,313,595
	1,799,119	867,523	462,696	760,666	1,503,920	299,652
	2,328,155	2,237,569	2,721,805	1,887,371	2,177,281	2,445,240
	894,608	1,480,703	1,729,061	2,373,720	4,065,775	4,327,575
	14,941,900	14,538,931	53,550,395	104,462,284	59,038,691	12,021,396
	5,792,061	2,017,716	3,097,922	18,365,891	19,724,709	35,388,687
	<u>160,190,053</u>	<u>170,316,747</u>	<u>217,423,035</u>	<u>298,109,719</u>	<u>282,245,607</u>	<u>261,128,751</u>
	77,895,390	80,010,629	87,165,566	92,061,354	102,906,183	119,094,458
	35,898,865	43,612,417	42,727,872	44,373,805	46,011,180	51,406,018
	5,938,925	5,742,733	5,435,686	5,070,388	4,244,876	3,428,189
	57,874	-	-	-	-	-
	6,157,649	3,032,456	12,150,138	14,514,812	19,659,222	17,776,346
	<u>125,948,703</u>	<u>132,398,235</u>	<u>147,479,262</u>	<u>156,020,359</u>	<u>172,821,461</u>	<u>191,705,011</u>
\$	<u>286,138,756</u>	<u>302,714,982</u>	<u>364,902,297</u>	<u>454,130,078</u>	<u>455,067,068</u>	<u>452,833,762</u>
\$	(473,962,174)	\$ (467,909,356)	\$ (484,762,214)	\$ (497,888,654)	\$ (438,613,877)	\$ (499,562,803)
	45,718,161	6,063,879	46,314,619	(884,330)	116,930,778	77,408,150
\$	<u>(428,244,013)</u>	<u>(461,845,477)</u>	<u>(438,447,595)</u>	<u>(498,772,984)</u>	<u>(321,683,099)</u>	<u>(422,154,653)</u>

**POLK COUNTY, FLORIDA  
CHANGES IN NET POSITION  
LAST TEN YEARS (CONTINUED)  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2013	2014	2015	2016
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Taxes:				
Property Taxes	\$ 164,522,102	\$ 171,248,724	\$ 181,626,076	\$ 190,279,026
Fuel Taxes	28,024,723	29,600,822	30,557,569	32,198,727
Sales Tax	61,694,047	65,293,550	69,160,414	74,798,881
Services Taxes	39,737,835	40,607,851	41,060,278	41,409,750
Other Taxes	9,756,263	10,123,215	11,182,147	12,204,723
State Shared Revenues	11,599,248	12,422,530	13,554,377	13,999,363
Investment Earnings	2,254,483	5,341,795	5,352,754	6,767,080
Net Change in Fair Value of Investments	(5,775,806)	2,685,845	(858,747)	(1,242,549)
Gain/(Loss) on Sale of Capital Assets	937,258	804,830	1,290,814	-
Miscellaneous	6,678,881	7,817,205	5,970,833	4,448,071
Transfers	15,427,863	572,179	625,593	7,004,612
Total Governmental Activities	<u>\$ 334,856,897</u>	<u>\$ 346,518,546</u>	<u>\$ 359,522,108</u>	<u>\$ 381,867,684</u>
Business-Type Activities:				
Investment Earnings	\$ 1,479,586	\$ 3,203,378	\$ 3,821,568	\$ 4,635,458
Net Change in Fair Value of Investments	(4,052,963)	2,295,784	(759,805)	(989,160)
Gain on Sale of Capital Assets	-	22,267	-	-
Miscellaneous	6,610,890	3,888,995	3,425,590	3,435,764
Transfers	(15,427,863)	(572,179)	(625,593)	(7,004,612)
Total Business-Type Activities	<u>\$ (11,390,350)</u>	<u>\$ 8,838,245</u>	<u>\$ 5,861,760</u>	<u>\$ 77,450</u>
Total Primary Government	<u>\$ 323,466,547</u>	<u>\$ 355,356,791</u>	<u>\$ 365,383,868</u>	<u>\$ 381,945,134</u>
<b>Change in Net Position</b>				
Governmental Activities	\$ (57,201,638)	\$ (64,291,369)	\$ (35,744,052)	\$ (52,151,109)
Business-Type Activities	(460,663)	20,509,692	28,762,440	29,920,378
Total Primary Government	<u>\$ (57,662,301)</u>	<u>\$ (43,781,677)</u>	<u>\$ (6,981,612)</u>	<u>\$ (22,230,731)</u>

Fiscal Year

	2017	2018	2019	2020	2021	2022
\$	202,427,517	\$ 222,886,089	\$ 255,492,946	\$ 274,652,227	\$ 288,136,760	\$ 314,541,874
	33,100,879	34,443,610	36,253,973	33,636,639	37,019,381	38,548,037
	77,192,196	82,123,979	89,132,246	89,644,741	106,416,346	125,048,030
	42,214,128	42,546,116	44,555,971	45,984,840	47,365,436	53,707,137
	12,992,572	15,392,857	15,908,728	12,276,880	17,960,767	24,306,986
	14,712,512	15,571,560	16,524,279	15,573,361	18,357,148	24,048,547
	9,157,906	11,814,141	17,408,065	15,592,580	11,949,172	11,160,952
	(4,034,397)	(5,918,987)	3,878,545	3,066,138	(8,826,493)	(75,789,166)
	1,993,156	911,451	1,075,990	1,582,402	2,581,111	1,462,130
	7,111,146	10,582,958	33,766,841	14,068,297	40,075,684	44,916,670
	8,337,911	8,233,201	(12,490,683)	6,388,697	6,727,783	7,029,612
\$	<u>405,205,526</u>	<u>\$ 438,586,975</u>	<u>\$ 501,506,901</u>	<u>\$ 512,466,802</u>	<u>\$ 567,763,095</u>	<u>\$ 568,980,809</u>
\$	6,583,564	\$ 7,871,778	\$ 8,373,962	\$ 7,183,878	\$ 4,641,628	\$ 3,780,172
	(3,270,174)	(4,199,272)	2,223,317	1,555,988	(3,736,316)	(26,069,872)
	-	-	-	-	-	-
	3,345,646	3,644,542	3,623,935	3,224,424	2,615,865	2,615,702
	(8,337,911)	(8,233,201)	12,490,683	(6,388,697)	(6,727,783)	(7,029,612)
\$	<u>(1,678,875)</u>	<u>\$ (916,153)</u>	<u>\$ 26,711,897</u>	<u>\$ 5,575,593</u>	<u>\$ (3,206,606)</u>	<u>\$ (26,703,610)</u>
\$	<u>403,526,651</u>	<u>\$ 437,670,822</u>	<u>\$ 528,218,798</u>	<u>\$ 518,042,395</u>	<u>\$ 564,556,489</u>	<u>\$ 542,277,199</u>
\$	(68,756,648)	\$ (29,322,381)	\$ 16,744,687	\$ 14,578,148	\$ 129,149,218	\$ 69,418,006
	44,039,286	5,147,726	73,026,516	4,691,263	113,724,172	50,704,540
\$	<u>(24,717,362)</u>	<u>\$ (24,174,655)</u>	<u>\$ 89,771,203</u>	<u>\$ 19,269,411</u>	<u>\$ 242,873,390</u>	<u>\$ 120,122,546</u>

**POLK COUNTY, FLORIDA  
FUND BALANCES – GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 1,973,966	\$ 2,422,318	\$ 2,529,876	\$ 2,375,422
Restricted	3,855,045	3,834,633	3,927,059	3,632,172
Committed	1,573,131	859,383	5,140,246	3,699,649
Assigned	23,075,160	12,650,559	19,542,951	21,609,306
Unassigned	37,330,730	41,990,434	40,379,474	42,922,323
Total General Fund	<u>\$ 67,808,032</u>	<u>\$ 61,757,327</u>	<u>\$ 71,519,606</u>	<u>\$ 74,238,872</u>
All Other Governmental Funds				
Unreserved, reported in:				
Nonspendable	\$ -	\$ 1,950	\$ 92,697	\$ 77,390
Restricted	154,060,530	149,641,742	114,361,596	130,308,479
Committed	56,047,382	62,420,804	91,236,101	88,860,554
Assigned	21,241,820	17,312,112	15,324,433	13,405,998
Unassigned	(1,278,101)	(1,368,997)	(1,494,427)	(1,555,075)
Total all Other Governmental Funds	<u>\$ 230,071,631</u>	<u>\$ 228,007,611</u>	<u>\$ 219,520,400</u>	<u>\$ 231,097,346</u>

**Fiscal Year**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 5,009,020	\$ 2,749,680	\$ 1,901,571	\$ 2,630,495	\$ 2,120,659	\$ 2,645,580
3,599,854	4,143,272	4,778,557	4,511,609	4,050,909	6,133,948
3,167,473	2,164,342	1,002,823	2,553,751	1,634,012	90,481
21,507,052	20,076,216	22,544,776	14,234,587	7,950,335	160,826
31,152,780	40,198,772	74,544,016	95,868,165	123,868,333	124,841,876
<u>\$ 64,436,179</u>	<u>\$ 69,332,282</u>	<u>\$ 104,771,743</u>	<u>\$ 119,798,607</u>	<u>\$ 139,624,248</u>	<u>\$ 133,872,711</u>
\$ 75,376	\$ 81,744	\$ 70,724	\$ 84,624	\$ 2,123,716	\$ 6,101,098
151,563,477	187,285,964	236,570,971	268,432,191	340,720,749	387,431,247
84,457,383	90,099,475	100,439,327	105,469,594	101,838,418	111,109,480
19,608,186	21,303,773	27,817,695	46,510,873	37,918,101	37,576,142
(1,479,663)	(1,057,420)	(104,125)	(40,866)	(2,070,477)	(6,221,673)
<u>\$ 254,224,759</u>	<u>\$ 297,713,536</u>	<u>\$ 364,794,592</u>	<u>\$ 420,456,416</u>	<u>\$ 480,530,507</u>	<u>\$ 535,996,294</u>

**POLK COUNTY, FLORIDA**  
**CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2013	2014	2015	2016
<b>Revenues</b>				
Taxes	\$ 264,332,941	\$ 275,706,614	\$ 291,087,882	\$ 306,847,583
Licenses and Permits	5,763,182	6,174,865	6,978,955	8,358,141
Intergovernmental	100,151,316	97,581,268	93,179,130	81,248,105
Charges for Services	55,722,198	56,220,978	58,401,444	70,253,115
Fines and Forfeitures	3,324,339	3,257,819	4,189,585	8,028,945
Special Assessments	32,986,754	33,104,295	33,796,129	42,087,216
Interest Income	2,809,376	4,261,157	4,855,159	5,841,347
Net Change in Fair Value of Investments	(5,775,806)	2,685,845	(858,747)	(1,103,804)
Miscellaneous Revenues	18,427,058	19,103,451	16,543,834	23,798,542
<b>Total Revenues</b>	<b>\$ 477,741,358</b>	<b>\$ 498,096,292</b>	<b>\$ 508,173,371</b>	<b>\$ 545,359,190</b>
<b>Expenditures</b>				
General Government	\$ 101,361,491	\$ 107,534,693	\$ 104,451,127	\$ 107,648,727
Public Safety	209,489,887	213,962,474	219,647,997	233,135,166
Physical Environment	7,599,038	6,618,272	8,812,990	5,726,659
Transportation	76,568,333	78,258,427	74,876,102	72,143,469
Economic Environment	19,012,090	16,933,435	15,490,020	15,722,753
Human Services	45,721,572	44,615,033	43,962,121	45,894,042
Culture and Recreation	16,953,340	17,022,284	15,195,820	15,105,961
Debt Service				
Principal Retirement	15,890,773	9,183,411	9,597,734	10,152,382
Interest and Fiscal Charges	8,949,526	8,765,533	8,023,335	7,366,054
Capital Projects	10,424,900	5,552,909	7,698,275	24,971,025
<b>Total Expenditures</b>	<b>\$ 511,970,950</b>	<b>\$ 508,446,471</b>	<b>\$ 507,755,521</b>	<b>\$ 537,866,238</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>\$ (34,229,592)</b>	<b>\$ (10,350,179)</b>	<b>\$ 417,850</b>	<b>\$ 7,492,952</b>
<b>Other Financing Sources (Uses)</b>				
Payments to Escrow Agent	\$ -	\$ -	\$ -	\$ (17,375,000.00)
Proceeds from Issuance of Debt	-	-	-	17,375,000
Transfers In	33,240,244	22,165,824	63,404,033	29,345,881
Transfers Out	(17,812,381)	(20,608,881)	(62,778,440)	(22,716,269)
Distribution of Excess Fees to State of Florida	-	-	-	-
Proceeds from the Sale of Capital Assets	164,515	152,739	231,625	173,648
Proceeds from Issuance of Bonds (Refunding)	-	525,772	-	-
Lease Proceeds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 15,592,378</b>	<b>\$ 2,235,454</b>	<b>\$ 857,218</b>	<b>\$ 6,803,260</b>
<b>Net Change in Fund Balance</b>	<b>\$ (18,637,214)</b>	<b>\$ (8,114,725)</b>	<b>\$ 1,275,068</b>	<b>\$ 14,296,212</b>
Debt service as a Percentage of Noncapital Expenditures	4.5%	3.2%	3.2%	2.9%

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 322,833,252	\$ 349,858,666	\$ 390,916,577	\$ 407,578,456	\$ 439,499,591	\$ 492,344,708	
12,959,957	15,674,897	15,779,022	15,583,451	19,487,200	19,730,664	
81,963,799	79,300,969	122,827,934	168,725,922	154,334,238	129,260,014	
66,257,353	72,482,432	75,188,117	73,848,556	80,132,221	88,139,236	
8,502,029	9,646,150	9,443,719	7,466,270	9,045,174	9,560,205	
48,017,524	56,998,654	63,016,004	75,556,362	93,678,656	97,698,811	
8,366,192	10,840,720	16,181,405	13,262,025	11,775,072	10,381,259	
(3,684,893)	(5,539,447)	3,878,545	2,770,526	(8,282,607)	(71,344,897)	
14,398,334	13,428,182	17,511,034	18,510,302	17,381,538	16,485,259	
<u>\$ 559,613,547</u>	<u>\$ 602,691,223</u>	<u>\$ 714,742,357</u>	<u>\$ 783,301,870</u>	<u>\$ 817,051,083</u>	<u>\$ 792,255,259</u>	
\$ 116,151,355	\$ 119,154,121	\$ 124,216,179	\$ 129,770,926	\$ 130,659,522	\$ 141,410,218	
258,082,607	266,563,228	288,697,783	384,566,278	366,848,814	354,341,552	
6,636,846	6,194,328	8,505,454	8,266,198	9,831,827	9,449,758	
52,239,447	54,177,825	56,832,511	76,879,253	79,914,536	97,879,764	
17,720,365	15,580,153	18,027,947	20,280,745	25,852,770	25,504,734	
52,139,093	56,004,142	63,035,349	61,597,939	60,083,798	55,206,303	
18,358,446	14,323,400	16,014,337	17,295,220	18,589,100	28,034,904	
11,214,379	9,878,081	10,755,256	21,675,383	6,880,305	14,652,767	
7,381,218	7,050,973	6,944,149	5,760,654	5,291,565	5,459,057	
13,286,713	9,321,424	6,794,693	18,086,514	37,251,220	26,255,589	
<u>\$ 553,210,469</u>	<u>\$ 558,247,675</u>	<u>\$ 599,823,658</u>	<u>\$ 744,179,110</u>	<u>\$ 741,203,457</u>	<u>\$ 758,194,646</u>	
<u>\$ 6,403,078</u>	<u>\$ 44,443,548</u>	<u>\$ 114,918,699</u>	<u>\$ 39,122,760</u>	<u>\$ 75,847,626</u>	<u>\$ 34,060,613</u>	
\$ -	\$ -	\$ -	\$ (41,955,000.00)	\$ -	\$ -	
-	-	-	69,017,000	-	-	
32,608,319	30,831,263	45,991,151	40,350,259	56,359,431	68,932,858	
(25,686,677)	(23,844,969)	(58,860,536)	(36,316,030)	(52,657,425)	(62,628,246)	
-	(3,098,522)	-	-	-	-	
-	53,560	471,203	469,699	350,100	1,904,304	
-	-	-	-	-	-	
-	-	-	-	-	7,444,721	
<u>\$ 6,921,642</u>	<u>\$ 3,941,332</u>	<u>\$ (12,398,182)</u>	<u>\$ 31,565,928</u>	<u>\$ 4,052,106</u>	<u>\$ 15,653,637</u>	
<u>\$ 13,324,720</u>	<u>\$ 48,384,880</u>	<u>\$ 102,520,517</u>	<u>\$ 70,688,688</u>	<u>\$ 79,899,732</u>	<u>\$ 49,714,250</u>	
3.1%	2.9%	3.9%	4.2%	1.8%	2.9%	

**POLK COUNTY, FLORIDA**  
**JUST VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN YEARS**  
**(RATE PER \$1,000 OF ASSESSED VALUE)**

<b>Real Property - Just Value (1)</b>					
Fiscal Year	Residential Property	Commercial Property	Industrial Property	Agriculture Property	Other Property
2013	\$ 17,793,857,357	\$ 3,904,127,611	\$ 1,527,153,862	\$ 1,701,901,000	\$ 3,093,822,099
2014	19,419,985,594	3,966,947,491	1,562,887,796	1,710,090,900	3,141,635,466
2015	21,763,758,795	4,043,574,880	1,618,218,236	1,837,078,764	3,194,730,439
2016	23,766,289,395	4,232,146,151	1,763,558,817	1,957,205,668	3,347,415,960
2017	25,609,401,296	4,544,498,571	2,010,226,111	2,072,680,851	3,539,046,146
2018	28,142,177,270	4,932,218,735	2,660,960,875	2,037,710,078	3,782,515,217
2019	31,491,549,535	5,224,662,742	2,895,915,541	2,174,082,401	3,885,576,723
2020	34,679,011,304	5,453,958,695	3,126,546,938	2,202,656,452	4,109,445,636
2021	38,819,346,348	5,671,072,305	3,406,250,226	2,189,637,444	4,463,218,388
2022	42,834,602,362	5,803,370,420	3,798,265,234	2,281,778,406	4,564,400,972

Source: Polk County Property Appraiser

Note:

(1) Just Values are determined by the Polk County Property Appraiser on January 1 of each year at 100% of fair value as is required by *Florida Statutes*, Section 192.042. Taxable values are based on just value after deducting allowable exemptions.



Total Just Value	Personal Property	Total Real and Personal Property	Less: Tax-exempt Property	Total Taxable Value	Total Direct Tax Rate
\$ 28,020,861,929	\$ 5,686,296,368	\$ 33,707,158,297	\$ 10,530,065,413	\$ 23,177,092,884	6.8665
29,801,547,247	5,853,800,018	35,655,347,265	11,619,884,272	24,035,462,993	6.8665
32,457,361,114	5,856,412,000	38,313,773,114	13,016,657,541	25,297,115,573	6.8665
35,066,615,991	6,162,668,197	41,229,284,188	14,461,786,021	26,767,498,167	6.7815
37,775,852,975	6,065,867,091	43,841,720,066	15,413,687,057	28,428,033,009	6.7815
41,555,582,175	6,585,670,352	48,141,252,527	16,830,858,281	31,310,394,246	6.7815
45,671,786,942	7,241,147,914	52,912,934,856	18,737,212,914	34,175,721,942	7.1565
49,571,619,025	7,385,098,440	56,956,717,465	20,151,089,547	36,805,627,918	7.1565
54,549,524,711	6,028,228,580	60,577,753,291	20,551,011,112	40,026,742,179	6.8990
59,282,417,394	6,310,824,117	65,593,241,511	21,964,309,575	43,628,931,936	6.8990

**POLK COUNTY, FLORIDA  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS**

	Year Taxes Are Payable									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>County Direct Rates</b>										
General Fund	6.8665	6.8665	6.8665	6.7815	6.7815	6.7815	7.1565	7.1565	6.8990	6.8990
Total direct rate	6.8665	6.8665	6.8665	6.7815	6.7815	6.7815	7.1565	7.1565	6.8990	6.8990
<b>City Rates</b>										
Auburndale	4.2657	4.2657	4.2657	4.2657	4.2657	4.2657	4.2515	4.2515	4.2515	4.2515
Bartow	3.9962	3.9960	3.9075	3.8387	3.8044	3.6541	3.5378	3.2768	3.0862	4.0000
Davenport	7.7500	7.7500	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000
Dundee	7.6495	7.9495	7.9495	7.9000	7.9000	7.9000	7.9000	7.9000	7.9000	7.9000
Eagle Lake	7.6516	7.6516	7.6516	7.6516	7.6516	7.6516	7.6516	7.6516	7.6516	7.6516
Ft Meade	5.6484	5.6484	5.6484	5.6484	6.2458	6.8704	6.8704	7.8899	7.8899	8.6306
Frostproof	7.8209	8.0587	8.0587	8.0587	7.7716	7.4978	7.3045	6.9705	6.5530	6.5530
Haines City	7.9900	7.7900	7.7900	7.7900	7.5895	7.5895	7.5895	7.5895	7.5895	7.5895
Highland Park	9.9759	9.9759	9.9759	9.9759	9.9759	9.9759	9.9759	9.9759	9.9759	9.9759
Hillcrest Heights	0.3075	1.5000	1.4131	1.3788	1.2726	1.1932	1.1050	0.9807	0.9129	0.8580
Lake Alfred	7.5890	7.5890	7.5890	7.4890	7.2390	7.2390	7.2390	7.2390	7.2390	7.2390
Lake Hamilton	8.2117	8.4276	8.4276	8.4276	8.4276	8.4276	8.4276	8.4276	8.4276	8.4276
Lake Wales	8.5119	8.5866	8.3638	7.3638	7.3273	7.0438	7.0438	6.9339	6.7974	6.7697
Lakeland	4.6644	4.6644	4.6644	5.5644	5.5644	5.5644	5.4644	5.4644	5.4644	5.4323
Mulberry	8.9000	8.4000	7.6500	7.2900	6.7900	6.5900	6.4400	6.4400	6.4400	6.4400
Polk City	8.6547	8.6547	8.6000	8.2500	8.0000	7.4877	7.2500	6.0000	6.0000	5.7000
Winter Haven	5.7900	5.7900	5.7900	5.7900	5.7900	5.7900	6.7900	6.7900	6.7900	6.7900
<b>County School District</b>										
Local	1.5000	2.2480	2.2480	2.2480	2.2480	2.2480	2.2480	2.2480	2.2480	2.2480
State	5.9920	5.2990	4.9600	4.9010	4.5490	4.2660	4.0030	3.8380	3.6870	3.5810
<b>Unincorporated County MSTU</b>										
Parks	0.4219	0.4219	0.4219	0.5619	0.5619	0.5619	0.5619	0.5619	0.5619	0.5619
Library	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109
Storm	-	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
<b>Rancho Bonito Area MSTU</b>	-	-	9.2672	9.1272	9.1272	9.1272	9.1272	9.1272	9.1272	9.1272
<b>Special Districts:</b>										
Everglades Construction	0.0613	0.0587	0.0548	0.0506	0.0471	0.0441	0.0417	0.0397	0.0380	0.0365
Lake Region LMD	0.4996	0.4924	0.4924	0.4715	0.4512	0.4214	0.4214	0.4214	0.4100	0.4100
Lakeland Mass/Transit	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
South FL WMD	0.1757	0.1685	0.1577	0.1459	0.1359	0.1275	0.1209	0.1152	0.2669	0.1061
SW FLA WMD	0.3928	0.3818	0.3658	0.3488	0.3317	0.3131	0.2955	0.2801	0.2801	0.2535

Source: Polk County Tax Collector's Office

**POLK COUNTY, FLORIDA  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2022			2013		
	Taxable Value	Rank	Percentage of Total County Taxable Value	Taxable Value	Rank	Percentage of Total County Taxable Value
Duke Energy/Florida Power	\$ 1,282,903,253	1	2.94%	\$ 1,134,662,798	1	4.90%
Tampa Electric	1,091,658,681	2	2.50%	553,039,533	2	2.39%
Mosaic /Streamsong/Stillwaters	826,659,569	3	1.89%	453,757,970	3	1.96%
Publix Supermarkets	513,430,748	4	1.18%	292,196,666	4	1.26%
Amazon	351,551,652	5	0.81%	-	-	-
Invitation Homes	297,450,086	6	0.68%	-	-	-
Walmart	236,168,378	7	0.54%	114,334,088	9	0.49%
Coca Cola	235,933,890	8	0.54%	204,322,381	6	0.88%
Florida Southeast Connection LLC	223,505,329	9	0.51%	-	-	-
Frontier	197,523,552	10	0.45%	-	-	-
Verizon Florida	-	-	-	218,589,516	5	0.94%
Gulfstream Natural Gas	-	-	-	154,209,455	7	0.67%
Calpine Construction Finance	-	-	-	150,993,434	8	0.65%
Cutrale Citrus Juice Inc USA	-	-	-	97,684,036	10	0.42%
Total	<u>\$ 5,256,785,138</u>		<u>12.05%</u>	<u>\$ 3,373,789,877</u>		<u>14.56%</u>
Total Taxable Value:	\$ 43,628,931,936			\$ 23,177,092,884		

Source: Polk County Property Appraiser

**POLK COUNTY, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS**

<b>Fiscal Year</b>	<b>Total Tax Levy (1)</b>	<b>Current Tax Collections (2)</b>	<b>Current Tax Collections as a percent(%) of Total Levy</b>	<b>Collections in Subsequent Years (2)</b>	<b>Total Tax Collections</b>	<b>Total Tax Collections as a percent(%) of Total Levy</b>
2013	\$ 159,938,591	\$ 153,389,026	95.90%	\$ 945,826	\$ 154,334,852	96.50%
2014	165,896,955	159,591,391	96.20%	813,947	160,405,338	96.69%
2015	174,474,047	167,845,853	96.20%	1,016,823	168,862,676	96.78%
2016	182,495,617	175,460,063	96.14%	820,373	176,280,436	96.59%
2017	193,788,188	186,687,885	96.34%	814,715	187,502,600	96.76%
2018	213,109,132	205,408,483	96.39%	731,151	206,139,634	96.73%
2019	245,433,478	236,523,625	96.37%	669,318	237,192,943	96.64%
2020	264,558,943	254,714,582	96.28%	872,911	255,587,493	96.61%
2021	277,318,756	266,789,705	96.20%	712,402	267,502,107	96.46%
2022	302,693,318	291,055,941	96.16%	607,861	291,663,802	96.36%

Source: Polk County Tax Collector's Office

Notes:

- (1) Property taxes become due and payable on November 1 of each year. A four percent discount is allowed if the taxes are paid in November with the discount declining by one percent each month thereafter. Accordingly, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1 of each year and tax certificates for the full amount of any unpaid tax assessments must be sold not later than June 1 of each year.
- (2) Current and delinquent collections include penalties.

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**POLK COUNTY, FLORIDA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS**

Fiscal Year	Governmental Activities				
	Sales Tax Increment Bonds	Constitutional Fuel Tax Bonds (1)	Local Option Fuel Tax / Public Service Tax Bonds	Public Service Tax Bonds/Revenue Sharing Monies Tax Bonds	Deferred Amounts: Premium/Discount
2013	\$ 29,260,000	\$ 28,380,000	\$ 49,335,000	\$ 77,285,000	\$ 6,658,261
2014	27,640,000	25,990,000	47,320,000	75,610,000	9,849,122
2015	25,975,000	23,385,000	45,245,000	73,600,000	9,210,852
2016	24,260,000	3,200,000	43,090,000	71,405,000	7,828,387
2017	22,490,000	225,000	40,850,000	69,125,000	7,203,635
2018	20,645,000	-	38,495,000	66,750,000	6,709,928
2019	18,720,000	-	36,025,000	64,255,000	6,216,221
2020	-	-	-	61,660,000	3,849,502
2021	-	-	-	58,940,000	3,592,872
2022	-	-	-	56,105,000	3,336,238

Notes:

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

- (1) Constitutional Fuel Tax Revenue Refunding Bond, Series 2006 matured on December 1, 2017.
- (2) In FY 2016, Public Facilities Revenue Note, Series 2015 refunded a portion of the Constitutional Fuel Tax Revenue Bonds, Series 2006. It is collateralized by a pledge of 8.0% of the 10.0% Public Service Tax and 50% of the previous fiscal year's Revenue Sharing Monies received.
- (3) In FY 2020, Promissory Note, Series 2020 C refunded the Capital Improvement Refunding Revenue Bonds, Series 2010 and the Transportation Improvement Refunding Revenue Bonds, Series 2010. Also, in FY 20, new monies were received from Promissory Note, Series 2020A. Promissory Note, Series 2020A and 2020C are payable from pledged Non-Ad Valorem Revenues.

**Governmental Activities**

<b>Net Bonds Payable</b>	<b>Notes Payable</b>	<b>Interlocal Agreements</b>	<b>Total Governmental Debt</b>
\$ 190,918,261	\$ -	\$ 9,136,538	\$ 200,054,799
186,409,122	-	7,913,127	194,322,249
177,415,852	-	12,170,393	189,586,245
149,783,387	18,157,000 <b>(2)</b>	23,503,334	191,443,721
139,893,635	17,951,000	38,478,800	196,323,435
132,599,928	16,709,000	36,642,719	185,951,647
125,216,221	15,137,000	34,349,463	174,702,684
65,509,502	82,482,000 <b>(3)</b>	31,988,143	179,979,645
62,532,872	80,752,000	33,057,838	176,342,710
59,441,238	72,319,903	30,537,597	162,298,738

**POLK COUNTY, FLORIDA  
RATIOS OF OUTSTANDING DEBT BY TYPE (CONTINUED)  
LAST TEN YEARS**

<b>Business-Type Activities</b>						
<b>Fiscal Year</b>	<b>Water and Sewer Bonds (1)</b>	<b>Deferred Amounts: Premium/Discount</b>	<b>Net Bonds Payable</b>	<b>Contracts Payable</b>	<b>Interlocal Agreements</b>	
2013	\$ 139,985,000	\$ 8,897,515	\$ 148,882,515	\$ 71,842	\$ -	
2014	188,175,000	8,179,037	196,354,037	71,842	3,305,990	
2015	185,000,000	7,560,715	192,560,715	71,842	3,104,773	
2016	181,485,000	7,045,425	188,530,425	58,880	2,903,556	
2017	177,950,000	6,524,534	184,474,534	58,880	2,702,339	
2018	174,320,000	6,003,643	180,323,643	58,880	2,501,122	
2019	170,530,000	5,482,752	176,012,752	58,880	2,299,905	
2020	151,130,000	24,043,511	175,173,511	58,880	2,098,688	
2021	147,025,000	22,703,652	169,728,652	58,880	1,897,472	
2022	142,795,000	21,363,793	164,158,793	58,880	1,696,255	

Notes:

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) Total consists of more than one issuance.



**Business-Type Activities**

<b>Other Long-Term Liability</b>	<b>Total Business-Type Debt</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
\$ 2,660,209	\$ 151,614,566	\$ 351,669,365	1.67%	573
1,300,455	201,032,324	395,354,573	1.94%	634
1,300,455	197,037,785	386,624,030	1.81%	611
377,985	191,870,846	383,314,567	1.73%	592
377,985	187,613,738	383,937,173	1.70%	580
377,985	183,261,630	369,213,277	1.60%	549
377,985	178,749,522	353,452,206	1.40%	512
377,985	177,709,064	357,688,709	1.24%	493
377,985	172,062,989	348,405,699	1.07%	466
377,985	166,291,913	328,590,652	0.98%	427

**POLK COUNTY, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 SALES TAX REVENUE BONDS  
 LAST TEN YEARS**

<b>Fiscal Year</b>	<b>Sales Taxes</b>	<b>Debt Service</b>			<b>Coverage</b>
		<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2013	\$ 27,423,241	\$ 1,570,000	\$ 1,186,750	\$ 2,756,750	9.95
2014	28,968,235	1,620,000	1,138,900	2,758,900	10.50
2015	30,519,501	1,665,000	1,089,625	2,754,625	11.08
2016	33,321,558	1,715,000	1,038,925	2,753,925	12.10
2017	34,091,310	1,770,000	974,950	2,744,950	12.42
2018	36,094,105	1,845,000	896,075	2,741,075	13.17
2019	38,560,203	1,925,000	807,325	2,732,325	14.11
2020	38,190,238 (1)	2,025,000	379,600	2,404,600	15.88
2021	-	-	-	-	-
2022	-	-	-	-	-

**Note:**

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

- (1) The Capital Improvement Revenue Bonds, Series 2010 were refunded by the Promissory Revenue Note, Series 2020 C which are payable from pledged Non-Ad Valorem revenues.

**POLK COUNTY, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 NON-AD VALOREM REVENUES  
 LAST TEN YEARS**

<u>Fiscal Year</u>	<u>Non-Ad Valorem</u>	<u>Average Amount of Non-Ad Valorem Revenues Available for Debt</u>	<u>Maximum Annual Debt Service for All Debt Secured by Non-Ad Valorem Revenues</u>	<u>Coverage</u>
2020	\$ 273,276,737	\$ 227,286,047	\$ 15,501,148	14.66
2021	257,451,457	265,364,097	15,501,148	17.12
2022	188,001,238	222,726,348	15,501,148	14.37

Note:

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

- (1) Promissory Note, Series 2020A and Promissory Note, Series 2020C were signed in FY 2020 and are non-general obligation debt pledged by Non-Ad Valorem Revenues.

**POLK COUNTY, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 LOCAL OPTION FUEL TAX AND PUBLIC SERVICE TAX BONDS  
 LAST TEN YEARS**

<u>Fiscal Year</u>	<u>Local Option Fuel Taxes(1)</u>	<u>Public Service Tax (1)</u>	<u>Debt Service</u>		<u>Total</u>	<u>Coverage</u>
			<u>Principal</u>	<u>Interest</u>		
2013	\$ 6,523,909	\$ 5,801,829	\$ 1,955,000	\$ 2,188,600	\$ 4,143,600	2.97
2014	6,953,052	5,996,762	2,015,000	2,129,050	4,144,050	3.12
2015	7,236,822	6,188,069	2,075,000	2,059,450	4,134,450	3.25
2016	7,653,503	6,330,937	2,155,000	1,976,975	4,131,975	3.38
2017	7,898,728	6,523,435	2,240,000	1,877,875	4,117,875	3.50
2018	8,141,473	6,582,019	2,355,000	1,763,000	4,118,000	3.58
2019	8,669,540	7,070,593	2,470,000	1,647,800	4,117,800	3.82
2020	8,247,849 (2)	7,347,384	2,585,000	795,738	3,380,738	4.61
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-

Notes:

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) The Transportation Improvement Revenue Bonds are collateralized by a pledge of revenues from the 5-cents per gallon local option fuel tax and 2.0% of the 10.0% Public Service Tax.

(2) The Transportation Improvement Revenue Bonds, Series 2010 were refunded by the Promissory Revenue Note, Series 2020 C, which are payable from pledged Non-Ad Valorem revenues.

**POLK COUNTY, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 PUBLIC SERVICE TAX AND REVENUE SHARING MONIES  
 LAST TEN YEARS**

Fiscal Year	Public Service Tax (1)	Revenue Sharing Monies (2)	Debt Service Requirements			Coverage
			Principal	Interest	Total	
2013	\$ 23,206,800	\$ 5,473,649	\$ 1,865,000	\$ 3,826,416	\$ 5,691,416	5.04
2014	23,986,521	5,799,624	1,935,000	3,458,053	5,393,053	5.52
2015	24,751,615	6,211,265	2,010,000	3,497,194	5,507,194	5.62
2016	25,323,175	6,777,189	105,000	3,378,945	3,483,945	9.21
2017	26,093,209	6,999,682	2,486,000	3,507,656	5,993,656	5.52
2018	26,327,452	7,356,256	3,617,000	3,387,187	7,004,187	4.81
2019	28,281,821	7,785,780	4,067,000	3,247,802	7,314,802	4.93
2020	29,389,485	8,262,140	4,267,000	3,247,802	7,514,802	5.01
2021	30,854,174	7,786,681	4,450,000	2,942,640	7,392,640	5.23
2022	35,509,667	9,178,574	4,625,000	2,808,051	7,433,051	6.01

Notes:

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

- (1) The Public Facilities Revenue Bonds and Public Facilities Revenue Note are collateralized by a pledge of 8.0% of the 10.0% Public Service Tax.
- (2) The Public Facilities Revenue Bonds and Note are also collateralized by a pledge of 50% of the previous fiscal year's Revenue Sharing Monies received.

**POLK COUNTY, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 WATER AND SEWER BONDS  
 LAST TEN YEARS**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenues Available for Debt Service	Debt Service			Coverage
				Principal	Interest	Total	
2013	\$ 49,727,954	\$ 32,312,821	\$ 17,415,133	\$ 2,660,000	\$ 7,334,165	\$ 9,994,165	1.74
2014	53,604,980	32,339,999	21,264,981	2,790,000	8,798,252	11,588,252	1.84
2015	58,422,466	32,968,618	25,453,848	3,175,000	8,967,711	12,142,711	2.10
2016	60,133,329	30,439,008	29,694,321	3,515,000	8,819,861	12,334,861	2.41
2017	65,320,604	33,247,543	32,073,061	3,535,000	8,792,805	12,327,805	2.60
2018	67,868,397	37,334,208	30,534,189	3,630,000	8,739,147	12,369,147	2.47
2019	72,156,630	36,266,287	35,890,343	3,790,000	8,582,097	12,372,097	2.90
2020	76,377,766	48,589,167	27,788,599	3,955,000	4,954,594	8,909,594	3.12
2021	82,323,949	44,777,913	37,546,036	4,105,000	6,513,556	10,618,556	3.54
2022	85,656,830	49,539,748	36,117,082	4,230,000	6,390,406	10,620,406	3.40

Notes:

- (1) Gross revenues exclude connection fees associated with the implementation of Governmental Accounting Standards Board Statement No. 33 - *Accounting and Financial Reporting for Nonexchange Transactions*. It also does not include miscellaneous revenues and interest income.
- (2) Expenses are exclusive of depreciation.

**POLK COUNTY, FLORIDA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS**

<b>Year</b>	<b>Population (1)</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Public School Enrollment (2)</b>	<b>Unemployment Rate</b>
2013	613,950	\$ 21,115,582	\$ 34,393	95,333	8.0%
2014	623,174	20,347,877	32,652	99,728	7.3%
2015	633,052	21,348,413	33,723	97,953	6.2%
2016	646,989	22,126,377	34,199	99,247	5.9%
2017	661,645	22,636,860	34,213	101,050	4.1%
2018	673,028	23,867,592	35,463	104,136	3.5%
2019	690,606	25,310,019	36,649	108,330	3.5%
2020	725,046 (4)	28,827,829	39,760	107,696	7.9%
2021	748,365	32,595,786	43,556 (3)	105,368	4.9%
2022	770,019	33,538,948	43,556 (3)	113,188	3.2%

Notes:

- (1) Data provided by the Office of Economic and Demographic Research
- (2) Florida Department of Education
- (3) Data provided by U.S. Bureau of Economic Analysis. Per capita personal income was not available for 2022. The 2021 per capita income information was used, along with 2022 population data to determine the personal income data.
- (4) 2020 Census data

**POLK COUNTY, FLORIDA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Publix Super Markets	13,701	1	4.00%	10,470	2	3.89%
Polk County School Board	13,363	2	3.90%	13,800	1	5.13%
Lakeland Regional Health	5,888	3	1.72%	4,500	5	1.67%
Walmart	5,523	4	1.61%	5,100	3	1.89%
Amazon	5,000	5	1.46%			
Polk County Government	4,789	6	1.40%	4,500	4	1.67%
Geico	3,700	7	1.08%	2,300	10	0.85%
City of Lakeland	2,800	8	0.82%	2,600	8	0.97%
BayCare	2,614	9	0.76%			
Advent Health	2,466	10	0.72%			
State of Florida				4,300	6	1.60%
Winter Haven Hospital				2,500	9	0.93%
Mosaic				3,000	7	1.11%
Total	59,844		17.45%	53,070		19.72%
Average Annual Labor Force :	342,927			269,168		

Sources:  
Central Florida Development Council  
Florida Department of Economic Opportunity, Labor Market Statistics Center



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**POLK COUNTY, FLORIDA  
OPERATING INDICATORS BY FUNCTION AND PROGRAM  
LAST TEN YEARS**

	Fiscal Year			
	2013	2014	2015	2016
<b>General Government</b>				
Business Licenses	33,479	34,037	34,737	35,008
County Attorney				
Request for legal service	1,047	1,137	1,153	1,506
Land Development				
Residential plans submitted for approval	1,166	1,393	1,766	1,405
Non-Residential plans submitted for approval	254	310	367	326
Conditional uses/planned developments	27	40	51	50
Land Use Hearing Cases	*	*	*	*
Planning Commission Cases	*	*	*	*
<b>Public Safety</b>				
Fire Rescue				
Responses per year	75,034	79,385	81,429	87,441
Average response time (minutes)	7.1	6.9	7.2	7.4
Sheriff				
Average Inmate Population	2,463	2,463	2,423	2,520
% Crime Rate per Capita	2.3%	2.1%	2.0%	1.87%
Calls for Service	310,906	305,660	315,097	150,629
911 Calls	397,011	422,009	430,472	394,362
Building Permits				
Single-residential	1,105	1,317	1,524	1,722
Commercial	301	242	233	315
<b>Physical Environment</b>				
Utilities - Number of customers				
Water	59,291	60,147	61,086	62,941
Sewer	42,466	43,318	44,177	46,074
Re-use	4,402	4,832	5,252	7,594
Waste and Recycling				
Tons Collected	595,289	602,564	622,322	613,289
Tons Recycled	14,841	15,271	17,886	17,517
Environmental Lands				
Acres acquired	-	117	70	1
<b>Transportation</b>				
Transportation				
Lane miles of roads resurfaced	180	166	171	188
Roadway Maintenance				
Mowing (Acres)	31,120	37,484	49,320	35,036
Chemical Mowing (Acres)	7,904	9,236	6,750	4,695
Shoulders Maintained (Feet)	596,589	834,208	925,294	995,313
Drainage Ditches Cleaned (Feet)	381,890	966,070	468,376	408,756

Source: Polk County Board of County Commissioner's applicable divisions and Constitutional Officers

Notes:

- \* Information not available
- Operating indicator was not performed during fiscal year.

Fiscal Year					
2017	2018	2019	2020	2021	2022
33,728	35,290	35,693	35,838	34,595	35,852
1,355	1,405	1,621	2,141	684	*
2,666	*	*	*	*	101
433	*	*	*	218	221
49	*	*	55	37	75
*	*	*	148	119	121
*	*	*	118	141	200
92,536	94,699	97,697	102,781	116,895	122,472
7.4	7.3	7.6	7.6	8.1	8.4
2,592	2,612	2,556	2,363	2,790	2,939
1.64%	1.52%	1.40%	1.26%	1.18%	1.02%
151,055	153,680	151,847	152,917	164,035	163,446
332,025	320,684	281,585	289,038	318,685	303,066
2,162	2,574	2,856	2,875	4,338	4,060
257	249	202	263	294	231
65,306	66,920	68,482	70,413	74,213	77,658
48,329	49,673	51,083	52,776	56,138	59,418
9,314	10,230	11,138	12,026	13,803	14,874
606,424	655,779	644,231	633,579	641,266	689,986
17,170	11,717	11,545	20,277	22,165	38,133
8.66	24.15	70.52	63.34	251.29	105.55
248	271	104	132	96	111
34,796	30,120	41,965	50,866	50,577	41,350
3,908	1,026	2,371	3,292	5,984	2,194
556,908	386,575	422,035	464,653	263,453	321,780
269,517	242,472	413,591	373,303	289,606	187,489

**POLK COUNTY, FLORIDA  
OPERATING INDICATORS BY FUNCTION AND PROGRAM (CONTINUED)  
LAST TEN YEARS**

	Fiscal Year			
	2013	2014	2015	2016
<b>Economic Environment</b>				
Business Development				
Businesses Recruited	5	11	8	10
Jobs Created	454	1,308	1,614	605
Sports Marketing				
Number of events assisted or managed	216	216	229	225
<b>Human Services</b>				
Veterans Services				
Veterans Assisted	2,419	2,535	2,618	3,472
Outreach Events	45	26	19	28
Elderly Services				
In-home Nutrition Meals (1)	123,082	111,030	118,030	79,093
Congregate meals served (1)	93,853	106,340	88,839	86,053
In-Home Service (clients) (1)	404	471	151	131
Medicaid Waiver Programs (clients) (2)	221	-	-	-
Elderly Day Care Participants (3)	*	*	*	*
Number of hours of direct service	*	*	*	*
<b>Culture and Recreation</b>				
Parks and Recreation				
Special Events patrons	63,043	64,012	57,903	64,735
Summer Camp attendees (4)	510	520	477	346
Campground rentals	9,117	9,415	9,873	11,300
Homeland Heritage Park patrons	5,344	5,263	5,916	5,717
Historical Museum				
Total patrons	33,070	40,107	39,581	37,883
Historical Library				
Total patrons (walk-in and online viewers)	91,354	102,439	79,721	81,415

Source: Polk County Board of County Commissioner's applicable divisions and Constitutional Officers

Notes:

\* Information not available

- Operating indicator was not performed during fiscal year.

(1) Beginning in 2018, the In-home Services and Nutrition programs were transitioned to a non-profit organization. Data reported is no longer available.

(2) Beginning in 2014, this program transitioned to Medicaid Reform. No longer serving Medicaid clients.

(3) Adult Day Care services were closed due to Covid-19 on March 18, 2020. On July 17, 2020, the Polk County Board of County Commissioners decided to close the Adult Day Care services permanently.

(4) Due to Covid-19, there were no summer camp programs in FY 2020.

Fiscal Year

2017	2018	2019	2020	2021	2022
6	8	6	7	7	7
942	1,386	1,581	1,650	598	898
246	261	276	220	270	280
3,458	10,729	11,377	7,280	7,253	9,557
13	12	*	*	*	8
66,659	-	-	-	-	-
65,536	-	-	-	-	-
1,316	-	-	-	-	-
-	-	-	-	-	-
*	94	104	55	-	-
*	60,049	53,208	20,285	-	-
60,513	58,727	59,216	4,340	6,100	6,718
324	336	328	-	63	69
10,225	10,539	11,214	7,270	11,232	13,300
6,847	5,235	6,124	4,985	9,363	9,865
38,331	34,439	36,637	25,210	21,342	27,275
56,236	40,660	44,716	40,987	57,495	81,441

**POLK COUNTY, FLORIDA  
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN YEARS**

<b>Function</b>	<b>Full-time Equivalent Employees</b>									
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
General Government	1,042	1,060	1,085	1,138	1,108	1,139	1,099	1,102	1,118	1,130
Public Safety	2,388	2,419	2,384	2,439	2,457	2,430	2,539	2,591	2,611	2,705
Physical Environment	59	59	59	50	50	43	45	45	47	47
Transportation	255	255	254	265	265	264	263	263	264	267
Economic Environment	33	31	31	23	23	23	23	26	26	27
Human Services	342	331	314	235	237	214	211	212	188	188
Culture and Recreation	82	82	82	81	82	93	94	97	100	101
Utilities	209	214	216	218	223	228	237	246	257	257
Waste and Recycling	51	46	47	44	48	50	56	56	56	56
<b>Total</b>	<b>4,461</b>	<b>4,497</b>	<b>4,472</b>	<b>4,493</b>	<b>4,493</b>	<b>4,484</b>	<b>4,567</b>	<b>4,638</b>	<b>4,667</b>	<b>4,778</b>

Sources:  
Polk County Office of Budget and Management Services  
Constitutional Officers

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**POLK COUNTY, FLORIDA  
CAPITAL ASSET STATISTICS BY FUNCTION AND PROGRAM  
LAST TEN YEARS**

	Fiscal Year			
	2013	2014	2015	2016
<b>General Government</b>				
Square footage of Building Space	4,035,156	4,086,513	4,086,513	4,109,757
<b>Public Safety</b>				
Fire Rescue				
Stations	45	45	45	50
Vehicles	259	241	241	243
<b>Physical Environment</b>				
Utilities				
Miles of Sewer and Water Lines				
Water	903	928	931	973
Sewer	553	583	560	594
Re-use	191	195	194	207
Utility Plants				
Water	55	54	54	39
Sewer	8	7	7	7
Lift Stations	297	299	303	310
Potable Hydrants	3,495	3,538	3,622	3,668
Environmental Lands				
Number of purchased acres owned	18,335	18,453	18,523	18,524
<b>Transportation</b>				
Miles of Roads				
Paved	2,439	2,381	2,385	2,385
Unpaved	260	296	292	292
<b>Economic Environment</b>				
	1	1	1	1
<b>Human Services</b>				
Fixed-Route/WHAT Buses (1)	20	15	15	10
Paratransit Vans (1)	40	39	40	31
<b>Culture and Recreation</b>				
Recreational Parks	56	56	56	69
Boat Ramps/Launch Lanes	52	52	41	46
Historical Library	1	1	1	1
Historical Museum	1	1	1	1

Source: Polk County Board of County Commissioner's applicable divisions

Notes:

- No assets to report.

(1) In FY 2018, all vehicles were turned over to the Lakeland Area Mass Transit District (LAMTD).



Fiscal Year						
2017	2018	2019	2020	2021	2022	
4,502,521	4,510,633	4,582,721	4,556,445	4,631,630	4,631,630	
47	44	46	46	45	46	
237	248	248	248	248	248	
1,000	986	858	875	886	903	
613	610	582	602	615	636	
221	225	216	236	246	265	
37	35	36	31	27	29	
7	7	7	7	8	8	
317	321	332	345	355	349	
3,720	3,893	3,923	4,052	4,211	4,308	
18,533	18,557	18,593	18,640	18,891	18,997	
2,273	2,280	2,341	2,356	2,355	2,364	
414	415	413	414	412	213	
1	1	1	1	1	1	
10	-	-	-	-	-	
31	-	-	-	-	-	
69	69	69	69	69	69	
46	46	46	46	46	46	
1	1	1	1	1	1	
1	1	1	1	1	1	

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## **OTHER SUPPLEMENTARY INFORMATION**



**OTHER SUPPLEMENTAL SCHEDULES  
(UNAUDITED)**

**Revenue Promissory Notes, Series 2020A and 2020C**

**Continuing Disclosure**

- Anti-Dilution Test
- Maximum Annual Debt Service
- Breakdown of Revenues

**Public Facilities Revenue Bonds, Series 2014,  
Public Facilities Revenue Refunding Note, Series 2015**

**Continuing Disclosure**

- County Revenue Sharing Apportionment Factor Data
- Revenue Sharing Trust Fund for Counties Receipts
- Pledged Revenue Share Monies/Public Service Tax Revenue
- Pro Forma Debt Coverage

**Utility Systems Revenue Bonds, Series 2012, 2013, 2014A, 2014C, and 2020**

**Continuing Disclosure**

- Historical Revenues and Expenses and Debt Service Coverage
- Residential Water, Wastewater and Reclaimed Water Rates
- Commercial/Multi-Family Water, Wastewater and Reclaimed Water Rates
- Water and Wastewater Connection Charges
- Utilities Service Charges
- Water System Permitted Capacity and Actual Demand
- Wastewater System Permitted Capacity and Actual Flows
- Ten Largest Water/Sewer Consumers

**POLK COUNTY, FLORIDA  
REVENUE PROMISSORY NOTES, SERIES 2020A AND 2020C  
CONTINUING DISCLOSURE  
ANTI-DILUTION TEST**

	FY 20	FY 21	FY 22
<b>Revenues</b>			
<b>Total Governmental Funds</b>			
Taxes	\$ 783,301,870	\$ 817,051,083	\$ 792,255,259
Less: Ad Valorem Revenues - Property Taxes	(274,652,227)	(288,136,760)	(314,541,874)
<b>Total Non-Ad Valorem Revenues</b>	<b><u>\$ 508,649,643</u></b>	<b><u>\$ 528,914,323</u></b>	<b><u>\$ 477,713,385</u></b>
<b>Less: Restricted Non-Ad Valorem Revenues in Special Revenue Funds (Cannot Be Used to Pay Debt Service or Essential Expenditures)</b>			
(Excluded SR Funds with Ad Valorem Funding)			
Special Revenue Grants	\$ (15,769,077)	\$ (36,675,212)	\$ (32,372,095)
Tourist Development Tax	(11,013,383)	(16,048,583)	(21,680,230)
Lake and River Enhancement	(553,981)	(537,825)	(277,990)
Lighting District	(2,511,732)	(2,515,730)	(2,563,685)
Hazardous Waste	(123,091)	(49,397)	(91,362)
Law Enforcement Trust	(353,750)	(367,951)	(318,698)
Indigent Healthcare	(53,937,053)	(63,392,791)	(70,050,084)
Clerk of Circuit Courts Court Fund	(10,669,441)	(11,212,745)	(12,974,340)
<b>Total Restricted Non-Ad Valorem Revenues in Special Revenue Funds</b>	<b><u>\$ (94,931,508)</u></b>	<b><u>\$ (130,800,234)</u></b>	<b><u>\$ (140,328,484)</u></b>
<b>Adjusted Non-Ad Valorem Revenues</b>	<b><u>\$ 413,718,135</u></b>	<b><u>\$ 398,114,089</u></b>	<b><u>\$ 337,384,901</u></b>
<b>Essential Expenditures</b>			
General Government	\$ 128,079,150	\$ 127,633,442	\$ 140,367,423
Public Safety	301,105,968	329,283,157	350,912,661
<b>Total Essential Expenditures</b>	<b><u>\$ 429,185,118</u></b>	<b><u>\$ 456,916,599</u></b>	<b><u>\$ 491,280,084</u></b>
<b>Less Essential Expenditures Paid by Special Revenue Funds Not Included In Revenues</b>			
General Government	\$ (10,669,564)	\$ (11,230,424)	\$ (13,526,933)
Public Safety	(3,421,929)	(16,886,783)	(13,827,614)
<b>Total Essential Expenditures Paid by Special Revenue Funds Not Included in Revenues</b>	<b><u>(14,091,493)</u></b>	<b><u>(28,117,207)</u></b>	<b><u>(27,354,547)</u></b>
Less Ad Valorem Revenues	(274,652,227)	(288,136,760)	(314,541,874)
<b>Adjusted Essential Expenditures</b>	<b><u>\$ 140,441,398</u></b>	<b><u>\$ 140,662,632</u></b>	<b><u>\$ 149,383,663</u></b>
<b>Adjusted Net Non-Ad Valorem Revenues available for Debt Service</b>	<b><u>\$ 273,276,737</u></b>	<b><u>\$ 257,451,457</u></b>	<b><u>\$ 188,001,238</u></b>
<b>Average Amount of Non-Ad Valorem Revenues Avail for Debt Past 3 FYs</b>	<b><u>\$ 227,286,047</u></b>	<b><u>\$ 265,364,097</u></b>	<b><u>\$ 222,726,348</u></b>
<b>Maximum Annual Debt Service for All Debt Secured by Non-Ad Valorem Revenues</b>	\$ 15,501,148	\$ 15,501,148	\$ 15,501,148
<b>Coverage of Maximum Annual Debt Service (Minimum 1.50x)</b>	14.66	17.12	14.37

**POLK COUNTY, FLORIDA  
REVENUE PROMISSORY NOTES, SERIES 2020A AND 2020C  
CONTINUING DISCLOSURE  
ANTI-DILUTION TEST (CONTINUED)**

**Fiscal Years 2020, 2021 and 2022**

<b>FYE</b>	<b>2014 Pub Facs</b>	<b>2015 Pub Facs</b>	<b>2020 Prom. Note A</b>	<b>2020 Prom. Note C</b>	<b>Total</b>
9/30/2022	\$ 5,411,075	\$ 2,021,976	\$ 2,249,068	\$ 5,739,665	\$ 15,421,784
9/30/2023	5,390,250	2,047,975	2,248,663	5,741,775	15,428,663
9/30/2024	5,371,200	2,073,571	2,248,249	5,736,984	15,430,004
9/30/2025	5,365,950	2,097,756	2,247,827	5,735,291	15,446,824
9/30/2026	5,362,950	2,120,528	2,247,395	5,741,551	15,472,424
9/30/2027	5,361,700	2,151,780	2,246,953	5,740,715	15,501,148
9/30/2028	5,356,825		2,246,502	3,648,404	11,251,731
9/30/2029	5,348,075		2,246,041	3,649,959	11,244,075
9/30/2030	5,344,950		2,245,570	3,645,198	11,235,718
9/30/2031	5,341,825		2,245,088		7,586,913
9/30/2032	5,355,700		2,244,596		7,600,296
9/30/2033	5,358,000		2,244,093		7,602,093
9/30/2034	5,352,900		2,243,579		7,596,479
9/30/2035	5,345,300		2,243,143		7,588,443
9/30/2036	5,344,800				5,344,800
	<b>\$ 80,411,500</b>	<b>\$ 12,513,586</b>	<b>\$ 31,446,767</b>	<b>\$ 45,379,541</b>	<b>\$ 169,751,394</b>

**Maximum Annual Debt Service: \$ 15,501,148**

**POLK COUNTY, FLORIDA  
REVENUE PROMISSORY NOTES, SERIES 2020A AND 2020C  
CONTINUING DISCLOSURE  
ANTI-DILUTION TEST (CONTINUED)**

Breakdown of Revenues Total Governmental Funds	FY 20	FY 21	FY 22
<b>Taxes</b>			
Tourism	\$ 10,495,726	\$ 15,952,748	\$ 22,544,416
Fuel Taxes	23,629,437	25,602,799	26,859,179
Half-cent Sales Tax Surtax	51,535,503	61,228,306	73,314,653
Public Service Tax	36,736,922	38,567,983	44,387,083
Comm Srv Tax	9,247,919	8,797,454	9,320,054
Other Taxes	1,365,368	1,213,541	1,377,449
<b>Total Taxes</b>	<b>\$ 133,010,874</b>	<b>\$ 151,362,831</b>	<b>\$ 177,802,834</b>
<b>Licenses and Permits</b>			
Building	\$ 8,650,236	\$ 11,679,620	\$ 10,898,344
Other Licenses and Permits	6,933,215	7,807,580	8,832,320
<b>Total Licenses and Permits</b>	<b>\$ 15,583,451</b>	<b>\$ 19,487,200</b>	<b>\$ 19,730,664</b>
<b>Intergovernmental</b>			
State Revenue Sharing	\$ 15,573,362	\$ 18,357,148	\$ 24,029,593
Sales Tax	38,109,238	43,521,373	49,733,377
Constitutional Fuel Tax	6,925,244	7,426,856	7,906,618
County Gas Tax	3,016,219	3,290,625	3,450,172
Other Public Safety Grants (includes Covid Relief Revenues)	88,304,986	42,205,129	5,805,240
Other State Grants (Transp, Econ Envir, Human Serv, Culture/Rec)	4,490,138	3,166,661	4,631,172
Other Federal Grants (Transp, Econ Envir, Human Serv, Culture/Rec)	7,180,439	30,286,881	31,294,386
Other Intergovernmental	5,126,295	6,079,565	2,409,455
<b>Total Intergovernmental</b>	<b>\$ 168,725,922</b>	<b>\$ 154,334,238</b>	<b>\$ 129,260,014</b>
<b>Charges for Services</b>			
Ambulance Fees	\$ 24,810,989	\$ 25,846,018	\$ 29,136,036
911 Fees	3,111,321	3,214,470	3,651,172
BoCC Emergency Radio Fees	2,698,542	3,039,836	3,087,909
Sheriff	13,482,634	13,968,652	14,995,611
Clerk of Courts	7,586,066	9,161,904	9,837,288
Other Charges for Services	22,159,004	24,901,341	27,431,220
<b>Total Charges for Services</b>	<b>\$ 73,848,556</b>	<b>\$ 80,132,221</b>	<b>\$ 88,139,236</b>
<b>Fines &amp; Forfeitures</b>	<b>\$ 7,466,270</b>	<b>\$ 9,045,174</b>	<b>\$ 9,560,205</b>
<b>Special Assessments</b>			
Fire Assessments	\$ 42,409,804	\$ 46,357,246	\$ 52,853,866
Impact Fees - Municipality/School	1,602,072	1,258,752	1,290,599
Impact Fees - Transportation	21,596,992	29,142,809	28,794,323
Impact Fees - Public Safety	3,919,007	6,275,147	5,738,722
Impact Fees - Cultural & Recreation	1,660,150	3,144,041	3,206,711
Other Special Assessments	4,368,338	7,500,661	5,814,589
<b>Total Special Assessments</b>	<b>\$ 75,556,362</b>	<b>\$ 93,678,656</b>	<b>\$ 97,698,811</b>
<b>Interest Income</b>	<b>\$ 13,262,025</b>	<b>\$ 11,775,072</b>	<b>\$ 10,381,259</b>
<b>Net Change in Fair Value of Investments</b>	<b>\$ 2,770,526</b>	<b>\$ (8,282,607)</b>	<b>\$ (71,344,897)</b>
<b>Miscellaneous Revenue</b>	<b>\$ 18,510,302</b>	<b>\$ 17,381,538</b>	<b>\$ 16,485,259</b>
<b>Total Non-Ad Valorem Revenues</b>	<b>\$ 508,734,288</b>	<b>\$ 528,914,323</b>	<b>\$ 477,713,385</b>



**POLK COUNTY, FLORIDA  
PUBLIC FACILITIES REVENUE BONDS, SERIES 2014,  
PUBLIC FACILITIES REVENUE REFUNDING NOTE, SERIES 2015  
CONTINUING DISCLOSURE**

**County Revenue Sharing Apportionment Factor Data**

State Fiscal Year Ended June 30,	County Population (1)	Total Eligible Counties Population (1)	County Unincorporated Population (1)	State Unincorporated Population (1)	Annual Polk County Sales Tax Collections	Annual Statewide Sales Tax Collections
2018	643,966	20,026,564	396,417	9,840,592	\$ 583,356,556	\$ 23,708,810,228
2019	658,517	20,363,867	404,995	10,005,605	612,581,427	24,795,239,840
2020	669,873	20,721,532	410,044	10,180,934	615,094,812	23,526,144,245
2021	687,343	21,091,609	420,233	10,369,520	705,228,351	25,632,924,121
2022	711,931	21,483,409	434,662	10,590,549	830,900,004	31,792,929,701

**Revenue Sharing Trust Fund For Counties Receipts  
State Fiscal Year Ended June 30**

	2018	2019	2020	2021	2022
Cigarette Tax	\$ 6,995,264	\$ 6,947,582	\$ 6,382,015	\$ 5,565,262	\$ 6,117,274
Sales Tax	487,747,794	516,134,986	487,488,999	551,304,721	714,254,670
Total Receipts	<u>\$ 494,743,058</u>	<u>\$ 523,082,568</u>	<u>\$ 493,871,014</u>	<u>\$ 556,869,983</u>	<u>\$ 720,371,944</u>
Guaranteed Entitlement for Florida Counties	\$ 30,329,957	\$ 30,329,957	\$ 30,329,957	\$ 30,329,957	\$ 30,329,957
Second Guaranteed Entitlement for Florida Counties	\$ 64,756,373	\$ 64,756,373	\$ 64,756,373	\$ 64,756,373	\$ 64,756,373

Source: Department of Revenue of the State of Florida

Note:

- (1) The adjusted population estimates exclude the estimated number of inmates and patients in institutions operated by the federal government, the Florida Department of Corrections, Department of Health, and Department of Children and Family Services. Pursuant to Section 186.901, *Florida Statutes*, such inmates and patients are not considered residents for the purpose of determining revenue-sharing allocations.

**POLK COUNTY, FLORIDA  
PUBLIC FACILITIES REVENUE BONDS, SERIES 2014,  
PUBLIC FACILITIES REVENUE REFUNDING NOTE, SERIES 2015 (CONTINUED)  
CONTINUING DISCLOSURE**

**Pledged Revenue Share Monies**

Fiscal Year Ended September 30,	Revenue Sharing Money (1)	Pledged Revenue Sharing Monies (Equals 50 % of Previous Fiscal Year's Revenue Sharing Monies) (2)
2018	\$ 15,571,560	\$ 7,356,256
2019	16,524,279	7,785,780
2020	15,573,362	8,262,140
2021	18,357,148	7,786,681
2022	24,029,593	9,178,574

**Public Service Tax Revenue (3)**

Fiscal Year Ended September 30,	Metered/ Bottled Gas	Electricity	Water	Total Amount
2018	\$ 505,398	\$ 21,916,377	\$ 3,905,677	\$ 26,327,452
2019	520,272	23,645,416	4,116,133	28,281,821
2020	497,008	24,442,528	4,449,949	29,389,485
2021	619,419	25,523,459	4,711,296	30,854,174
2022	715,376	30,005,123	4,789,168	35,509,667

**Pro Forma Debt Service Coverage**

Fiscal Year Ended September 30,	Pledged Public Service Tax Revenues	Pledged Revenue Sharing Monies	Total Pledged Funds	Maximum Annual Debt Service	Debt Service Coverage
2018	\$ 26,327,452	\$ 7,356,256	\$ 33,683,708	\$ 5,507,194	6.12x
2019	28,281,821	7,785,780	36,067,601	5,507,194	6.55x
2020	29,389,485	8,262,140	37,651,625	5,507,194	6.84x
2021	30,854,174	7,786,681	38,640,855	5,507,194	7.02x
2022	35,509,667	9,178,574	44,688,241	5,507,194	8.11x

Notes:

- (1) Not pledged as a source of security for the Series 2014 Bonds and Series 2015 Note.
- (2) Pledged as a source of security for the Series 2014 Bonds and Series 2015 Note.
- (3) 8.0% of the 10.0 % Public Service Tax is pledged as a source of security for the Series 2014 Bonds and Series 2015 Note.

Source: Polk County, Florida, Clerk of Circuit Court- County Comptroller Department

**POLK COUNTY, FLORIDA  
UTILITY SYSTEMS REVENUE BONDS, SERIES 2012, 2013, 2014A, 2014C, AND 2020  
CONTINUING DISCLOSURE**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Gross Revenues (1)</b>					
Charges for Services (2)	\$ 67,868,397	\$ 72,156,630	\$ 76,377,766	\$ 82,323,949	\$ 85,656,830
Miscellaneous Revenue (3)(4)	2,346,791	2,472,124	3,123,728	2,275,425	1,983,423
Sub-total Charges for Service & Miscellaneous Income	\$ 71,114,642	\$ 74,628,754	\$ 79,501,494	\$ 84,599,374	\$ 87,640,253
Interest Income (5)	3,135,327	3,514,561	2,605,212	1,684,448	1,493,327
Sub-total Operating and Non-operating Income	\$ 74,249,969	\$ 78,143,315	\$ 82,106,706	\$ 86,283,822	\$ 89,133,580
Less income from Connection Charges (6)	848,193	986,666	901,397	626,653	722,857
<b>Total Gross Revenues</b>	<u>\$ 73,401,776</u>	<u>\$ 77,156,649</u>	<u>\$ 81,205,309</u>	<u>\$ 85,657,169</u>	<u>\$ 88,410,723</u>
<b>Cost of Operation and Maintenance (7)</b>					
Personal Services	\$ 13,849,692	\$ 11,531,800	\$ 19,946,803	\$ 15,271,272	\$ 15,653,654
Operations, Maintenance & Other Expenses (8)	22,043,425	25,087,197	27,789,528	29,312,694	31,991,682
Indirect (9)	1,856,242	2,056,711	1,959,910	1,966,089	2,029,914
<b>Total Cost of Operation and Maintenance</b>	<u>\$ 37,749,359</u>	<u>\$ 38,675,708</u>	<u>\$ 49,696,241</u>	<u>\$ 46,550,055</u>	<u>\$ 49,675,250</u>
<b>Net Revenues Available for Debt Service(A)</b>	\$ 35,652,417	\$ 38,480,941	\$ 31,509,068	\$ 39,107,114	\$ 38,735,473
<b>Plus Available Connection Charges (B)(10)(11)</b>					
Available Connection Charges	\$ 10,318,343	\$ 10,320,804	\$ 9,065,487	\$ 9,359,196	\$ 9,360,826
Interest Income - Connection Charges (6)	848,193	986,666	901,397	626,653	722,857
<b>Total Available Connection Charges (B)</b>	<u>\$ 11,166,536</u>	<u>\$ 11,307,470</u>	<u>\$ 9,966,884</u>	<u>\$ 9,985,848</u>	<u>\$ 10,083,683</u>
<b>Net Revenues Plus Available Connection Charges Available for Debt Service (C)</b>	\$ 46,818,953	\$ 49,788,411	\$ 41,475,952	\$ 49,092,963	\$ 48,819,156
<b>Annual Bond Service Requirement (D) (12)</b>	\$ 11,469,693	\$ 11,468,791	\$ 8,507,322	\$ 10,618,556	\$ 10,620,406
<b>Test A</b>					
<b>Debt Service Coverage Ratio (A/D)</b>	3.11	3.36	3.70	3.68	3.65
Excluding Available Connection Charges (1.10x Required)					
<b>Or</b>					
<b>Test B</b>					
<b>Debt Service Coverage Ratio (A/D)</b>	3.11	3.36	3.70	3.68	3.65
Excluding Available Connection Charges (1.00x Required)					
<b>And</b>					
<b>Debt Service Coverage Ratio (C/D)</b>	4.08	4.34	4.88	4.62	4.60
Including Expansion Projects Connection Charges (1.25x Required)					

Notes:

- (1) Gross Revenues and Cost of Operation and Maintenance for the fiscal years ended September 30, 2018 through and including 2022 are audited.
- (2) Charges for services increased from \$67.9 million in the fiscal year ended September 30, 2018 to \$85.7 million in the fiscal year ended September 30, 2022, or 26.2% based on a combination of growth in water, sewer, and reclaimed water customers. New rates were approved beginning October 1, 2016, implementing a 2.5 % annual rate increase beginning October 1, 2017 through October 1, 2019. Connection Charges of \$12,142,232, \$15,008,936, \$15,683,589, \$20,582,234 and \$33,449,681 for fiscal years-ended September 30, 2018 through 2022, respectively, are excluded from Charges for Services.

**POLK COUNTY, FLORIDA**  
**UTILITY SYSTEMS REVENUE BONDS, SERIES 2012, 2013, 2014A, 2014C, AND 2020**  
**(CONTINUED)**  
**CONTINUING DISCLOSURE**

Notes (continued):

- (3) Pursuant to the Sequestration Transparency Act of 2012, as a consequence of the Joint Select Committee on Deficit Reduction's failure to propose, and Congress' failure to enact, a plan to reduce the federal deficit by \$1.2 trillion (as required by the Budget Control Act of 2011 by January 2, 2013), the President of the United States, in his report to Congress of sequestration for fiscal year 2013, included in such sequestration the payments authorized for direct-pay bonds, such as the Series 2010 Bonds, issued under the Recovery and Reinvestment Act of 2009. The sequestration cut for direct-pay bonds was initially scheduled to last through fiscal year 2021. However, the Bipartisan Budget Act of 2013, extended the sequestration cut through fiscal year 2023. Congress recently approved a bill which would further extend sequestration through fiscal year 2024.

Payments received for April 1, 2018 and October 1, 2018 were each \$449,727.12 which represented a 6.6 % reduction. Payments received for April 1, 2019 and October 1, 2019 were each \$451,653.14 which represented a 6.2 % reduction. Payment received for April 1, 2020 in the amount of \$453,097.66 which represented a 5.9% reduction.

No assurance can be given that legislative proposals may be introduced or enacted by Congress that would or might apply to, or have an adverse effect upon, the County's receipt of Subsidy Payments. Payment of debt service is not contingent upon receipt by the County of Subsidy Payments and the County does not expect that any such reduction in Subsidy Payments will affect its ability to pay debt service. Due to the implementation of amendments to the Resolution effective as of October 1, 2015, Subsidy Payments are excluded from Gross Revenues in fiscal years ended September 30, 2018 through and including 2020 and instead are netted against the amount of interest payable on Subsidy Bonds. Payment of \$453,097.66 was received for April 1, 2020. Due to the refunding of the Series 2010 bonds on March 12, 2020 with the Utility Revenue Refunding Bonds, Series 2020, Polk County will no longer receive Subsidy Payments.

- (4) Miscellaneous revenue decreased in fiscal year ended September 30, 2021 due to the County no longer receiving Subsidy Payments as a result of the refunding of the Utility Systems Revenue Bonds, Series 2010 in fiscal year 2020.
- (5) Amounts reflect interest and investment earnings on all accounts created by the Resolution, including investment income derived from Connection Charges on deposit, as reported by County staff. These amounts do not include any adjustments for the fair value of the investments.
- (6) Gross Revenues exclude income derived from Connection Charges, including investment income; however, such amount is includable in Test B of the rate covenant whereby Available Connection Charges and investment income derived from Available Connection Charges are added to Net Revenues.
- (7) Amounts exclude depreciation and amortization expenses, payments in lieu of taxes (PILOT) of \$1,628,437, \$1,810,597, \$1,953,665, \$2,055,011 and \$2,137,633 for the Fiscal Years 2018 through and including 2022, respectively, and capitalized labor. In the year ended September 30, 2018, personnel services increased due to a 3.5% salary increase and 5 new positions. In Fiscal Year ended September 30, 2019, the decrease to personnel services is due to OPEB and pension adjustments which have resulted in an overall decrease of \$2 million in personnel services. In Fiscal Year ended September 30, 2020, personnel services increased by \$8.4 million due to OPEB and pension adjustments which resulted in an overall increase of \$7.8 million. In Fiscal Year ended in September 30, 2021, the decrease in personnel services is attributable to reduced adjustments to OPEB and vacant positions. Includes payments to Polk Regional Water Cooperative in the amount of \$40,021.79, \$174,766.89, \$96,189.14, \$119,410.35 and \$139,498.63 for the fiscal years ended September 30, 2018, 2019, 2020, 2021 and 2022 respectively, and Water Cooperative of Central Florida in the amounts of \$25,000, \$22,000, \$26,000, \$10,000 and \$20,000 for the fiscal years ended September 30, 2018 through and including 2022, respectively.
- (8) Includes all operating expenses and losses on disposition of equipment. Increase in Fiscal Year ending September 30, 2019, is due to a loss on disposition of equipment in the amount of \$2.4 million. Increase in Fiscal Year ending September 30, 2021 and 2022, is largely due to an increase in other contractual services as some employee vacancies were filled by contracted electricians and mechanics.

**POLK COUNTY, FLORIDA**  
**UTILITY SYSTEMS REVENUE BONDS, SERIES 2012, 2013, 2014A, 2014C, AND 2020**  
**(CONTINUED)**  
**CONTINUING DISCLOSURE**

- (9) Amount reflects an operating transfer from the Water and Sewer Fund to the General Fund to account for allocated operating and administrative expenses associated with utility services.
- (10) The Water Expansion Project Percentage and Sewer Expansion Project Percentage prior to issuance of the Series 2020 Bonds equal to 31.17% and 52.25%, respectively and following issuance of the Series 2020 Bonds is expected to equal approximately 39.59% and 48.55%, respectively.
- (11) Connection Charges have steadily increased over the last five years due to the increase in new development. Generally, under Florida law, fees such as the Connection Charges may be validly imposed against new construction or development in order to fund capital improvements or capacity which are necessitated by such new construction or development or to satisfy debt service for the bonds or other obligations issued for such purposes. Proceeds of such Connection Charges may generally be used only for the capital improvements or capacity attributable to the new construction or development or to pay debt service on indebtedness incurred to finance or refinance such capital improvements or capacity.
- (12) Subsidy payments received in FY 18 through FY 20 have been netted against interest payable and are excluded from the Annual Bond Service Requirement Amount.

**POLK COUNTY, FLORIDA  
RESIDENTIAL WATER, WASTEWATER AND RECLAIMED WATER RATES  
CONTINUING DISCLOSURE**

**Residential Water Rates**

<u>Effective Date</u>	<u>10/01/2016</u>	<u>10/01/2017</u>	<u>10/01/2018</u>	<u>10/01/2019</u>
Indexing Rate	0%	2.5 %	2.5 %	2.5 %
Base Charge	\$ 9.69	\$ 9.93	\$ 10.18	\$ 10.43
Usage Block Ranges (in thousands of gallons)				
0 - 3	\$ 1.84	\$ 1.89	\$ 1.94	\$ 1.99
4 - 10	2.45	2.51	2.57	2.63
11 - 20	4.86	4.98	5.10	5.23
21 - 30	7.31	7.49	7.68	7.87
31 - 40	9.73	9.97	10.22	10.48
Over 40	17.05	17.48	17.92	18.37

**Residential Wastewater Rates**

<u>Effective Date</u>	<u>10/01/2016</u>	<u>10/01/2017</u>	<u>10/01/2018</u>	<u>10/01/2019</u>
Indexing Rate	0%	0%	0%	0%
Base Charge	\$ 36.14	\$ 36.14	\$ 36.14	\$ 36.14
Usage per thousand gallons up to 7,000 gallons	\$ 6.48	\$ 6.48	\$ 6.48	\$ 6.48

**Residential Reclaimed Water Rates**

<u>Effective Date</u>	<u>10/01/2016</u>	<u>10/01/2017</u>	<u>10/01/2018</u>	<u>10/01/2019</u>
Indexing Rate	0%	0%	0%	0%
Reclaimed Water Base Charge	N/A	N/A	N/A	N/A
Usage Block Ranges (in thousands of gallons)				
0 - 20	\$ 1.41	\$ 1.41	\$ 1.41	\$ 1.41
21 - 30	4.22	4.22	4.22	4.22
31 - 40	5.63	5.63	5.63	5.63
Over 40	8.45	8.45	8.45	8.45

**Residential/ Commercial and Multi-Family PWRI/AWS Surcharge**

<u>Effective Date</u>	<u>10/01/2016</u>	<u>10/01/2017</u>	<u>10/01/2018</u>	<u>10/01/2019</u>
Indexing Rate	N/A	0%	0%	0%
Usage Charge per 1,000 gallons on all usage	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30

No rate increases have been implemented since October 1, 2019.

**POLK COUNTY, FLORIDA  
COMMERCIAL/MULTI-FAMILY WATER, WASTEWATER AND  
RECLAIMED WATER RATES  
CONTINUING DISCLOSURE**

**Commercial/Multi-Family Water Rates**

Effective Date	10/01/2016	10/01/2017	10/01/2018	10/01/2019
Indexing Rate	0 %	2.5 %	2.5 %	2.5 %
5/8" & 3/4" Base Charge	\$ 14.54	\$ 14.90	\$ 15.27	\$ 15.65
5/8" & 3/4" Usage Block Ranges (in thousands of gallons)				
0 - 15	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
16 - 30	4.86	4.98	5.10	5.23
31 - 60	9.73	9.97	10.22	10.48
over 60	17.05	17.48	17.92	18.37
1" Base Charge	\$ 24.22	\$ 24.83	\$ 25.45	\$ 26.09
1" Usage Block Ranges (in thousands of gallons)				
0 - 25	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
26 - 50	4.86	4.98	5.10	5.23
51 - 100	9.73	9.97	10.22	10.48
over 100	17.05	17.48	17.92	18.37
1-1/2" Base Charge	\$ 48.45	\$ 49.66	\$ 50.90	\$ 52.17
1- 1/2" Usage Block Ranges (in thousands of gallons)				
0 - 50	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
51 - 100	4.86	4.98	5.10	5.23
101 - 200	9.73	9.97	10.22	10.48
over 200	17.05	17.48	17.92	18.37
2" Base Charge	\$ 77.51	\$ 79.45	\$ 81.44	\$ 83.48
2" Usage Block Ranges (in thousands of gallons)				
0 - 80	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
81 - 160	4.86	4.98	5.10	5.23
161 - 320	9.73	9.97	10.22	10.48
over 320	17.05	17.48	17.92	18.37
3" Base Charge	\$ 145.32	\$ 148.95	\$ 152.67	\$ 156.49
3" Usage Block Ranges (in thousands of gallons)				
0 - 150	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
151 - 300	4.86	4.98	5.10	5.23
301 - 600	9.73	9.97	10.22	10.48
over 600	17.05	17.48	17.92	18.37
4" Base Charge	\$ 242.22	\$ 248.28	\$ 254.49	\$ 260.85
4" Usage Block Ranges (in thousands of gallons)				
0 - 250	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
251 - 500	4.86	4.98	5.10	5.23
501 - 1,000	9.73	9.97	10.22	10.48
over 1,000	17.05	17.48	17.92	18.37
6" Base Charge	\$ 484.43	\$ 496.54	\$ 508.95	\$ 521.67
6" Usage Block Ranges (in thousands of gallons)				
0 - 500	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
501 - 1,000	4.86	4.98	5.10	5.23
1,001 - 2,000	9.73	9.97	10.22	10.48
over 2,000	17.05	17.48	17.92	18.37

**POLK COUNTY, FLORIDA  
COMMERCIAL/MULTI-FAMILY WATER, WASTEWATER AND  
RECLAIMED WATER RATES (CONTINUED)  
CONTINUING DISCLOSURE**

**Commercial/Multi-Family Water Rates (continued)**

Effective Date	10/01/2016	10/01/2017	10/01/2018	10/01/2019
Indexing Rate	0 %	2.5 %	2.5 %	2.5 %
8" Base Charge	\$ 775.10	\$ 794.48	\$ 814.34	\$ 834.70
8" Usage Block Ranges (in thousands of gallons)				
0 - 800	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
801 - 1,600	4.86	4.98	5.10	5.23
1,601 - 3,200	9.73	9.97	10.22	10.48
over 3,200	17.05	17.48	17.92	18.37
10" Base Charge	\$ 1,114.20	\$ 1,142.06	\$ 1,170.61	\$ 1,199.88
10" Usage Block Ranges (in thousands of gallons)				
0 - 1,150	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
1,151 - 2,300	4.86	4.98	5.10	5.23
2,301 - 4,600	9.73	9.97	10.22	10.48
over 4,600	17.05	17.48	17.92	18.37
12" Base Charge	\$ 2,084.41	\$ 2,136.52	\$ 2,189.93	\$ 2,244.68
12" Usage Block Ranges (in thousands of gallons)				
0 - 2,150	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
2,151 - 4,300	4.86	4.98	5.10	5.23
4,301 - 8,600	9.73	9.97	10.22	10.48
over 8,600	17.05	17.48	17.92	18.37

**Commercial Wastewater Rates**

Effective Date	10/01/2016	10/01/2017	10/01/2018	10/01/2019
Indexing Rate	0 %	0 %	0 %	0 %
Base Charge 5/8" & 3/4" Meter	\$ 54.20	\$ 54.20	\$ 54.20	\$ 54.20
Base Charge 1" Meter	90.34	90.34	90.34	90.34
Base Charge 1 - 1/2" Meter	180.66	180.66	180.66	180.66
Base Charge 2" Meter	289.08	289.08	289.08	289.08
Base Charge 3" Meter	542.03	542.03	542.03	542.03
Base Charge 4" Meter	903.38	903.38	903.38	903.38
Base Charge 6" Meter	1,806.76	1,806.76	1,806.76	1,806.76
Base Charge 8" Meter	2,890.80	2,890.80	2,890.80	2,890.80
Base Charge 10" Meter	4,155.53	4,155.53	4,155.53	4,155.53
Base Charge 12" Meter	7,768.89	7,768.89	7,768.89	7,768.89
Usage Charge Per 1,000 Gallons	\$ 6.48	\$ 6.48	\$ 6.48	\$ 6.48



**POLK COUNTY, FLORIDA  
COMMERCIAL/MULTI-FAMILY WATER, WASTEWATER AND  
RECLAIMED WATER RATES (CONTINUED)  
CONTINUING DISCLOSURE**

**Commercial/Multi-Family Reclaimed Water Rates**

<b>5/8 Inch &amp; 3/4 Inch Rates</b>				
Effective Date	10/01/2016	10/01/2017	10/01/2018	10/01/2019
Indexing Rate	0 %	0 %	0 %	0 %
Reclaimed Water Base Charge	N/A	N/A	N/A	N/A
Usage Block Ranges (in thousands of gallons)				
0 - 30	\$ 1.41	\$ 1.41	\$ 1.41	\$ 1.41
31 - 45	4.22	4.22	4.22	4.22
45 - 60	5.63	5.63	5.63	5.63
Over 60	8.45	8.45	8.45	8.45
 <b>1 Inch Rates</b>				
Effective Date	10/01/2016	10/01/2017	10/01/2018	10/01/2019
Indexing Rate	0 %	0 %	0 %	0 %
Reclaimed Water Base Charge	N/A	N/A	N/A	N/A
Usage Block Ranges (in thousands of gallons)				
0 - 50	\$ 1.41	\$ 1.41	\$ 1.41	\$ 1.41
51 - 75	4.22	4.22	4.22	4.22
76 - 100	5.63	5.63	5.63	5.63
Over 100	8.45	8.45	8.45	8.45
 <b>1.5 Inch Rates</b>				
Effective Date	10/01/2016	10/01/2017	10/01/2018	10/01/2019
Indexing Rate	0 %	0 %	0 %	0 %
Reclaimed Water Base Charge	N/A	N/A	N/A	N/A
Usage Block Ranges (in thousands of gallons)				
0 - 50	\$ 1.41	\$ 1.41	\$ 1.41	\$ 1.41
51 - 75	4.22	4.22	4.22	4.22
76 - 100	5.63	5.63	5.63	5.63
Over 100	8.45	8.45	8.45	8.45
 <b>2 Inch Rates</b>				
Effective Date	10/01/2016	10/01/2017	10/01/2018	10/01/2019
Indexing Rate	0 %	0 %	0 %	0 %
Reclaimed Water Base Charge	N/A	N/A	N/A	N/A
Usage Block Ranges (in thousands of gallons)				
0 - 160	\$ 1.41	\$ 1.41	\$ 1.41	\$ 1.41
161 - 240	4.22	4.22	4.22	4.22
241 - 320	5.63	5.63	5.63	5.63
Over 320	8.45	8.45	8.45	8.45
Bulk Priority	\$ 1.05	\$ 1.05	\$ 1.05	\$ 1.05
Bulk Interruptible	0.45	0.45	0.45	0.45

Source: Polk County, Florida Utilities Department

**POLK COUNTY, FLORIDA  
WATER AND WASTEWATER CONNECTION CHARGES  
CONTINUING DISCLOSURE**

**Residential Connection Fees**

Effective Date	10/01/16- 10/01/19
Indexing Rate	0%
Type of Residence	
Single Family Detached Units on Lots of 1.0 Acres or Less	\$ 2,844.00
Single Family Detached Units on Lots of More than 1.0 Usable Acre	\$ 4,268.00
Multi-family Units Including Apartments, Condos, Duplexes, Triplexes, etc.	\$ 1,564.00
Mobile Homes of Lots of Less Than 6000 Square Feet	\$ 1,707.00
Mobile Homes on Lots of 6000 Square Feet or More	\$ 2,844.00
Park Model RVs	\$ 1,564.00
Destination RVs (1)	\$ 1,564.00
All other RVs Including Transient RVs	\$ 1,564.00

**Wastewater Connections Fees**

Effective Date	10/01/16- 10/01/19
Indexing Rate	0%
Type of Residence	
Single Family Detached Units on Lots of 1.0 Acres or Less	\$ 4,195.00
Single Family Detached Units on Lots of More than 1.0 Usable Acre	\$ 4,195.00
Multi-family Units Including Apartments, Condos, Duplexes, Triplexes, etc.	\$ 2,810.00
Mobile Homes of Lots of Less Than 6000 Square Feet	\$ 2,810.00
Mobile Homes on Lots of 6000 Square Feet or More	\$ 4,195.00
Park Model RVs	\$ 2,307.00
Destination RVs (1)	\$ 2,810.00
All other RVs Including Transient RVs	\$ 4,195.00

Source: Polk County, Florida Utilities Department

Note:

(1) A Destination RV must be: (a) Sited on a lot owned in fee simple by the user; (b) Sited in a park that is platted subdivision; (c) Sited on a lot 3,000 square feet or larger; and (d) Sited in a park that does not have a dump station or undivided interest lot sales or time share lot sales. This category of user is subject to inspection by Polk County Utilities to ensure that Destination RV's are not Transient RV's. Destination RV lots used by Transient RVs will be subject to a 1.0 ERC sewer connection charge.

**POLK COUNTY, FLORIDA  
WATER AND WASTEWATER CONNECTION CHARGES (CONTINUED)  
CONTINUING DISCLOSURE**

**COMMERCIAL**

Water Connection Fees

Commercial Water Connection Charges will be assessed as per Resolution No. 10-182 based upon fixture unit values as contained within the Florida Plumbing Code and in accordance with the Polk County Utilities Code. Estimated usage based on fixture unit values are divided by 360 gallons to calculate the Equivalent Residential Connection ("ERC"). The ERC will be multiplied by the current Connection Charge for a Single Family Detached Unit on lots one acre or less.

Wastewater Connection Fees

Commercial Sewer Connection Charges will be assessed as per Resolution No. 10-182 based upon fixture unit values as contained within the Florida Plumbing Code and in accordance with the Polk County Utilities Code. Estimated sewer flows based on fixture unit values are divided by 270 gallons to calculate the ERC. The ERC will be multiplied by the current Connection Charge for a Single Family Detached Unit on lots one acre or less.

Source: Polk County, Florida Utilities Department

**POLK COUNTY, FLORIDA  
UTILITIES SERVICE CHARGES  
CONTINUING DISCLOSURE**

Fees Description	Current Charge
New Account Charge	
3/4" - 2" meter	\$ 55.00
Larger than 2" meter	70.00
Deposit	
Residential	
Water	\$ 75.00
Sewer	110.00
Combined	185.00
Commercial	
Water	2.5 X Est. Monthly Bill
Sewer	2.5 X Est. Monthly Bill
Combined	2.5 X Est. Monthly Bill
Same Day Service (During Business Hours)	\$ 60.00
Same Day Service (After Business Hours)	80.00
Premise Visit	60.00
Return Check or Draft (1)	
Checks \$50 or less	\$ 25.00
Checks \$51 - \$300	\$ 30.00
Checks \$301 - \$800	\$ 40.00
Checks Greater than \$800	5% of the Face Value of the Check
Disconnect for Nonpayment	
Less than 2" meter	\$ 60.00
2" Meter and above	105.00
3/4" Temporary Absence Disconnect	60.00
3/4" Temporary Absence Reconnect	60.00
Service Restoration/Reconnection Charge	
Less than 2" meter	\$ 60.00
2" Meter and above	105.00
Water Audit or Disputed Meter Reading	\$75 (Not charged if meter is found to be in error)
Meter Installation/Reinstallation Charge	
3/4" Meter	\$ 450.00
1" Meter	550.00
1-1/2" Meter	900.00
2" Meter	1,415.00
Larger than 2" meter	Actual cost
Temporary Meter Installation	
2" Meter On Hydrant	\$ 105.00
Installation requiring Line Tap	195.00

Source: Polk County, Florida Utilities Department

Note:

(1) Return check fees are established by the Polk County Clerk of Courts Office and are adjusted from time to time.

**POLK COUNTY, FLORIDA  
UTILITIES SERVICE CHARGES (CONTINUED)  
CONTINUING DISCLOSURE**

Fees Description	Current Charge
Meter Test Charge (Field Test) (1)	
Less than 2" meter	\$ 90.00
2" Meter and above	Actual cost
Penalty for Meter Tampering/Theft of Service	
1st Infraction	\$ 100.00
2nd Infraction	500.00
3rd Infraction	1,000.00
Penalty for Obscured Meter	60.00
Penalty for Connection to Other Systems	500.00
Penalty for Cross Connection	500.00
Relocate Meter	
Less than 2" meter	\$ 175.00
2" Meter and above	Actual cost
Reclaimed Water Follow-up Inspection	60.00
Late Payment	\$6.00 or 5% of payment due, whichever is greater on balances over \$14.99
Backflow test (Municipal Charge)	
3/4" to 2" Meter	\$ 90.00
Larger than 2" Meter	Actual cost

Source: Polk County, Florida Utilities Department

Notes:

Surcharge for High Strength Industrial Wastes shall be calculated and applied pursuant to Section 30 (E), "Sewer Constituent Limitations", contained in Polk County Utilities Code Ordinance 10-081 as amended.

(1) This fee is waived if meter is not registering within AWWA standards.

**POLK COUNTY, FLORIDA  
WATER SYSTEM PERMITTED CAPACITY AND ACTUAL DEMAND  
CONTINUING DISCLOSURE**

REGIONAL UTILITY SERVICE AREAS (Public Water Systems)	PERMITTED CAPACITY "ANNUAL AVERAGE" (MGD) <sup>1,2</sup>	ACTUAL TOTAL FLOW "ANNUAL TOTAL" (MG) <sup>1,3</sup>	ACTUAL DAILY FLOW "ANNUAL AVERAGE" (MGD) <sup>1,3</sup>	PEAK MONTHLY DEMAND "PEAK MON AVG PER YR" (MGD) <sup>1,4</sup>	CONSUMPTION DEMAND COMMERCIAL RESIDENTIAL "ANNUAL PERCENTAGE" (%) <sup>1,6</sup>	CONSUMPTION DEMAND COMMERCIAL RESIDENTIAL "ANNUAL PERCENTAGE" (%) <sup>1,6</sup>
Central Regional Utility Service Area (CRUSA) (Gordonville/Lake Garfield)	2.003	468.073	1.282	1.415	10.94%	89.06%
East Regional Utility Service Area (ERUSA) (Waverly/Sun Air/Timberlake/Lake Wales/Oak Acres)	1.373	179.050	0.491	0.539	3.29%	96.71%
NE Regional Utility Service Area (NERUSA) <sup>5</sup>	<b>14.3647</b>	3,569.184				
SWFWMD Permit Subtotal	<b>10.9185</b>	2,755.137				
SFWMD Permit Subtotal	<b>5.0000</b>	813.950				
Ovation Permit Subtotal - combined with Jordans Grove	<b>0.0000</b>	0.000				
Jordans Grove LLC Permit Subtotal (for augmentation)	<b>0.4147</b>	0.000				
Net (Import - Export) from Tohopekaliga Water Authority	<b>0.0000</b>	0.097	9.779	9.856	10.86%	89.14%
NW Regional Utility Service Area (NWRUSA) <sup>7</sup> (North Lakeland/Country Class)	5.700	1,050.138	2.877	3.232	9.03%	90.97%
SW Regional Utility Service Area (SWRUSA) (Imperialakes/TurnerRd/ValleyView/Bradley Junction)	7.000	1,357.385	3.719	4.124	4.24%	95.76%
SE Regional Utility Service Area (SERUSA) (Sun Ray/Lakeview/Little Sun Ray/Babson Park)	1.367	242.683	0.665	0.757	75.51%	24.49%
Walk in Water (Isolated Permit and System)	0.094	16.417	0.045	0.056	0.20%	99.80%
<b>TOTAL</b>	<b>31.903</b>	<b>6,882.931</b>	<b>18.857</b>	<b>N/A</b>	<b>12.54%</b>	<b>87.46%</b>

(1) MGD is Million Gallons per Day

(2) From Water Management District Permits for entire Regional Utility Service Areas (Includes all water systems in region, by permit and interconnected systems.)

(3) As reported on operating reports to FDEP

(4) Based on highest monthly average daily flow during the year.

(5) The NERUSA service area is physically interconnected as one system. There is a 13.95 MGD cap between two of the permits (SWFWMD and SFWMD). Jordan's Grove/Ovation permits were combined in 2022.

(6) Consumption is based on water meter readings from October 1, 2021 to September 30, 2022.

(7) The NWRUSA Consumption data includes consecutive systems with the City of Lakeland. Imported quantities from Lakeland are not shown in permitted capacity.

**POLK COUNTY, FLORIDA  
WASTEWATER SYSTEM PERMITTED CAPACITY AND ACTUAL FLOWS  
CONTINUING DISCLOSURE**

WASTEWATER TREATMENT FACILITY	PERMITTED CAPACITY "ANNUAL AVERAGE" (MGD) <sup>1,2</sup>	ACTUAL TOTAL FLOW "ANNUAL TOTAL" (MG) <sup>1,3</sup>	ACTUAL DAILY FLOW "ANNUAL AVERAGE" (MGD) <sup>1,3</sup>	ACTUAL TOTAL PUBLIC ACCESS REUSE "ANNUAL TOTAL" (MG) <sup>1,3,7</sup>	CONSUMPTION DEMAND COMMERCIAL RESIDENTIAL "ANNUAL PERCENTAGE" (%) <sup>1,4</sup>
CENTRAL REGIONAL <sup>5</sup>	N/A	263.530	0.722	N/A	6.96% 93.04%
HERITAGE PLACE	0.060	6.935	0.019	N/A	0.00% 100.00%
COMBEEWOODS	0.056	12.775	0.035	N/A	3.38% 96.62%
NE REGIONAL <sup>6,7</sup>	4.750	1,648.705	4.517	1,875.005	7.98% 92.02%
NW REGIONAL <sup>6,7</sup>	3.000	479.610	1.314	362.810	10.20% 89.80%
SW REGIONAL <sup>6,7</sup>	4.000	691.310	1.894	765.770	3.49% 96.51%
WAVERLY (East) <sup>6</sup>	0.130	10.220	0.028	N/A	3.25% 96.75%
SUN AIR/POINCIANNA <sup>8</sup>	0.053	21.535	0.059	N/A	1.36% 98.64%
SUN RAY (Southeast) <sup>6</sup>	1.000	154.030	0.422	N/A	82.90% 17.10%
<b>TOTAL</b>	<b>12.049</b>	<b>3,288.650</b>	<b>8.588</b>	<b>3,003.585</b>	<b>9.53% 90.47%</b>

(1) MGD is Million Gallons per Day (Total MG divided by 365 days)

(2) From FDEP Operating permits for Annual Average Daily Flow (AADF)

(3) As reported on monthly operating reports or annual reuse report to FDEP or for Central Regional and Sun Air/Poincianna by flow meter records or billing information, respectively.

(4) Consumption is based on water meter readings from Polk County Utilities' billing records for the period of October 1, 2021 to September 30, 2022.

(5) Central Regional Wastewater Treatment Facility was removed from service on January 10, 2014. Flows have been diverted to the City of Bartow. Capacity per Agreement is 1.00 MGD.

(6) Northeast Regional, Northwest Regional, Southwest Regional, Sun Ray, and Waverly WWTFs Annual Total and Average values are based on Total Effluent flows.

(7) Total Public Access Reuse Flows are based on R002 (FLW-06, Calculated) for Northeast Regional, R001 (FLW-03) for Northwest Regional, and R001 (Calculated) for Southwest Regional.

(8) Sun Air/North Lake Pierce Wastewater Treatment Facility was removed from service in 2001. Flows have been diverted to Toho Water Authority/Poincianna. Capacity per Agreement is 0.053 MGD.

Source: Polk County, Florida Utilities Department

**POLK COUNTY, FLORIDA  
TEN LARGEST WATER/SEWER CONSUMERS  
CONTINUING DISCLOSURE**

Customer	Volume of Water Sold		Annual Revenue	
	Thousand Gallons	Percent of Total System (1)	Revenues	Percent of Total System (2)
Polk Co. Correctional FRPRF	110,158	1.81%	\$ 2,218,431	2.93%
Carlton Arms of Lakeland	38,286	0.63%	544,301	0.72%
Deer Creek RV G & C Club, Inc	34,997	0.57%	509,485	0.67%
Bahama Bay Resort	28,102	0.46%	404,637	0.53%
Highland Village MHP	22,131	0.36%	335,251	0.44%
GCI Residential	21,631	0.35%	288,173	0.38%
Int. Bass Lake Homeowners	20,247	0.33%	259,254	0.34%
TPAF VI Huntington LLC	16,245	0.27%	215,441	0.28%
Preserve at Champions Gate	15,662	0.26%	217,006	0.29%
Victoria Park Apartments	15,165	0.25%	201,878	0.27%

Source: Polk County, Florida Utilities Department  
County staff for the Fiscal Year ended September 30, 2022

Notes:

- (1) Amounts based on actual water sales for Fiscal Year ended September 30, 2022, approximately 6.1 billion gallons of water.
- (2) Amounts based on actual charges for service for Fiscal Year ended September 30, 2022, of approximately \$75.8 million.



## COMPLIANCE SECTION





## INDEPENDENT ACCOUNTANTS' REPORT

Board of County Commissioners and the Florida Auditor General  
Polk County, Florida

We have examined Polk County, Florida's (County) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund during the year ended September 30, 2022. Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund during the year ended September 30, 2022.

This report is intended solely for the information and use of the County and the Auditor General, state of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 28, 2023

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## MANAGEMENT LETTER

Honorable Chairman and Members  
Board of County Commissioners  
Polk County, Florida

### Report on the Financial Statements

We have audited the financial statements of Polk County, Florida (County), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated April 28, 2023.

### Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 28, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective action has been taken to address the finding and recommendation made in the preceding financial audit report.

Prior Year Findings		Current Year Status		Current Year Finding #
		Cleared	Not Cleared	
2021-001-Material Audit Adjustments	Material Weakness in Internal Control over Financial Reporting		X	2022-001
2021-002-Reporting	Significant Deficiency in Internal Control over Compliance		X	2022-003

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The County was established by Constitution of the State of Florida; Article VIII, Section 1 (c). Polk County, Florida has two blended component units, Harden/Parkway and Eloise Community Redevelopment Agencies (CRAs), were created pursuant to Section 163.360 of the Florida Statutes and by County Ordinances 04-11 and 98-50, respectively.

**Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the County met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the County. It is management’s responsibility to monitor the County’s financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

**Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Harden Parkway Community Redevelopment Agency (CRA) reported the required information in its audit report and the Eloise Community Redevelopment Agency reported (We do not express an opinion or provide any assurance on the following information):

- a. The total number of district employees compensated in the last pay period of the district’s fiscal year was 1 .
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district’s fiscal year was 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$21,491.

- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project was \$0.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, was \$28,379.

**Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Board of County Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 28, 2023

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

Board of County Commissioners  
Polk County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Polk County, Florida (the County), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 28, 2023.

***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 that we consider to be material weaknesses.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

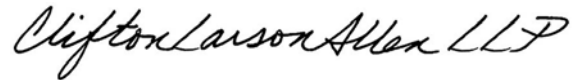
results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***The County's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

***Purpose of This Report***

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



**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 28, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT, AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

Board of County Commissioners  
Polk County, Florida

**Report on Compliance for Each Major Federal Program and State Project**  
***Opinion on Each Major Federal Program and State Project***

We have audited Polk County, Florida's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2022. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal Program and State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General for Local Governmental Entity Audits. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.550 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

**Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and Chapter 10.550 and which are described in the accompanying schedule of findings and questioned costs as items 2022-003, 2022-005, 2022-006 and 2022-007. Our opinion on each major federal program and state project is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-003, 2022-004, 2022-005, 2022-006, and 2022-007, to be significant deficiencies.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 28, 2023

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**POLK COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED SEPTEMBER 30, 2022**

Agency/Program	Assistance Listing Number	Pass-Through Identifying Number	Grant Identification	Expenditures	Transfers to Subrecipients
<b>Federal Awards</b>					
<b>Corporation for National and Community Service</b>					
Direct Programs:					
Retired and Senior Volunteer Program	94.002	N/A	19SRSFL007	\$ 62,892	\$ -
Retired and Senior Volunteer Program	94.002	N/A	22RHFL008	31,414	-
Total Program				94,306	-
Total Corporation for National and Community Service				94,306	-
<b>Department of Health and Human Services</b>					
Direct Programs:					
Covid-19-Provider Relief Fund-ROHR Home	93.498	N/A	CARES Act (P.L. 116-136)	400,607	-
Covid-19-Provider Relief Fund-EMS	93.498	N/A	CARES Act (P.L. 116-136)	79,889	-
Covid-19-American Rescue Plan Act Rural	93.498	N/A	ARP ACT 2021 (P.L. 117-2)	70,974	-
Total Program				551,470	-
Passed through the Ounce of Prevention Fund of Florida and Healthy Families:					
Promoting Safe and Stable Families	93.556	L1959	#20-22-05 (Amendment #5)	149,926	-
Promoting Safe and Stable Families	93.556	L1959	#20-25-05 (Amendment #6)	39,701	-
Total Program				189,627	-
TANF Cluster:					
Passed through the Ounce of Prevention Fund of Florida and Healthy Families:					
Temporary Assistance for Needy Families	93.558	L1959	#20-22-05 (Amendment #5)	274,480	-
Total TANF Cluster				274,480	-
CCDF Cluster:					
Passed through the Ounce of Prevention Fund of Florida and Healthy Families:					
Child Care and Development Block Grant	93.575	L1959	#20-25-05 (Amendment #6)	72,683	-
Total CCDF Cluster				72,683	-
Passed through Florida Department of Children and Families					
Block Grants for Community Mental Health Services	93.958	LH833	LH833	184,346	-
Passed through the Department of Revenue:					
Child Support Enforcement	93.563	COC53	COC53	287,119	-
Passed through Florida Department of Children and Families and Central Florida Behavioral Health Network, Inc.:					
Block Grants for Prevention and Treatment of Substance Abuse	93.959	QG038	QG038	99,548	-
Total Department of Health and Human Services				1,659,273	-

See accompanying Notes to the Schedule of Federal Awards and State Projects.

**POLK COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

Agency/Program	Assistance Listing Number	Pass-Through Identifying Number	Grant Identification	Expenditures	Transfers to Subrecipients
<b>Department of Homeland Security</b>					
Passed through Florida Division of Emergency Management:					
Hazard Mitigation Grant	97.039	H0164	H0164	\$ 243,194	\$ -
Hazard Mitigation Grant	97.039	H0165	H0165	273,491	-
Hazard Mitigation Grant	97.039	H0387	H0387	39,919	-
Hazard Mitigation Grant	97.039	H0245	H0245	8,669	-
Hazard Mitigation Grant	97.039	H0341	H0341	56,733	-
Hazard Mitigation Grant	97.039	H0343	H0343	48,784	-
Hazard Mitigation Grant	97.039	H0349	H0349	13,428	-
Hazard Mitigation Grant	97.039	H0373	H0373	3,984	-
Hazard Mitigation Grant	97.039	H0370	H0370	1,475	-
Hazard Mitigation Grant	97.039	H0488	H0488	15,900	-
Total Program				<u>705,577</u>	<u>-</u>
Passed through Florida Division of Emergency Management:					
Emergency Management Performance Grant	97.042	G0290	G0290	152,689	-
Emergency Management Performance Grant	97.042	G0435	G0435	42,910	-
COVID-19-Emergency Management Performance Grant - ARPA	97.042	G0298	G0298	12,329	-
Total Program				<u>207,928</u>	<u>-</u>
Total Department of Homeland Security				<u>913,505</u>	<u>-</u>
<b>Department of Housing and Urban Development</b>					
CDBG - Entitlement Grants Cluster					
Direct Programs:					
Community Development Block Grant	14.218	N/A	B-17-UC-12-0007	109,994	109,994
Community Development Block Grant	14.218	N/A	B-18-UC-12-0007	298,198	120,265
Community Development Block Grant	14.218	N/A	B-19-UC-12-0007	412,554	412,554
Community Development Block Grant	14.218	N/A	B-20-UC-12-0007	518,948	501,455
Community Development Block Grant	14.218	N/A	B-21-UC-12-0007	1,776,623	742,377
COVID-19 - Community Development Block Grant	14.218	N/A	B-20-UW-12-0007	412,342	389,921
Total CDBG - Entitlement Grants Cluster				<u>3,528,659</u>	<u>2,276,566</u>

See accompanying Notes to the Schedule of Federal Awards and State Projects.



**POLK COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

Agency/Program	Assistance Listing Number	Pass-Through Identifying Number	Grant Identification	Expenditures	Transfers to Subrecipients
<b>Department of Housing and Urban Development</b>					
Direct Programs:					
Emergency Solutions Grant Program	14.231	N/A	E-20-UC-12-0007	\$ 90,556	\$ 90,556
Emergency Solutions Grant Program	14.231	N/A	E-21-UC-12-0007	322,841	300,415
COVID-19 - Emergency Solutions Grant Program	14.231	N/A	E-19-UW-12-0007	1,654,870	1,634,554
COVID-19 - Emergency Solutions Grant Program	14.231	N/A	E-20-UW-12-0007	382,972	359,488
Total Program				2,451,239	2,385,013
Direct Programs:					
Home Investment Partnerships Program	14.239	N/A	M-18-UC-12-0218	23,029	-
Home Investment Partnerships Program	14.239	N/A	M-19-UC-12-0218	598,774	-
Home Investment Partnerships Program	14.239	N/A	M-20-UC-12-0218	1,066,885	174,418
Home Investment Partnerships Program	14.239	N/A	M-21-UC-12-0218	148,582	-
COVID-19 - Home Investment Partnerships Program	14.239	N/A	M-21-UP-12-0218	36,631	-
Total Program				1,873,901	174,418
Total Department of Housing and Urban Development				7,853,799	4,835,997
<b>Department of the Interior</b>					
Passed through Florida Fish and Wildlife Conservation Commission:					
Partners for Fish and Wildlife Program	15.631	FWS 3-2455	FWS 3-2455	70,956	-
Total Department of the Interior				70,956	-
<b>Department of Justice</b>					
Direct Programs:					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	2018-DJ-BX-0437	94,906	-
Direct Programs:					
Second Chance Act Program	16.812	N/A	15PBJA-21-GG-04042-SCAX	5,583	-
Total Department of Justice				100,489	-
<b>Department of Transportation</b>					
Highway Planning and Construction Cluster					
Passed through Florida Department of Transportation:					
Highway Planning and Construction-Metropolitan					
Planning Organization	20.205	G1M24	G1M24	521,998	-
Highway Planning and Construction-Local Agency Program	20.205	G1B41	G1B41	67,295	-
Highway Planning and Construction-Local Agency Program	20.205	G0H92	G0H92	575,769	-
Highway Planning and Construction-Local Agency Program	20.205	G0HV0	G0HV0	620,304	-
Highway Planning and Construction-Local Agency Program	20.205	G1985	G1985	19,200	-
Highway Planning and Construction-Local Agency Program	20.205	G2811	G2811	187,572	-
Total Program				1,992,138	-
Passed through Florida Department of Environmental Protection:					
Recreational Trails Program-Bone Valley ATV Trail Crossing	20.219	T1920	T1920	488,294	-
Total Highway Planning and Construction Cluster				2,480,432	-

See accompanying Notes to the Schedule of Federal Awards and State Projects.

**POLK COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

Agency/Program	Assistance Listing Number	Pass-Through Identifying Number	Grant Identification	Expenditures	Transfers to Subrecipients
<b>Department of Transportation (Continued)</b>					
Passed through Florida Department of Transportation:					
FTA Section 5305(d), Metropolitan Planning Program	20.505	G1W77	G1W77	\$ 130,197	\$ -
FTA Section 5305(d), Metropolitan Planning Program	20.505	G2784	G2784	85,928	-
Total Program				216,125	-
Total Department of Transportation				2,696,557	-
<b>Department of Treasury</b>					
Direct Programs:					
COVID-19 Coronavirus Relief Fund	21.019	N/A	CARES Act (P.L. 116-136)	889,844	-
Direct Programs:					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	Z1890	4,915,395	20,022
Direct Programs:					
COVID-19 Emergency Rental Assistance	21.023	N/A	1505-0266	9,218,538	4,785,000
COVID-19 Emergency Rental Assistance	21.023	N/A	1505-0270	3,624,254	2,987,473
Total Program				12,842,792	7,772,473
Total Department of Treasury				18,648,031	7,792,495
<b>Elections Assistance Commission</b>					
Passed through Florida Department of State:					
HAVA Election Security Grants	90.404	ESF G1 MOA #2021-22	ESF G1 MOA #2021-22	9,090	-
HAVA Election Security Grants	90.404	ESF G4 MOA #2022-22	ESF G4 MOA #2022-22	7,989	-
Total Program				17,079	-
Total Elections Assistance Commission				17,079	-
<b>Institute of Museum and Library Services</b>					
Passed through Florida Department of State					
Covid-19-Grants to States	45.310	21-ARPA-40	21-ARPA-40	348,351	-
Total Institute of Museum and Library Services				348,351	-
Total Expenditures of Federal Awards				32,402,346	12,628,492

See accompanying Notes to the Schedule of Federal Awards and State Projects.

**POLK COUNTY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2022**

Agency/Program	Assistance Listing Number	Pass-Through Identifying Number	Grant Identification	Expenditures	Transfers to Subrecipients
<b>State Financial Assistance</b>					
<b>Department of Agriculture and Consumer Services</b>					
Direct Programs:					
Mosquito Control	42.003	N/A	028441	\$ 50,519	\$ -
Total Department of Agriculture and Consumer Services				50,519	-
<b>Department of Children and Families</b>					
Direct Programs:					
Criminal Justice, Mental Health, and Substance Abuse					
Reinvestment Grant Program	60.115	N/A	LHZ77	238,712	-
Total Department of Children and Families				238,712	-
<b>Department of Economic Opportunity</b>					
Passed through Enterprise Florida, Inc.:					
Economic Development Partnerships	40.040	Perfect Youth Game Showcase 2021	Perfect Youth Game Showcase 2021	(7,121)	-
Economic Development Partnerships	40.040	Homeschool World Series 2021	Homeschool World Series 2021	(6,000)	-
Economic Development Partnerships	40.040	NSA Youth Summer States 2021	NSA Youth Summer States 2021	(6,000)	-
Economic Development Partnerships	40.040	Ironman FL 70.3 2022	Ironman FL 70.3 2022	4,000	-
Economic Development Partnerships	40.040	FSSA FL Classic 2022	FSSA FL Classic 2022	3,813	-
Economic Development Partnerships	40.040	PFX Spring Games 2022	PFX Spring Games 2022	4,339	-
Economic Development Partnerships	40.040	Senior Softball Tournament 2022	Senior Softball Tournament 2022	8,761	-
Total Program				1,792	-
Passed through Enterprise Florida, Inc.:					
Military Base Protection	40.014	CON 19-101	CON 19-101	46,401	-
Military Base Protection	40.014	DTF 21-101	DTF 21-101	36,532	-
Total Program				82,933	-
Total Department of Economic Opportunity				84,725	-
<b>Department of Education</b>					
Direct Programs:					
Coach Aaron Feis Guardian Program	48.140	N/A	96T-90210-2D001	86,376	-
Total Department of Education				86,376	-
<b>Department of Environmental Protection</b>					
Passed through Southwest Florida Water Management District:					
DOT Mitigation Projects	37.020	Lake Lowery	Lake Lowery Project	124	-
Passed through Southwest Florida Water Management District:					
Water Management District - Land Acquisition and Improvement	37.022	Marshall Hampton Reserve	Marshall Hampton Reserve	12,602	-
Water Management District - Land Acquisition and Improvement	37.022	Circle B Bar Reserve (Amendment #1)	Circle B Bar Reserve (Amendment #1)	12,670	-
Water Management District - Land Acquisition and Improvement	37.022	Crooked Lake West (Amendment #2)	Crooked Lake West (Amendment #2)	12,111	-
Total Department of Environmental Protection				37,507	-

See accompanying Notes to the Schedule of Federal Awards and State Projects.

**POLK COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

Agency/Program	Assistance Listing Number	Pass-Through Identifying Number	Grant Identification	Expenditures	Transfers to Subrecipients
<b>Department of Financial Services</b>					
Direct Programs:					
Fire Contamination Equipment Grant	43.013	N/A	#FM681	\$ 4,835	\$ -
Local Government Fire Service Grants	43.010	N/A	#FM603	2,000,000	-
Total Department of Financial Services				2,004,835	-
<b>Department of Health</b>					
Direct Programs:					
Emergency Medical Services County Grant Awards	64.005	N/A	C9053	32,984	-
Emergency Medical Services County Grant Awards	64.005	N/A	C0053	22,387	-
Total Program				55,371	-
Total Department of Health				55,371	-
<b>Department of Juvenile Justice</b>					
Passed through University Area Community Development Corporation:					
Delinquency Prevention	80.029	10524-400	10524-400	9,490	-
Delinquency Prevention	80.029	10709-400	10709-400	35,386	-
Total Department of Juvenile Justice				44,876	-
<b>Department of State</b>					
Direct Programs:					
State Aid to Libraries	45.030	N/A	20-ST-71	40,408	-
State Aid to Libraries	45.030	N/A	21-ST-71	194,592	-
State Aid to Libraries	45.030	N/A	22-ST-72	102,021	-
Total Program				337,021	-
Total Department of State				337,021	-
<b>Department of Transportation</b>					
Direct Programs:					
Commission for the Transportation Disadvantaged Planning	55.002	N/A	G1Y65	29,430	-
Commission for the Transportation Disadvantaged Planning	55.002	N/A	G2974	3,134	-
Total Program				32,564	-
Total Department of Transportation				32,564	-
<b>Executive Office of the Governor</b>					
Direct Programs:					
Emergency Management Programs	31.063	N/A	A0179	84,687	-
Emergency Management Programs	31.063	N/A	A0301	35,393	-
Total Program				120,080	-
Local Emergency Management and Mitigation Initiatives	31.064	N/A	F0088	4,775	-
Emergency Management Projects	31.067	N/A	T0036	5,021	-
Emergency Management Projects	31.067	N/A	T0085	4,977	-
Total Program				9,998	-
Total Executive Office of the Governor				134,853	-

See accompanying Notes to the Schedule of Federal Awards and State Projects.

**POLK COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

Agency/Program	Assistance Listing Number	Pass-Through Identifying Number	Grant Identification	Expenditures	Transfers to Subrecipients
<u>Florida Housing Finance Corporation</u>					
Direct Programs:					
State Housing Initiative Partnership Program (SHIP)	40.901	N/A	FY 19/20	\$ 465,707	\$ 57,136
State Housing Initiative Partnership Program (SHIP)	40.901	N/A	FY 20/21	881,152	484,351
State Housing Initiative Partnership Program (SHIP)	40.901	N/A	FY 21/22	1,430,759	908,773
State Housing Initiative Partnership Program (SHIP)	40.901	N/A	FY 22/23	<u>1,477</u>	<u>-</u>
Total Program				<u>2,779,095</u>	<u>1,450,260</u>
Total Florida Housing Finance Corporation				<u>2,779,095</u>	<u>1,450,260</u>
Total Expenditures of State Financial Assistance				<u>5,886,454</u>	<u>1,450,260</u>
Total Expenditures of Federal Awards and State Financial Assistance				<u>\$ 38,288,800</u>	<u>\$ 14,078,752</u>

See accompanying Notes to the Schedule of Federal Awards and State Projects.

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**POLK COUNTY, FLORIDA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED SEPTEMBER 30, 2022**

**NOTE 1 GENERAL**

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) presents the activity of all federal awards and state financial assistance of Polk County, Florida (the County). The County reporting entity is defined in Note 1 to the County's basic financial statements for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Chapter 691-5, Rules of the Florida Department of Financial Services. The Schedule presents only a selected portion of the operations of the County and is not intended to and does not present the financial position, changes in net position, or cash flows of the County. Therefore, some amounts presented in the Schedule may differ from amounts presented or used in the preparation of the basic financial statements for the fiscal year ended September 30, 2022.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements for the year ended September 30, 2022. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 691-5, Rules of the Florida Department of Financial Services for all awards with the exception of Assistance Listing Numbers (formally CFDA) 21.019 and 21.027, which follow criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3 INDIRECT COST RATE**

The county has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**POLK COUNTY, FLORIDA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2022**

**NOTE 4 OUNCE OF PREVENTION MATCH**

In addition to the amounts listed on the Schedule, the County received additional funding from the state of Florida as a match for certain Federal programs. The amounts listed below represent the funding provided by the state of Florida as a match to the specified federal programs.

Agency/Program	Assistance Listing Number	Grant Identification	Expenditures
<u>State Matching Monies</u>			
Passed through the Ounce of Prevention Fund			
of Florida and Healthy Families:			
Promoting Safe and Stable Families	93.556	#20-22-05	\$ 16,146
Promoting Safe and Stable Families	93.556	#20-25-05 (Amendment #6)	4,275
Total Program			<u>20,421</u>
Temporary Assistance for Needy Families	93.558	#20-22-05	482,071
Child Care and Development Block Grant	93.575	#20-25-05 (Amendment #6)	<u>127,654</u>
Total State Matching Monies			<u><u>\$ 630,146</u></u>



**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**POLK COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2022**

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**Section I – Summary of Auditors’ Results**

---

**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness identified?     X     yes            no
  - Significant deficiency identified?            yes     X     none reported
3. Noncompliance material to financial statements noted?            yes     X     no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness identified?            yes     X     no
  - Significant deficiency identified?     X     yes            none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?     X     yes            no

**Identification of Major Federal Programs**

Assistance Listing Number	Name of Federal Program or Cluster
14.218	CDBG - Entitlement Grants Cluster
14.231	Emergency Solutions Grant Program
14.239	Home Investment Partnership Program
20.205 & 20.219	Highway Planning and Construction Cluster
21.023	Emergency Rental Assistance
21.027	Coronavirus State & Local Fiscal Recovery Funds

- Dollar threshold used to distinguish between Type A and Type B programs: \$   974,017
- Auditee qualified as low-risk auditee?            yes     X     no

**POLK COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

**State Financial Assistance**

1. Internal control over state projects:

- Material weakness identified?                    \_\_\_\_\_ yes                      X   no
- Significant deficiency identified?                    \_\_\_\_\_ yes                      X   none reported

2. Type of auditors' report issued on compliance for state projects:                    Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Auditor General?                    \_\_\_\_\_ yes                      X   no

**Identification of Major State Projects**

Catalog of State Financial Assistance	Name of State Project
43.010	Local Government Fire Service Grants
40.901	State Housing Initiative Partnership

Dollar threshold used to distinguish between Type A and Type B state projects:                    \$   750,000

**POLK COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

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***Part II – Financial Statement Findings***

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**2022 – 001 Material Audit Adjustments**

Type of Finding: Material Weakness in Internal Control over Financial Reporting

**Condition:** Certain audit adjustments were necessary for the financial statements to be reported in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Criteria or specific requirement:** County management is responsible for establishing and maintaining internal controls to ensure that transactions are properly reported in the financial statements in accordance with U.S. GAAP.

**Context:** There were three journal entries made during the audit period totaling approximately \$2.6 million dollars that were necessary for the financial statements to be properly reported in accordance with U.S. GAAP. The most notable financial areas affected by these entries are as follows:

- Revenue related to satisfied obligations under a state-funded grant agreement
- Unearned revenue related to period of availability for governmental funds
- Accounts receivable related to refund to advanced disposal services
- Accounts payable did not reflect invoice that should have been accrued as of year end

**Effect:** Without the aforementioned journal entries, the financial statements would have been materially misstated.

**Cause:** The primary cause of the aforementioned journal entries relates to turnover in key accounting and fiscal positions throughout the County. In addition, the County's year-end close process did not include review of a significant transactions and also did not include the review of transactions subsequent to year that affected fiscal year ended September 30, 2022.

**Repeat Finding:** Yes, see 2021-001.

**Recommendation:** County Management should implement additional year-end close internal controls. Those controls should include reconciling every account and ensure each reconciliation is reviewed for accuracy.

**Views of responsible officials and planned corrective actions:** There is no disagreement with the audit finding.

**POLK COUNTY, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2022**

---

***Part II – Financial Statement Findings (continued)***

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**2022 – 002 Schedule of Expenditures of Federal Awards and State Financial Assistance**

Type of Finding: Material Weakness in Internal Control over Financial Reporting

**Condition:** Our audit procedures identified an omitted state grant totaling \$2,000,000 from the Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule). Additionally, there were errors in values reported on two grants. An increase of \$499,560 was required to accurately reflect the balance of a federal grant and another grant had missing values of \$20,022 in the column passed-through subrecipients.

**Criteria or specific requirement:** 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Chapter 691-5, Rules of the Florida Department of Financial Services, require auditees to prepare a Schedule. The County's management is responsible for establishing and maintain internal controls to ensure that the Schedule is properly reported.

**Context:** A state-funded grant had capital outlay expenditures totaling \$2,056,806 of which \$2,000,000 was reimbursed by the grantor for the grant period closing June 30, 2022. The capital outlay relates to equipment in progress being built for the County. The equipment was not received on September 30, 2022. Subrecipient payments in a federal grant were reported to Treasury but not reflected on the Schedule.

**Effect:** The Schedule is used by grantor agencies and auditors to monitor compliance with federal and state requirements. Errors in reporting expenditures on the Schedule may lead to improper testing and therefore, noncompliance with Uniform Guidance and Chapter 691-5, Rules of the Florida Department of Financial Services. The state program met the threshold to be tested as a major state project.

**Cause:** The process for preparing the Schedule did not identify all grant expenditures and portions passed through to subrecipients.

**Repeat Finding:** No.

**Recommendation:** We recommend developing additional preparation and review procedures related to grant reporting to ensure that federal program and state project expenditures are completely and accurately reported. We recommend that expenses paid to subrecipients be tracked in a unique account in order to easily identify for reporting on the Schedule.

**Views of responsible officials and planned corrective actions:** There is no disagreement with the audit finding.

**POLK COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

---

***Part III – Findings and Questioned Costs – Major Federal Programs and State Projects***

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**2022 –003- FFATA Reporting**

Federal agency: U.S. Department of Housing and Urban Development

Federal program title: Community Development Block Grant

Federal Award Identification Number and Year: B-17-UC-12-0007, B-18-UC-12-0007, B-19-UC-12-0007, B-20-UC-12-0007, B-21-UC-12-0007, and B-20-UW-12-0007

Assistance Listing Number: 14.218

Award Period: October 2017 through September 2028

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

**Criteria or specific requirement:** The reporting requirements under the CDBG Entitlement Cluster include financial reporting, performance reporting, and special reporting for Federal Funding Accountability and Transparency Act (FFATA). Reports are to be completed and submitted within the prescribed time period noted in each contract agreement term. The requirements of the Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282) are referred as the “Transparency Act” that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

**Condition:** There are 27 subrecipient agreements over the FFATA reporting threshold of \$30,000 under the CDBG program. The auditors made a sample selection of 7 awards for testing. The 7 selected subaward contracts were tested against data reported in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). As reflected in the chart, there were 4 contract agreements that were not reported in FSRS. Of the remaining 3 contracts that were reported in FSRS, 2 had incorrect contract value amounts and all 3 had additional key element data inputs with errors.

**Questioned costs:** None

**Context:** In a statistically valid sample of 7 subrecipient contracts, the chart below illustrates the results.

	Transactions Tested	Subaward not Reported	Report not Timely	Subaward Amount Incorrect	Subaward Missing Key Elements
<b>Count</b>	7	4	3	2	3
<b>Dollar Value</b>	\$1,626,363	\$328,113	\$1,298,250	\$410,000	\$1,298,250

**Cause:** The full extent of the FFATA reporting requirements under this grant were not properly understood by all applicable members of the grant team.

**POLK COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

---

***Part III – Findings and Questioned Costs – Major Federal Programs and State Projects  
(Continued)***

---

**2022 – 003-FFATA Reporting (Continued)**

**Effect:** The intent of FFATA subaward reporting is to provide a single searchable website that contains information on all Federal awards. The reports are submitted through the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). A failure to report the subawards can cause inaccurate information to be reported on and used by decision makers. In addition, the grantor could hold back payment near the close out if compliance is not satisfied.

**Repeat Finding:** Yes-see 2021-002

**Recommendation:** We recommend the County's management reviews applicable award agreements or contracts for specific reporting requirements and establishes a reporting calendar for review and approval. We recommend the assigned personnel performing the inputs into FSRS obtain proper training of the system to ensure accuracy of data reported. We recommend knowledgeable supervisors review and approve reports for completeness and accuracy, including comparing to source documentation (general ledger, third party evidence or other reliable records) and any reconciliations between source data to final reporting.

**Views of responsible officials:** There is no disagreement with the audit finding.

**2022 – 004-Controls Over Reporting**

Federal Agency: U.S. Department of the Treasury

Federal Program Name: Covid-19 Emergency Rental Assistance

Assistance Listing Number: 21.023

Federal Award Identification Number: 1505-0266 and 1505-0270

Award Period: September 30, 2021-September 30, 2022, for ERA1 and May 10, 2021 through September 30, 2025 for ERA 2

Type of Finding:

- Significant Deficiency in Internal Control over Compliance

**Criteria or specific requirement:** As a condition of receiving federal awards, non-federal entities agree to comply with laws, regulations, and the provisions of grant agreements and contracts, and to also maintain internal control to provide reasonable assurance of compliance within these requirements. The County management is responsible for establishing and maintaining internal controls over grants.

**Condition/Context:** Auditor selected and tested a statistically valid sample of 5 financial reports and 8 performance reports from the audit period. There was no evidence of review performed on any of the 13 reports.

**Questioned costs:** N/A

**POLK COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

---

***Part III – Findings and Questioned Costs – Major Federal Programs and State Projects  
(Continued)***

---

**2022 – 004-Controls Over Reporting (Continued)**

**Cause:** During the audit period there was turnover in grant management. Reports that were previously prepared by a knowledgeable member and then reviewed by the HND Manager discontinued to be reviewed after the departure of the HND Manager. There was no assigned replacement for the review process since the original preparer ultimately was promoted into the HND Manager roll.

**Effect:** A lack of review can cause errors to go undetected in the reporting to the grantor.

**Repeat Finding:** No

**Recommendation:** We recommend the County review Government Finance Officers Association's (GFOA) *Best Practices for Internal Control for Grants* published September 1, 2022, and update internal processes to ensure tasks and review of tasks continue even during periods of staff turnover or vacancies. The County should consider cross-training personnel to allow preparation of certain reports to be prepared and reviewed by separate knowledgeable individuals.

**Views of responsible officials:** There is no disagreement with the audit finding.

**2022-005-Reporting**

Federal Agency: U.S. Department of the Treasury

Federal Program Name: Covid-19 Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number: 21.027

Federal Award Identification Number: Z1890

Award Period: March 3, 2021 through December 31, 2026

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
  
- Other Matters

**Criteria or specific requirement:** The U.S. Treasury Department's current version of its Coronavirus State and Local Fiscal Recovery Funds Guidance on Recipient Compliance and Reporting Responsibilities (collectively, the "SLFRF Guidance") provides information on the reporting requirements of the program. During the audit period, the Interim Report and quarterly Project and Expenditure Reports were required under this guidance.



**POLK COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

---

***Part III – Findings and Questioned Costs – Major Federal Programs and State Projects  
(Continued)***

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**2022 – 005- Reporting (Continued)**

**Condition:** The quarterly Project and Expenditure Reports contain key line items under the following three subcategories: 1) Obligations and Expenditures, 2) Subawards, and 3) Detailed information on any loans issued; contracts and grants awarded; transfers made to other government entities; and direct payments made by the recipient that are greater than \$50,000.

**Questioned costs:** N/A

**Context:** The auditors selected and tested a statistically valid sample of 10 organizations reported on the interim report and all 4 quarterly reports until a total sample of 40 items were tested. See the chart below for identified exceptions.

Exception Type	Number of Items Tested	Number of Exceptions
Missing key line-item data excluded from quarterly report	8	8
Entity type (subrecipient, beneficiary, contractor) reported was not accurate	40	23
Expenditure amount did not agree to schedule of expenditures	40	6
Obligated amounts per Organization’s contract did not agree with value reported as obligated on quarterly reports	40	40
Obligated amount was not reported in a timely manner	40	2

**Cause:** The key personnel assigned to reporting did not fully understand the distinction between subrecipients, contractors, and beneficiaries. Additionally, the nuances of the reporting portal caused errors for reporting obligations verse expenditures and therefore obligations reported had errors.

**Effect:** Inaccurate data reported to the Treasury could impact the allowed funding the County can earn for these funds.

**Repeat Finding:** No.

**Recommendation:** We recommend corrections to quarterly reports be made in subsequent quarterly reports to ensure obligations match actuality. We recommend timely reconciliation of accounting transactions to allow for accurate reporting of expenditures through the quarter. Additionally, we recommend careful consideration of assignment for type of entity for which the County enters transactions with related to this funding.

**Views of responsible officials:** There is no disagreement with the audit finding.

**POLK COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

---

***Part III – Findings and Questioned Costs – Major Federal Programs and State Projects  
(Continued)***

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**2022-006-Revenue Loss Calculation**

Federal Agency: U.S. Department of the Treasury

Federal Program Name: Covid-19 Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number: 21.027

Federal Award Identification Number: Z1890

Award Period: March 3, 2021 through December 31, 2026

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
  
- Other Matters

**Criteria or specific requirement:** The Coronavirus State and Local Fiscal Recovery Funds (CSLFR) provide needed fiscal relief for recipients that have experienced revenue loss due to the onset of the COVID-19 public health emergency. Specifically, SLFRF funding may be used to pay for “government services” in an amount equal to the revenue loss experienced by the recipient due to the COVID-19 public health emergency.

Government services generally include any service traditionally provided by a government, including construction of roads and other infrastructure, provision of public safety and other services, and health and educational services. Funds spent under government services are subject to streamlined reporting and compliance requirements.

In order to use funds under government services, recipients should first determine revenue loss. The Treasury's final rule provides the guidance for how revenue loss is calculated.

**Condition:** The revenue loss calculation was not calculated in accordance with the guidance provided by the Treasury's Final Rule.

**Questioned costs:** N/A

**Context:** The original revenue loss calculation allowed for loss revenue provisions of approximately \$31 million. The corrected and revised calculation was approximately \$29 million.

**Cause:** The key roles assigned to doing this calculation experienced turnover. In addition, certain accounts were included in the calculation that should not have been included resulting in a lower loss revenue amount.

**Effect:** The original calculation resulted a Coronavirus State and Local Fiscal Recovery Funds budget that included an amount for revenue loss that was higher than what is allowable by the Treasury's Final Rule.

**POLK COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

---

***Part III – Findings and Questioned Costs – Major Federal Programs and State Projects  
(Continued)***

---

**2022-006-Revenue Loss Calculation (continued)**

**Repeat Finding:** No.

**Recommendation:** We recommend the County designate a reviewer to perform a detailed review of future revenue loss calculations to ensure the calculation complies with the requirements of the Treasury's Final Rule.

**Views of responsible officials:** There is no disagreement with the audit finding.

**2022-007-Subrecipient Monitoring**

Federal Agency: U.S. Department of the Treasury

Federal Program Name: Covid-19 Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number: 21.027

Federal Award Identification Number: Z1890

Award Period: March 3, 2021, through December 31, 2026

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
  
- Other Matters

**Criteria or specific requirement:** 2 CFR section 200.332(a) notes pass-through entities such as Polk County, Florida need to ensure that every subaward is clearly identified to the subrecipient as a subaward and includes required information at the time of the subaward sufficient for the subrecipient to comply with federal statutes, regulation, and the terms and conditions of the award. If any of the data elements change the impact should be updated in subsequent subaward modification. 2 CFR section 200.332(b)-(f) covers required monitoring activities and management of subrecipient relationships that should be performed by the pass-through entity.

**POLK COUNTY, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2022**

---

***Part III – Findings and Questioned Costs – Major Federal Programs and State Projects***  
***(Continued)***

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**Condition:** During the testing of quarterly Project and Expenditure Reports submitted to the Treasury, information included for contracts and subawards was not agreeing to information reported on the Schedule of Expenditures of Federal Awards (SEFA). Auditors selected reported subrecipients, beneficiaries, and contractors to determine the validity of assigned category. A subrecipient is an entity that receives a subaward to carry out a project funded by Fiscal Recovery Funds on behalf of a recipient. Individuals or entities that are direct beneficiaries of a project funded by Fiscal Recovery Funds are not considered subrecipients. Households, communities, small businesses, nonprofits, and impacted industries are all potential beneficiaries of projects carried out with SLFRF funds. The terms and conditions of Federal awards flow down to subawards to subrecipients, requiring subrecipients to comply with all requirements of recipients such as the treatment of eligible uses of funds, procurement, and reporting requirements. Beneficiaries are not subject to the requirements placed on subrecipients in the Uniform Guidance. The distinction between a subrecipient and a beneficiary, therefore, is contingent upon the rationale for why a recipient is providing funds to the individual or entity. If the recipient is providing funds to the individual or entity for the purpose of carrying out a SLFRF program or project on behalf of the recipient, the individual or entity is acting as a subrecipient. Acting as a subrecipient, the individual or entity is subject to subrecipient monitoring and reporting requirements.

**Questioned costs:** N/A

**Context:** A statistically valid sample of 10 organizations listed on each of the quarterly Treasury reports (40 total items tested) was selected and tested against the entity-type determination criteria. In the sample of 40 entity types reported, there were twenty-three exceptions (23) which resulted in a conclusion that only one (1) Organization reported was truly a subrecipient. This subrecipient was not captured on the SEFA and the elements of monitoring were not in place. The review of the contract agreement between Polk County and this subrecipient did not meet all requirements under 2 CFR section 200.332(a).

**Cause:** The distinction between the entity types receiving this federal funding was not fully understood by personnel.

**Effect:** Recipients and subrecipients are the first line of defense and responsible for ensuring the SLFRF award funds are not used for ineligible purposes, and there is no fraud, waste, or abuse associated with their SLFRF award. The terms and conditions of Federal awards flow down to subawards to subrecipients, requiring subrecipients to comply with all requirements of recipients such as the treatment of eligible uses of funds, procurement, and reporting requirements. A lack of monitoring can lead to noncompliance by the subrecipient which ultimately impacts the compliance of the pass-through entity.

**Repeat Finding:** No.

**Recommendation:** We recommend an amended subrecipient contract that complies with all guidelines under 2 CFR section 200.332(a) be put into place between Polk County and the identified subrecipient. In addition, we recommend a risk assessment of this subrecipient be performed and depending on the results of the assessment, determine a planned schedule of monitoring that matches frequency and intensity that aligns with the risk assessment.

**POLK COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022**

**Views of responsible officials:** There is no disagreement with the audit finding.

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**William D. Beasley**  
County Manager

Deputy County Managers:

**Todd J. Bond**

**Joe N. Halman, Jr.**

**Ryan J. Taylor**



**Board of County Commissioners**

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April 28, 2023

## **CORRECTIVE ACTION PLAN**

Polk County, Florida respectfully submits the following corrective action plan for the year ended September 30, 2022.

Audit period: October 1, 2021, through September 30, 2022.

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### **FINDINGS—FINANCIAL STATEMENT AUDIT**

#### **MATERIAL WEAKNESS**

##### **2022-001 Material Audit Adjustments**

**Recommendation:** County Management should implement additional year-end close internal controls. Those controls should include reconciling every account and ensure each reconciliation is reviewed for accuracy.

**Explanation of disagreement with audit finding:** There is no disagreement with the audit finding.

**Action planned/taken in response to finding:** Additional training and year-end close procedures have been implemented to improve accuracy. Although "Material Audit Adjustments" is listed as a repeat finding, it was caused by different circumstances than in the previous year.

**Name(s) of the contact person(s) responsible for corrective action:** Dee Dee Beaver, CPA,  
CGFO Comptroller  
Division Director

**Planned completion date for corrective action plan:** September 1, 2023

##### **2022-002 Schedule of Expenditures of Federal Awards and State Financial Assistance**

**Recommendation:** We recommend developing additional preparation and review procedures related to grant reporting to ensure that federal program and state project expenditures are completely and accurately reported. We recommend that expenses paid to subrecipients be tracked in a unique account in order to easily identify for reporting on the Schedule.

**Explanation of disagreement with audit finding:** There is no disagreement with the audit finding.

**Action planned/taken in response to finding:** Additional training and procedures are being implemented to properly classify grant related expenditures, and to identify and appropriately track subrecipient pass-throughs to ensure the accuracy of the Schedule of Expenditures of Federal Awards and State Financial Assistance.

**Name(s) of the contact person(s) responsible for corrective action:** Dee Dee Beaver, CPA, CGFO

**Planned completion date for corrective action plan:** September 1, 2023

## **FINDINGS—FEDERAL AWARD PROGRAMS AUDITS**

U.S. Department of Housing and Urban Development

### **2022-003      Community Development Block Grant Cluster – Assistance Listing No. 14.218**

**Recommendation:** We recommend the County's management reviews applicable award agreements or contracts for specific reporting requirements and establishes a reporting calendar for review and approval. We recommend the assigned personnel performing the inputs into FSRS obtain proper training of the system to ensure accuracy of data reported. We recommend knowledgeable supervisors review and approve reports for completeness and accuracy, including comparing to source documentation (general ledger, third party evidence or other reliable records) and any reconciliations between source data to final reporting.

**Explanation of disagreement with audit finding:** There is no disagreement with the audit finding.

**Action taken in response to finding:** The County has implemented training and procedures to make certain the reporting requirements of the Federal Funding Accountability and Transparency Act (FFATA) are properly understood by all grant staff and supervisors who perform inputs, review, and approval, in order to ensure completeness and accuracy.

**Name(s) of the contact person(s) responsible for corrective action:** Marcia Andresen, Health and Human Services Director

**Planned completion date for corrective action plan:** Fully implemented prior to issuance of report.

U.S. Department of the Treasury

### **2022-004      Covid-19 Emergency Rental Assistance – Assistance Listing No. 21.023**

**Recommendation:** We recommend the County review Government Finance Officers Association's (GFOA) *Best Practices for Internal Control for Grants* published September 1, 2022, and update internal processes to ensure tasks and review of tasks continue even during periods of staff turnover or vacancies. The County should consider cross-training personnel to allow preparation of certain reports to be prepared and reviewed by separate knowledgeable individuals.



**Explanation of disagreement with audit finding:** There is no disagreement with the audit finding.

**Action taken in response to finding:** The County has implemented training and procedures to ensure that all financial and performance reports are properly prepared by a knowledgeable staff member and then reviewed by a manager.

**Name(s) of the contact person(s) responsible for corrective action:** Marcia Andresen

**Planned completion date for corrective action plan:** Fully implemented prior to issuance of report.

U.S. Department of the Treasury

**2022-005 Covid-19 Coronavirus State and Local Fiscal Recovery Funds –  
Assistance Listing No. 21.027**

**Recommendation:** We recommend corrections to quarterly reports be made in subsequent quarterly reports to ensure obligations match actuality. We recommend timely reconciliation of accounting transactions to allow for accurate reporting of expenditures through the quarter. Additionally, we recommend careful consideration of assignment for type of entity for which the County enters transactions with related to this funding.

**Explanation of disagreement with audit finding:** There is no disagreement with the audit finding.

**Action taken in response to finding:** The COVID-19 funds were distributed under an emergency declaration due to the worldwide pandemic and had to be administered by staff with limited grant experience. The County is implementing processes and procedures regarding the reconciliation of transactions to ensure accurate reporting of expenditures for each quarter and to make any necessary corrections in subsequent quarterly reports. Processes and procedures are also being implemented to properly identify subrecipients, contractors, and beneficiaries. Staff will review the most recent Federal guidance, training, and webinars as necessary to ensure they are up to date with the most recent information.

**Name(s) of the contact person(s) responsible for corrective action:** Christia Johnson, Budget and Management Services Director

**Planned completion date for corrective action plan:** June 30, 2023

U.S. Department of the Treasury

**2022-006 Covid-19 Coronavirus State and Local Fiscal Recovery Funds –  
Assistance Listing No. 21.027**

**Recommendation:** We recommend the County designate a reviewer to perform a detailed review of future revenue loss calculations to ensure the calculation complies with the requirements of the Treasury's Final Rule.

**Explanation of disagreement with audit finding:** There is no disagreement with the audit finding.

**Action taken in response to finding:** The rules regarding the Lost Revenue Calculation were complex and difficult to understand. The County is implementing training and procedures, including review by knowledgeable staff, to ensure the Lost Revenue Calculation complies with the Treasury's Final Rule.

**Name(s) of the contact person(s) responsible for corrective action:** Christia Johnson

**Planned completion date for corrective action plan:** September 30, 2023

U.S. Department of the Treasury

**2022-007 Covid-19 Coronavirus State and Local Fiscal Recovery Funds –  
Assistance Listing No. 21.027**

**Recommendation:** We recommend an amended subrecipient contract that complies with all guidelines under 2 CFR section 200.332(a) be put into place between Polk County and the identified subrecipient. In addition, we recommend a risk assessment of this subrecipient be performed and depending on the results of the assessment, determine a planned schedule of monitoring that matches frequency and intensity that aligns with the risk assessment.

**Explanation of disagreement with audit finding:** There is no disagreement with the audit finding.

**Action taken in response to finding:** The County is implementing training and procedures to properly identify and classify subrecipients on the Schedule of Expenditures of Federal Awards and State Financial Assistance, and to ensure that all required subrecipient monitoring is properly performed. Additionally, the contract for a subrecipient identified during the audit is being amended to comply with all applicable requirements.

**Name(s) of the contact person(s) responsible for corrective action:** Christia Johnson

**Planned completion date for corrective action plan:** June 15, 2023. Approval of amended contract expected in August 2023.

Sincerely,



William D. Beasley,

County Manager

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED SEPTEMBER 30, 2022**



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**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
TABLE OF CONTENTS  
YEAR ENDED SEPTEMBER 30, 2022**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>4</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCES – GOVERNMENTAL FUNDS</b>	<b>5</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE – BUDGET AND ACTUAL – GENERAL FUND</b>	<b>6</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE – BUDGET AND ACTUAL – COURT FUND</b>	<b>7</b>
<b>STATEMENT OF FIDUCIARY NET POSITION</b>	<b>8</b>
<b>STATEMENT OF CHANGES IN FIDUCIARY NET POSITION</b>	<b>9</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>10</b>
<b>SUPPLEMENTARY INFORMATION - COMBINING SCHEDULES</b>	
<b>COMBINING STATEMENT OF FIDUCIARY NET POSITION – ALL     CUSTODIAL FUNDS</b>	<b>27</b>
<b>COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –     ALL CUSTODIAL FUNDS</b>	<b>28</b>
<b>OTHER REPORTS</b>	
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER     FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS     BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN     ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>29</b>
<b>MANAGEMENT LETTER</b>	<b>31</b>
<b>INDEPENDENT ACCOUNTANTS' REPORT</b>	<b>33</b>



## INDEPENDENT AUDITORS' REPORT

Honorable Stacy M. Butterfield  
Clerk of the Circuit Court  
Polk County, Florida

### Report on the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Polk County, Florida, Clerk of the Circuit Court (the Clerk), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk, as of September 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund and the Court Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Clerk and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matter*

As discussed in Note 1, the financial statements of the Clerk referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the financial statements are intended to present the financial position, the changes in financial position of the major funds, and the aggregate remaining fund information of that is attributable to the transactions of the Clerk. They do not purport to, and do not, present fairly the financial position of Polk County, Florida as of September 30, 2022, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Honorable Stacy M. Butterfield  
Clerk of the Circuit Court

**Required Supplementary Information**

Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk’s basic financial statements. The combining statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2023, on our consideration of the Clerk’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 6, 2023



**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
BALANCE SHEET – GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

	General	Court	Records Modernization	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,195,405	\$ 7,062,505	\$ 7,086,533	\$ 19,344,443
Due from Polk County, Florida				
Board of County Commissioners	15,204	-	-	15,204
Due from Other Governments	51,697	192,532	-	244,229
Accounts Receivables	1,482	79,081	-	80,563
	<u>5,263,788</u>	<u>7,334,118</u>	<u>7,086,533</u>	<u>19,684,439</u>
Total Assets	<u>\$ 5,263,788</u>	<u>\$ 7,334,118</u>	<u>\$ 7,086,533</u>	<u>\$ 19,684,439</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Vouchers Payable	\$ 681,082	\$ 83,398	\$ 16,868	\$ 781,348
Accrued Liabilities	112,618	194,868	15,373	322,859
Due to Polk County, Florida				
Board of County Commissioners	4,469,307	3,097	-	4,472,404
Due to Other Governments	781	1,622,086	-	1,622,867
Deposits	-	5,430,669	-	5,430,669
	<u>5,263,788</u>	<u>7,334,118</u>	<u>32,241</u>	<u>12,630,147</u>
Total Liabilities	5,263,788	7,334,118	32,241	12,630,147
<b>FUND BALANCES</b>				
Restricted Court-Related Technology	-	-	2,908,431	2,908,431
Restricted Records Modernization	-	-	4,145,861	4,145,861
Total Fund Balances	<u>-</u>	<u>-</u>	<u>7,054,292</u>	<u>7,054,292</u>
	<u>\$ 5,263,788</u>	<u>\$ 7,334,118</u>	<u>\$ 7,086,533</u>	<u>\$ 19,684,439</u>
Total Liabilities and Fund Balances	<u>\$ 5,263,788</u>	<u>\$ 7,334,118</u>	<u>\$ 7,086,533</u>	<u>\$ 19,684,439</u>

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2022**

	General	Court	Records Modernization	Total Governmental Funds
<b>REVENUES</b>				
Intergovernmental	\$ 285,767	\$ 1,099,995	\$ -	\$ 1,385,762
Charges for Services	1,813,720	7,994,440	29,128	9,837,288
Fines and Forfeitures	-	6,031,336	-	6,031,336
Recording Fees	4,124,100	-	2,407,169	6,531,269
Interest	150,676	221,271	83,812	455,759
Miscellaneous	33,579	26,086	-	59,665
Total Revenues	<u>6,407,842</u>	<u>15,373,128</u>	<u>2,520,109</u>	<u>24,301,079</u>
<b>EXPENDITURES</b>				
General Government:				
Personnel Services	6,130,128	11,539,195	921,765	18,591,088
Operating	2,111,040	1,374,667	974,895	4,460,602
Capital Outlay	277,336	9,785	12,998	300,119
Capital Outlay - Leases	132,426	33,960	-	166,386
Debt Service:				
Principal	40,932	48,488	-	89,420
Interest	4,225	2,205	-	6,430
Total Expenditures	<u>8,696,087</u>	<u>13,008,300</u>	<u>1,909,658</u>	<u>23,614,045</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,288,245)	2,364,828	610,451	687,034
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In:				
Polk County, Florida				
Board of County Commissioners Appropriations	6,146,458	-	-	6,146,458
Transfers Out:				
Distribution of Excess Fees to the State of Florida	-	(2,398,788)	-	(2,398,788)
Distribution of Excess Fees to Polk County, Florida				
Board of County Commissioners	(3,990,639)	-	-	(3,990,639)
Lease Proceeds	132,426	33,960	-	166,386
Total Other Financing Sources (Uses)	<u>2,288,245</u>	<u>(2,364,828)</u>	<u>-</u>	<u>(76,583)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	610,451	610,451
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>6,443,841</u>	<u>6,443,841</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,054,292</u></u>	<u><u>\$ 7,054,292</u></u>

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 300,000	\$ 300,000	\$ 285,767	\$ (14,233)
Charges for Services	1,427,720	1,627,720	1,813,720	186,000
Recording Fees	3,200,000	3,360,000	4,124,100	764,100
Interest	17,000	157,000	150,676	(6,324)
Miscellaneous	14,600	14,600	33,579	18,979
Total Revenues	<u>4,959,320</u>	<u>5,459,320</u>	<u>6,407,842</u>	<u>948,522</u>
<b>EXPENDITURES</b>				
General Government:				
Personnel Services	6,013,669	6,213,669	6,130,128	83,541
Operating	1,951,154	2,251,154	2,111,040	140,114
Capital Outlay	1,500,000	1,500,000	277,336	1,222,664
Capital Outlay - Leases	-	132,426	132,426	-
Debt Service:				
Principal	-	-	40,932	(40,932)
Interest	-	-	4,225	(4,225)
Total Expenditures	<u>9,464,823</u>	<u>10,097,249</u>	<u>8,696,087</u>	<u>1,401,162</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,505,503)	(4,637,929)	(2,288,245)	2,349,684
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In:				
Polk County, Florida				
Board of County Commissioners Appropriations	5,646,458	5,646,458	6,146,458	500,000
Transfers Out:				
Distribution of Excess Fees to Polk County, Florida				
Board of County Commissioners	(1,140,955)	(1,140,955)	(3,990,639)	(2,849,684)
Lease Proceeds	-	132,426	132,426	-
Total Other Financing Sources (Uses)	<u>4,505,503</u>	<u>4,637,929</u>	<u>2,288,245</u>	<u>(2,349,684)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – COURT FUND  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 419,943	\$ 609,623	\$ 1,099,995	\$ 490,372
Charges for Services	8,101,084	8,101,084	7,994,440	(106,644)
Fines and Forfeitures	6,031,204	6,031,204	6,031,336	132
Recording Fees	-	-	-	-
Interest	54,401	99,401	221,271	121,870
Miscellaneous	73,424	28,424	26,086	(2,338)
Total Revenues	<u>14,680,056</u>	<u>14,869,736</u>	<u>15,373,128</u>	<u>503,392</u>
<b>EXPENDITURES</b>				
General Government:				
Personnel Services	11,936,961	11,561,641	11,539,195	22,446
Operating	880,903	1,430,903	1,374,667	56,236
Capital Outlay	-	15,000	9,785	5,215
Capital Outlay - Leases	-	33,960	33,960	-
Debt Service:				
Principal	-	-	48,488	(48,488)
Interest	-	-	2,205	(2,205)
Total Expenditures	<u>12,817,864</u>	<u>13,041,504</u>	<u>13,008,300</u>	<u>33,204</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	1,862,192	1,828,232	2,364,828	536,596
<b>OTHER FINANCING (USES)</b>				
Transfers Out:				
Distribution of Excess Fees to the State of Florida	(1,862,192)	(1,862,192)	(2,398,788)	(536,596)
Lease Proceeds	-	33,960	33,960	-
Total Other (Uses)	<u>(1,862,192)</u>	<u>(1,828,232)</u>	<u>(2,364,828)</u>	<u>(536,596)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2022**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	<u>\$ 30,314,844</u>
<b>LIABILITIES AND FIDUCIARY NET POSITION</b>	
<b>LIABILITIES</b>	
Due to State of Florida	\$ 2,059,483
Due to Municipalities	146,775
Due to Others	7,728,733
Deposits, Registry of the Court	4,299,988
Deposits, Witness Fees	<u>32,494</u>
Total Liabilities	14,267,473
<b>FIDUCIARY NET POSITION</b>	<u>16,047,371</u>
Total Liabilities and Fiduciary Net Position	<u>\$ 30,314,844</u>

*See accompanying Notes to Financial Statements.*

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
SEPTEMBER 30, 2022**

	Custodial Funds
<b>ADDITIONS</b>	
Tax and Fees Collections	
Individuals and Businesses	\$ 165,927,013
Other Governments	62,163,390
License and Fees Collected for State Agencies	165,064,756
Total Additions	393,155,159
<b>DEDUCTIONS</b>	
Payments of Property Tax	
Individuals and Businesses	4,978,715
Other Governments	217,584,011
Payments to State Agencies	164,575,692
Total Deductions	387,138,418
<b>NET INCREASE IN FIDUCIARY NET POSITION</b>	6,016,741
Fiduciary Net Position - Beginning of Year	10,030,630
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	<b>\$ 16,047,371</b>

See accompanying Notes to Financial Statements.

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**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

Polk County is a political subdivision of the state of Florida governed by the state constitution and general laws of the state of Florida.

The Clerk of the Circuit Court (the Clerk) is a County Agency and a local governmental entity pursuant to Article 8, Section 1(d), of the Constitution of the State of Florida. For financial statement and reporting purposes, the Clerk does not meet the definition of a legally separate organization and is not considered to be a component unit. The Clerk is considered to be a part of the primary government of Polk County, Florida. The financial statements contained herein represent the financial transactions of the Clerk only.

The Clerk's financial statements have been prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which requires the Clerk to only present fund financial statements. Accordingly, due to the omission of government-wide financial statements and related disclosures, including management's discussion and analysis, these financial statements do not constitute a complete presentation of financial position of the Clerk as of September 30, 2022 and the changes in its financial position for the year ended, in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, but otherwise constitute financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

The legislative and governing body of the County is the five-member board of county commissioners. Each county commissioner is elected on a county-wide basis for a four-year term of office and each county commissioner is a resident of their Commission District. Polk County became a Home Rule Charter County on January 1, 1999, with an appointed county manager, and with separate legislative and executive functions. The county manager is the head of the administrative branch of county government and is responsible to the board of county commissioners for the proper administration of all affairs of the County, except for those powers, duties and functions residing, as specified by law, with the elected constitutional officers.

The Clerk is an elected public official serving both the Circuit and County Court in an administrative capacity. The Clerk's functions are to keep the courts' records and seal, serve as county recorder, issue and process, enter judgments and orders, give certified copies from the records, record and maintain custody of records, summon and process juries, serve as accountant, auditor and clerk to the board of county commissioners and perform other designated duties.



**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reporting Entity (Continued)**

The general operations of the Clerk are funded through the fees charged to third parties and budget appropriations from the Polk County, Florida, Board of County Commissioners. The court operations of the Clerk are funded through fees and fines charged to third parties and funding from the Florida Clerk of Court Operations Corporation. The record modernization operations of the Clerk are funded through recording fees.

**Measurement Focus, Basis of Accounting, and Basis of Presentation**

These fund financial statements are prepared in conformity with the reporting guidelines established by the GASB and accounting practices prescribed by the Auditor General of the State of Florida. These financial statements present only the portion of the funds of Polk County, Florida that are attributable to the Clerk. They are not intended to present fairly the financial position and results of operations of Polk County, Florida in conformity with accounting principles generally accepted in the United States of America.

The Clerk reports the following major funds:

**General Fund** – The General Fund is used to account for all revenue and expenditures applicable to the general operations of the Clerk, which are not accounted for in another fund. All operating revenue not specifically restricted or designated as to use, is recorded in the general fund.

**Court Fund** – The Court Fund is used to account for all court-related financial resources. Based on the legal opinion provided by Clerks of Court Operations Corporation (CCOC) general counsel of the provisions of Section 28.35 and Section 28.37(3), *Florida Statutes*, which were adopted as policy by the CCOC Finance and Budget Committee, a portion of excess court-related funds have been included in a fund liability, Due to Other Governments.

**Records Modernization Fund** – To account for the additional service charges on recorded instruments for modernizing the official record keeping systems in the Clerk's office per Section 28.24(12)(d), *Florida Statutes* and funding court-related technology needs of the clerk as defined in s. 29.008(1)(f)2. and (h) per 28.24(12)(e), *Florida Statutes*.

Additionally, the Clerk reports the following fund type:

**Fiduciary Fund Type**

**Custodial Funds** – Custodial Funds are used to account for assets held by a government in a fiduciary capacity for individuals, private organizations, or other governments.

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable, except accrued compensated absences which are recorded only when payment has matured and will be payable shortly after year-end.

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities generally are included on the balance sheet. Statement of revenues, expenditures, and changes in fund balances of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

In governmental funds, intergovernmental revenues are considered susceptible to accrual when they are both measurable and available.

Charges for services, recording fees, fines and forfeitures and miscellaneous revenues are generally recorded as revenues when received in cash because they are usually not measurable until actually received.

**Use of Estimates**

The preparation of the financial statements requires management of the Clerk to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Actual results could differ from estimates.

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets and Budgetary Accounting**

The following are the procedures followed by the Clerk in establishing the budget:

The General Fund and Court Fund legally adopt budgets which are prepared on the modified accrual basis of accounting. Formal budgetary integration is employed as a management control device during the year for the General Fund and Court Fund. There is no legal requirement to adopt a budget for the Records Modernization Fund.

**General Fund**

The budget for the General Fund is prepared, adopted and administered in accordance with Sections 129.03 and 218.35, *Florida Statutes*. Section 28.36 also requires separation of the part pertaining to the court system from that pertaining to the Clerk and the Auditor of the board of county commissioners.

On or before May 1, of each year the Clerk submits to the board of county commissioners a tentative budget for expenditures to be paid by the board of county commissioners on behalf of the Clerk of the Circuit Court for the ensuing fiscal year.

Prior to September 1 of each year, the Clerk submits a budget to the board of county commissioners for filing which includes proposed expenditures for the operations of the Clerk's Office and the means of financing operations.

Section 129.07, *Florida Statutes*, provides that only excesses of total fund budgets are unlawful. Unused appropriations expire at the end of each state fiscal year.

**Court Fund**

The budget for the Court Fund shall further conform to the following requirements:

1. On or before June 1 of each year beginning in 2014, the proposed budget shall be prepared, summarized, and submitted to the Florida Clerks of Court Operations Corporation (CCOC) in the manner and form prescribed by the CCOC. The proposed budget must provide detailed information on the anticipated revenues available and expenditures necessary for the performance of the court-related functions of the Clerk's office for the county fiscal year beginning October 1.
2. The proposed budget must be balanced such that the total of the estimated revenues available equals or exceeds the total of the anticipated expenditures. Such revenues include revenue projected to be received from fees, service charges, costs, and fines for court-related functions during the fiscal period covered by the budget. The anticipated expenditures must be itemized as required by the CCOC.
3. If the Clerk estimates that available funds plus projected revenues from fines, fees, service charges, and costs for court-related services are insufficient to meet the anticipated expenditures for the standard list of court-related functions performed by the Clerk's office, the Clerk must report the revenue deficit to the CCOC.

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets and Budgetary Accounting (Continued)**

The CCOC shall verify that the proposed budget is limited to the standard list of court-related functions. If the CCOC verifies that a revenue deficit is projected, the CCOC shall certify a revenue deficit and notify the department of revenue that the Clerk is authorized to retain revenues, in an amount necessary to fully fund the projected revenue deficit, which he or she would otherwise be required to remit to the department of revenue for deposit into the department's Clerks of the Court Trust Fund pursuant. If a revenue deficit is projected for that clerk after retaining all of the projected collections from the court-related fines, fees, service charges, and costs, the corporation shall certify the amount of the revenue deficit to the Executive Office of the Governor and request release authority for funds from the department's Clerks of the Court Trust Fund.

**Accrued Compensated Absences**

Full-time employees earn annual leave at varying rates depending upon length of service as follows:

<u>Length of Service</u>	<u>Annual Leave Earned</u>
0 to 5 Years	22 Days
6 to 10 Years	25 Days
11 to 15 Years	28 Days
16 to 20 Years	31 Days
21 Years Plus	35 Days

The maximum permissible accumulation of annual leave is 35 days as of January 1 of each year. At termination, employees are paid for any accumulated annual leave up to 35 days.

Sick leave accumulates for employees hired prior to December 28, 2004 at the rate of two days per calendar year and is cumulative. At termination, employees are paid for any accumulated sick leave, based upon the following schedule provided they have 160 hours, up to a maximum of 800 hours for those employees hired prior to December 1, 1990, and a maximum of 400 hours for those employees hired after December 1, 1990.

At termination, employees hired prior to October 1, 1996 are paid for any accumulated sick leave based on the following schedule:

<u>Length of Service</u>	<u>Percentage of Sick Leave</u>
0 to 2 Years	0%
3 to 5 Years	25%
6 to 10 Years	30%
11 to 15 Years	35%
16 to 20 Years	40%
21 Years Plus	50%

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accrued Compensated Absences (Continued)**

The Clerk uses the last-in, first-out (LIFO) method of recognizing the use of compensated absences. Under this method, compensated absences are recorded as an expenditure when the liability is liquidated with expendable available financial resources. Thus, unless it is anticipated that compensated absences will be used in excess of a normal year's accumulation, no additional expenditures are accrued by the Clerk. These liabilities are recorded in the Comprehensive Annual Financial Report of Polk County, Florida for the entire county and are not reflected in these statements.

**Other Postemployment Benefit Obligations**

The County provides certain health care benefits for retired employees. In accordance with Section 112.0801, *Florida Statutes*, and as authorized by the County Ordinance 2011-023, effective October 3, 2011, and County Ordinance 2017-037 effective July 25, 2017, the County offers retiring employees enrolled in the County's plans at the time of retirement and their covered dependents the opportunity to continue to participate in health and/or life insurance plans through the County's Retiree Benefits Program. The Clerk participates with Polk County in offering retiring employees the opportunity to continue to participate in the County's health insurance plan. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

**Excess Fees**

Chapter 218, *Florida Statutes*, requires that any excess of revenues over expenditures in the General Fund which are not court related (excess fees) held by the Clerk at the end of each fiscal year shall be remitted to the board of county commissioners. For the year ended September 30, 2022, the Clerk remitted \$3,990,639 to the board of county commissioners, Polk County, Florida.

**Capital Assets**

Capital assets purchased by the Clerk are recorded as capital outlay expenditures. Ownership of all capital assets is vested in the Polk County, Florida Board of County Commissioners as provided by Chapter 274, *Florida Statutes*. The Clerk's policy is to capitalize expenditures for assets with a life of more than one year and cost of greater than \$1,000. Donated assets are recorded at their acquisition value at the date of donation.

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents**

All funds participate in the pooled cash program for the purpose of maximizing interest income. The earnings of the pool are allocated on a monthly basis to individual funds based upon their average monthly balance in the pool.

**Fund Balance and Spending Policies**

In accordance with GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. The following are the definitions of the fund balance classifications:

**Nonspendable** — Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted** — Amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed** — Amounts that can be used only for specific purposes determined by a formal action of the Clerk. As the Clerk is an elected official responsible for the activities of the Clerk’s office, she is the highest level of decision-making authority and any official order from the Clerk would be required to authorize commitment of fund balance.

**Assigned** — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used or specific purposes.

**Unassigned** — All other spendable amounts.

The Clerk has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states when an expenditure is incurred in the General Fund, the Clerk will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts. All other funds in which a fund expenditure is incurred, the Clerk will first use assigned amounts, then committed amounts, then restricted amounts, and finally unassigned amounts.

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Legislature Revisions**

Effective July 1, 2004, Senate Bill 2962 implemented modifications to Article V, Revision 7 of the Constitution of the State of Florida (Article V). Article V modifications altered the funding for the county and circuit courts in the state of Florida. From July 1, 2004 and forward, Article V transferred the cost of county and circuit court operations from a board of county commissioners funded operation to a state funded operation. Effective July 1, 2013 with Senate Bill 1500, the Clerks are allotted a statewide budget that is allocated across the 67 Clerks by the Clerk of Courts Operations Corporation. Clerk's whose budgeted revenue is less than this budget allocation receive the expected shortfall in a 1/12th appropriation monthly. If a Clerk collects revenue in excess of 1/12th of their allocation in any month they must remit the excess by the 10th of the following month. Unspent revenue must be remitted at the end of the fiscal year.

**Adoption of New Accounting Standards:**

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized 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 standard, 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.

The Clerk adopted the requirements of the guidance effective October 1, 2021 and has elected to apply the provisions of this standard to the beginning of the period of adoption.

**NOTE 2 CASH AND CASH EQUIVALENTS**

**Deposits**

At September 30, 2022, the Clerk's book balance of pooled cash was \$49,659,287. The bank balances in qualified depositories totaled \$51,554,245. The Clerk's bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for each banking relationship. The remaining balances in such accounts are collateralized with the state treasurer pursuant to Chapter 280, *Florida Statutes*. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

**Custodial Credit Risk and Interest Rate Risk**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At year-end, the Clerk's deposits were entirely covered by federal depository insurance or guaranteed by qualified public depositories in Florida pursuant to Chapter 280.07, *Florida Statutes*. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

**NOTE 3 LONG-TERM LIABILITIES**

The following is a summary of the changes in long-term liabilities which are reported in the basic financial statements of Polk County, Florida.

	October 1, 2021	Additions	Deletions	September 30, 2022	Due Within One Year
Accrued Compensated Absences	\$ 1,204,401	\$ 1,485,368	\$ (1,578,816)	\$ 1,110,953	\$ 922,781
Lease Liability*	155,219	166,386	(89,420)	232,185	77,954
Total Long-Term Liabilities	<u>\$ 1,359,620</u>	<u>\$ 1,651,754</u>	<u>\$ (1,668,236)</u>	<u>\$ 1,343,138</u>	<u>\$ 1,000,735</u>

\* - Restated due to GASB 87 Implementation

The long-term liabilities are not reported in the financial statements of the Clerk since they are not payable from available spendable resources, and they have not matured. They are reported in the financial statements of the County.

The Clerk leases equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2027 and provide renewal options ranging from 12 months to 3 years.

**NOTE 4 CAPITAL ASSETS**

Capital assets used by the Polk County, Florida Clerk of Circuit Court in operations is reported in the basic financial statements of the County. The Clerk maintains custodial responsibility for capital assets used by the office.



**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

The following is a summary of changes in capital assets:

	October 1, 2021	Additions	Disposals	September 30, 2022
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ 306,630	\$ 246,660	\$ -	\$ 553,290
Capital Assets Being Depreciated:				
Buildings and Improvements	10,130	-	-	10,130
Equipment	359,017	-	(10,787)	348,230
Furniture	540,061	-	-	540,061
IT Equipment	1,120,238	12,998	(287,334)	845,902
Software	7,242,826	-	-	7,242,826
Right-to-Use Lease IT Equipment*	63,971	-	-	63,971
Right-to-Use Lease Equipment*	91,248	166,386	(48,133)	209,501
Total Capital Assets Being Depreciated	9,427,491	179,384	(346,254)	9,260,621
Less Accumulated Depreciation:				
Buildings and Improvements	10,130	-	-	10,130
Equipment	234,134	21,736	(10,787)	245,083
Furniture	524,717	4,232	-	528,949
IT Equipment	670,914	136,961	(273,282)	534,593
Software	7,163,343	44,813	-	7,208,156
Right-to-Use Lease IT Equipment*	-	45,981	-	45,981
Right-to-Use Lease Equipment*	-	42,664	(25,451)	17,213
Total Accumulated Depreciation	8,603,238	296,387	(309,520)	8,590,105
Total Capital Assets, Net	<u>\$ 1,130,883</u>	<u>\$ 129,657</u>	<u>\$ (36,734)</u>	<u>\$ 1,223,806</u>

\* - Restated due to GASB 87 Implementation

**NOTE 5 PENSION PLAN**

**Background**

The Florida Retirement System (FRS) was created by Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiemployer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 5 PENSION PLAN (CONTINUED)**

**Background (Continued)**

Essentially all regular employees of the Clerk are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiemployer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

**Florida Retirement System Pension Plan**

**Plan Description**

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiemployer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 5 PENSION PLAN (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Plan Description (Continued)**

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**Benefits Provided**

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

**Retiree Health Insurance Subsidy Program**

**Plan Description**

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiemployer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 5 PENSION PLAN (CONTINUED)**

**Retiree Health Insurance Subsidy Program (Continued)**

**Benefits Provided**

For the fiscal year ended June 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

**FRS Investment Plan**

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Clerk employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of plan members.

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 5 PENSION PLAN (CONTINUED)**

**FRS Investment Plan (Continued)**

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Clerk.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

**Contributions**

Participating employer contributions are based upon statewide rates established by the state of Florida. The Clerk contributions made to the plans during the years ended September 30, 2022, 2021, and 2020 were \$1,582,684, \$1,345,880, and \$1,183,386, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in Polk County's Annual Comprehensive Financial Report.

**NOTE 6 LEASES**

The Clerk leases assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Detailed information about the Clerk's leases can be found in the Polk County, Florida Annual Comprehensive Financial Report.

Leases entered into by the Clerk are included as other financing sources and capital outlay expenditures in the statement of revenues, expenditures, and changes in fund balance in the year of inception. Payments made in accordance with the lease terms are reported as debt service expenditures in the statement of revenues, expenditures, and changes in fund balance as they are incurred.

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 6 LEASES (CONTINUED)**

During the year ended September 30, 2022, the Clerk entered into leases in the amount of \$166,386. During the year ended September 30, 2022, the Clerk's principal and interest payments on leases totaled \$95,850.

Total future minimum lease payments under lease agreements are as follows:

		<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2023	\$	77,954	\$	11,455	\$	89,409
2024		43,493		8,690		52,183
2025		43,125		5,814		48,939
2026		35,888		3,318		39,206
2027		31,725		947		32,672
Total Minimum Lease Payments	\$	232,185	\$	30,224	\$	262,409

**NOTE 7 RELATED PARTY TRANSACTIONS**

Transactions with the Polk County Board of County Commissioners for the year ended September 30, 2022 were as follows:

Budget Appropriation – The General Fund of the Clerk received revenues in the amount of \$6,146,458 for the year ended September 30, 2022, from the Polk County, Florida Board of County Commissioners. The Clerk also has receivables from the Polk County, Florida Board of County Commissioners in the amount of \$15,204 as of September 30, 2022.

As of September 30, 2022, the Clerk has additional payables to the Polk County, Florida Board of County Commissioners and the Polk County, Florida Sheriff in the amount of \$4,604,963 as follows:

General Fund - Excess Fees Due to BOCC	\$	3,836,865
General Fund - Other Amounts Due to BOCC		632,442
General Fund - Due to Other (Sheriff)		132,559
Court Fund - Due to BOCC		3,097
Total	\$	4,604,963

**NOTE 8 COMMITMENTS AND CONTINGENCIES**

**Litigation**

Various suits and claims arising in the ordinary course of operations, some of which may involve substantial amounts, are pending against the Clerk. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Clerk, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the Clerk or the results of its operations.

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 8 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Grant Programs**

The Clerk participates in a number of federal and state grant programs which are subject to financial and compliance audits by the grantors or their representatives. The grantor audits of all programs for or including the year ended September 30, 2022 have not been completed.

Accordingly, the Clerk's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies, cannot be determined at this time although the Clerk expects such amounts, if any, to be immaterial.

**NOTE 9 RISK MANAGEMENT**

The Clerk participates in the risk management program through the Polk County, Florida Board of County Commissioners under a local government risk management pool. There were no losses reported for the years ended September 30, 2022, 2021, nor 2020.

There have been no significant reductions in insurance coverage in the last year. Settled claims have not exceeded the insurance provided by third-party carriers in any of the last three years.

The County is exposed to various risk of loss related to theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. A self-insurance program is effectively maintained by the County to administer insurance activities related to workers' compensation insurance, general and employment practices liability, auto liability and health. The County's self-insurance program covers operations of the board of county commissioners and the constitutional officers. Under the program, the County has retention limits for each type of claim, which is covered by commercial insurance purchased by the County.

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 9 RISK MANAGEMENT (CONTINUED)**

Claim Type	County Coverage (Deductible/Self-insured Amount)	Excess Carrier's Coverage
Property	Deductible \$1,000,000 except for as below:  Named Windstorm 3% of TIV with \$5,000,000 Maximum \$1,000,000 Builders Risk	\$ 60,000,000 Named Windstorm \$ 100,000,000 All Other Perils (AOP) \$ 50,000,000 Builder's Risk \$ 25,000,000 Earthquake Aggregate \$ 20,000,000 Flood Aggregate \$ 10,000,000 Flood Aggregate (zones A & V)
General and Employment Practices Liability	\$1,000,000 Self-insurance Retention Sovereign immunity limits: \$200,000 Any One Person \$300,000 Any One Claim	\$ 5,000,000 Per Occurrence \$ 10,000,000 Aggregate
General and Auto Liability	\$1,500,000 Self-insured Retention Sovereign immunity limits: \$200,000 Any One Person \$300,000 Any One Claim	\$ 5,000,000 Per Occurrence
Employee Health	\$1,000,000 Self-insurance Retention	Unlimited Stop Loss
Workers Compensation	\$1,500,000 Self-insured Retention \$1,000,000 Employers Liability	Workers Compensation Statutory Employers Liability - No Excess Coverage



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**SUPPLEMENTARY INFORMATION - COMBINING SCHEDULES**

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
COMBINING STATEMENT OF FIDUCIARY  
NET POSITION – ALL CUSTODIAL FUNDS  
SEPTEMBER 30, 2022  
(SEE INDEPENDENT AUDITORS' REPORT)**

	County Court	Registry of Court	Jury and Witness	Domestic Relations	Tax Deed	Intangible Tax and Documentary	County Court/ Civil Court	Cash Bonds	Other Custodial Funds	Total Custodial Funds
<b>ASSETS</b>										
Cash and Cash Equivalents	\$ 2,060,759	\$ 18,720,288	\$ 32,494	\$ 330,901	\$ 5,905,091	\$ 875,206	\$ 12,899	\$ 1,614,172	\$ 763,034	\$ 30,314,844
<b>LIABILITIES</b>										
Due to State of Florida	\$ 925,455	\$ -	\$ -	\$ -	\$ -	\$ 875,206	\$ -	\$ -	\$ 258,822	\$ 2,059,483
Due to Municipalities	146,775	-	-	-	-	-	-	-	-	146,775
Due to Others	988,529	-	-	330,901	5,905,091	-	-	-	504,212	7,728,733
Deposits, Registry of the Court	-	4,299,988	-	-	-	-	-	-	-	4,299,988
Deposits, Witness Fees	-	-	32,494	-	-	-	-	-	-	32,494
Total Liabilities	2,060,759	4,299,988	32,494	330,901	5,905,091	875,206	-	-	763,034	14,267,473
<b>FIDUCIARY NET POSITION</b>	-	14,420,300	-	-	-	-	12,899	1,614,172	-	16,047,371
Total Liabilities and Fiduciary Net Position	\$ 2,060,759	\$ 18,720,288	\$ 32,494	\$ 330,901	\$ 5,905,091	\$ 875,206	\$ 12,899	\$ 1,614,172	\$ 763,034	\$ 30,314,844

**POLK COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY  
NET POSITION – ALL CUSTODIAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2022  
(SEE INDEPENDENT AUDITORS' REPORT)**

	County Court	Registry of Court	Jury and Witness	Domestic Relations	Tax Deed	Intangible Tax and Documentary	County Court/ Civil Court	Cash Bonds	Other Custodial Funds	Total Custodial Funds
<b>ADDITIONS</b>										
Tax and Fees Collections										
Individuals and Businesses	\$ 914,853	\$ -	\$ 30,000	\$ 2,261,485	\$ 7,825,755	\$ 152,664,179	\$ 20	\$ 1,783,575	\$ 447,146	\$ 165,927,013
Other Governments	2,434,701	59,711,209	-	-	-	-	-	17,414	66	62,163,390
License and Fees Collected from State Agencies	<u>8,530,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>153,086,294</u>	<u>-</u>	<u>-</u>	<u>3,447,792</u>	<u>165,064,756</u>
Total Additions	11,880,224	59,711,209	30,000	2,261,485	7,825,755	305,750,473	20	1,800,989	3,895,004	393,155,159
<b>DEDUCTIONS</b>										
Payments of Property Tax										
Individuals and Businesses	-	2,687,230	30,000	2,261,485	-	-	-	-	-	4,978,715
Other Governments	3,390,060	50,181,291	-	-	7,825,755	153,090,670	-	2,626,956	469,279	217,584,011
Payments to State Agencies	<u>8,490,164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,659,803</u>	<u>-</u>	<u>-</u>	<u>3,425,725</u>	<u>164,575,692</u>
Total Deductions	11,880,224	52,868,521	30,000	2,261,485	7,825,755	305,750,473	-	2,626,956	3,895,004	387,138,418
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	-	6,842,688	-	-	-	-	20	(825,967)	-	6,016,741
Fiduciary Net Position - Beginning of Year	<u>-</u>	<u>7,577,612</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,879</u>	<u>2,440,139</u>	<u>-</u>	<u>10,030,630</u>
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 14,420,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,899</u>	<u>\$ 1,614,172</u>	<u>\$ -</u>	<u>\$ 16,047,371</u>

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

Honorable Stacy M. Butterfield  
Clerk of the Circuit Courts  
Polk County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and aggregate remaining information of the Polk County, Florida Clerk of the Circuit Court (the Clerk), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated April 6, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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

Honorable Stacy M. Butterfield  
Clerk of the Circuit Court

**Report on Compliance and Other Matters**

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

***Purpose of this Report***

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



**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 6, 2023



## MANAGEMENT LETTER

Honorable Stacy M. Butterfield  
Polk County Clerk of the Circuit Court  
Polk County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Polk County, Florida, Clerk of the Circuit Court (the Clerk) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated April 6, 2023.

### ***Auditors' Responsibility***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

### ***Other Reporting Requirements***

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 6, 2023, should be considered in conjunction with this management letter.

### ***Prior Audit Findings***

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

### ***Official Title and Legal Authority***

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 in the notes to the financial statements.



Honorable Stacy M. Butterfield  
Clerk of the Circuit Court

***Financial Management***

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

***Additional Matters***

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

***Purpose of this Letter***

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Clerk, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 6, 2023



## INDEPENDENT ACCOUNTANTS' REPORT

Honorable Stacy M. Butterfield and the Florida Auditor General  
Clerk of Circuit Courts  
Polk County, Florida

We have examined Polk County, Florida Clerk of the Circuit Court's (the Clerk's) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds; Section 61.181, *Florida Statutes*, regarding clerks of the courts alimony and child support payments; and Sections 28.35 and 28.36, *Florida Statutes*, regarding clerks of the courts performance standards and budgets during the year ended September 30, 2022. Management of the Clerk is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with Section 218.415, *Florida Statutes*, regarding the investment of public funds; Section 61.181, *Florida Statutes*, regarding clerk of courts alimony and child support payments; and Sections 28.35 and 28.36, *Florida Statutes*, regarding clerks of court performance standards and budgets, during the year ended September 30, 2022.

This report is intended solely for the information and use of the Clerk and the Auditor General, state of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 6, 2023

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**POLK COUNTY, FLORIDA  
PROPERTY APPRAISER**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL REPORTS**

**YEAR ENDED SEPTEMBER 30, 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**POLK COUNTY, FLORIDA  
PROPERTY APPRAISER  
TABLE OF CONTENTS  
YEAR ENDED SEPTEMBER 30, 2022**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GENERAL FUND</b>	<b>4</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCES – BUDGET TO ACTUAL – GENERAL FUND</b>	<b>5</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>6</b>
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</b>	<b>20</b>
<b>MANAGEMENT LETTER</b>	<b>22</b>
<b>INDEPENDENT ACCOUNTANTS' REPORT</b>	<b>24</b>

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## INDEPENDENT AUDITORS' REPORT

Honorable Marsha M. Faux  
Property Appraiser  
Polk County, Florida

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the general fund of the Polk County, Florida Property Appraiser (Property Appraiser), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Property Appraiser as of September 30, 2022, and the changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Property Appraiser and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Emphasis of Matter**

As discussed in Note 1, the financial statements of the Property Appraiser referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the financial statements are intended to present the financial position, the changes in financial position of only that portion of the general fund information of Polk County, Florida that is attributable to the transactions of the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Polk County, Florida as of September 30, 2022, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

***Required Supplementary Information***

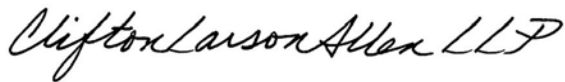
Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.



Honorable Marsha M. Faux  
Property Appraiser

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2023, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Lakeland, Florida  
January 20, 2023

**POLK COUNTY, FLORIDA  
PROPERTY APPRAISER  
BALANCE SHEET – GENERAL FUND  
SEPTEMBER 30, 2022**

**ASSETS**

Cash	\$ 1,134,267
Accounts Receivable	62,966
Prepaid Items	<u>81,503</u>
Total Assets	<u><u>\$ 1,278,736</u></u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts Payable	\$ 24,542
Due to Polk County, Florida Board of County Commissioners	861,446
Due to Other Special Taxing Districts	23,571
Accrued Liabilities	<u>369,177</u>
Total Liabilities	1,278,736

**FUND BALANCE**

Nonspendable	81,503
Unassigned	<u>(81,503)</u>
Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,278,736</u></u>

*See accompanying Notes to Financial Statements.*

**POLK COUNTY, FLORIDA  
PROPERTY APPRAISER  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Board of County Commissioners	\$ 10,546,575	\$ 10,549,637	\$ 10,549,637	\$ -
Special Taxing Districts	288,588	288,672	288,672	-
Interest	-	-	36,542	36,542
Miscellaneous	-	-	477,631	477,631
Total Revenues	<u>10,835,163</u>	<u>10,838,309</u>	<u>11,352,482</u>	<u>514,173</u>
<b>EXPENDITURES</b>				
General Government:				
Personal Services	9,444,883	9,448,029	9,228,889	219,140
General Operating	1,314,305	1,314,305	1,055,757	258,548
Capital Outlay	75,975	75,975	483,676	(407,701)
Debt Service:				
Principal	-	-	106,818	(106,818)
Interest	-	-	6,921	(6,921)
Total Expenditures	<u>10,835,163</u>	<u>10,838,309</u>	<u>10,882,061</u>	<u>(43,752)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	470,421	470,421
<b>OTHER FINANCING USES</b>				
Distribution of Excess Fees to Polk County, Florida Board of County Commissioners	-	-	(861,446)	(861,446)
Leases	-	-	414,596	414,596
Distribution of Excess Fees to Special Taxing Districts	-	-	(23,571)	(23,571)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(470,421)</u>	<u>(470,421)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

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**POLK COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Polk County, Florida Property Appraiser (Property Appraiser) conform to accounting principles, as applicable to governmental units generally accepted in the United States of America. The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and footnotes in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

**Reporting Entity**

Polk County, Florida is a political subdivision of the State of Florida governed by the State Constitution and general laws of the State of Florida.

The legislative and governing body of the County is the five-member Board of County Commissioners. Each County Commissioner is elected on a countywide basis for a four-year term of office and each County Commissioner is a resident of their Commission District. Polk County became a Home Rule Charter County on January 1, 1999, with an appointed County Manager, and with separate legislative and executive functions. The County Manager is the head of the administrative branch of county government and is responsible to the Board of County Commissioners for the proper administration of all affairs of the County, except for those powers, duties and functions residing, as specified by law, with the elected constitutional officers.

There are six offices elected countywide which are as follows: Board of County Commissioners composed of five members, Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector.

The Property Appraiser is an elected official of the County pursuant to Article 8, Section 1(d), of the Constitution of the State of Florida. For financial statement and reporting purposes, the Property Appraiser does not meet the definition of a legally separate organization and is not considered to be a component unit. The Property Appraiser is considered to be a part of the primary government of Polk County, Florida (the County).

The financial activities of the Property Appraiser, as a constitutional officer are included in the Polk County, Florida Annual Comprehensive Financial Report.

**Measurement Focus, Basis of Accounting, and Basis of Presentation**

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Property Appraiser to only present fund financial statements. These financial statements present only the portion of the funds of Polk County, Florida that are attributable to the Property Appraiser. They are not intended to present fairly the financial position and results of operations of Polk County, Florida in conformity with accounting principles generally accepted in the United States of America (GAAP).

**POLK COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Description of Fund**

The accounting records are organized for reporting purposes on the basis of a governmental fund. The Property Appraiser's only governmental fund is the general fund. The general fund is used to account for the general operations of the Property Appraiser.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accounts of the governmental funds use the current financial resources measurement focus and are maintained on the modified accrual basis. Under the modified accrual basis, expenditures are recorded at the time liabilities are incurred and revenues are recorded when received in cash or when they are considered both measurable and available and, as such, are susceptible to accrual. For this purpose, the Property Appraiser considers revenues to be available if they are collected within 60 days after year-end.

**Fund Balance and Spending Policies**

In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned.

As the Property Appraiser is an elected official responsible for the activities of the Property Appraiser's office, she is the highest level of decision making authority and any official order from the Property Appraiser would be required to authorize commitment of fund balance. Also, the finance director has been given the authority to assign fund balance for a specific purpose.

The Property Appraiser has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states that when an expenditure is incurred and where restricted, committed, assigned, or unassigned amounts are available to be used, the Property Appraiser will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

**Budgets and Budgetary Accounting**

Chapter 195, Florida Statutes, governs the preparation, adoption and administration of the Property Appraiser's annual budget. The General Fund budget is prepared on a basis consistent with GAAP. Section 129.07, Florida Statutes, provides that only excesses of total fund budgets are unlawful.

**POLK COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets and Budgetary Accounting (Continued)**

The following are procedures followed in establishing the budget for the Property Appraiser's office:

1. On or before June 1 of each year, the Property Appraiser submits an annual budget for the operation of the office to the State of Florida, Department of Revenue, Ad Valorem Tax Division (the Department). A copy of the budget is also furnished to the Board of County Commissioners. After the budget has been reviewed and approved by the Department, it becomes the operating budget for the ensuing fiscal year.
2. The Property Appraiser's operating budget can only be amended after written approval has been received from the Department.
3. The Department approves all transfers between appropriation categories requested by the Property Appraiser, and this becomes the level of budgetary control for the Property Appraiser's office.
4. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable to the fiscal year, whenever legally authorized.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.

**Accounts Receivable**

All receivables are expected to be collected. As such, no allowance has been recorded.

**Use of Estimates**

The preparation of the fund financial statements is in conformity with GAAP, as applicable to government entities, requires management to make use of estimates that affect the reported amounts in the financial statement. Actual results could differ from estimates.

**Return of "Excess Fees"**

Florida Statutes further provide that the excess of revenues over expenditures held by the Property Appraiser be distributed to each governmental agency or the Board in the same proportion as the fees paid by each governmental agency bear to total fee revenues. The amount of this distribution is recorded as a liability and as an other financing use-transfer out in the accompanying financial statements.

**POLK COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

Capital assets purchased by the Property Appraiser are recorded as capital outlay expenditures. Capital assets are not included in the financial statements of the Property Appraiser because ownership is vested in the Polk County, Florida Board of County Commissioners as provided by Chapter 274, Florida Statutes.

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the date received. No depreciation expense has been provided on capital assets in these financial statements. However, depreciation expense on these assets is recorded in the basic financial statements of Polk County, Florida.

**Accumulated Unpaid Vacation and Sick Pay**

Effective January 1, 2014, the Property Appraiser adopted a Paid-Time-Off (PTO) for its vacation and sick leave. The purpose of this change is providing deputies with flexible paid time off from work that can be used for any purpose (illness or vacation). All unused annual leave will carry over and will convert into PTO credits. All unused sick time on, January 1, 2014 converted into "banked sick leave". The banked sick leave may be used if desired until it is exhausted. Deputies may not take leave without pay in lieu of PTO or banked sick leave. Deputies may not use or be paid for time accrued during the first six months of employment.

Each full time deputy will accrue PTO bi-weekly, except for the last check in a three paycheck month, in hourly increments based on the deputies length of service as follows:

<u>Years of Service</u>	<u>Leave Accrued per Month</u>	<u>Days Per Year</u>
0-4 Years	6.87 Hours	22
5-9 Years	7.81 Hours	25
10-14 Years	8.75 Hours	28
15-19 Years	9.68 Hours	31
20 or More Years	10.93 Hours	35

The maximum accumulation for PTO will be 450 hours in any given payroll year.



**POLK COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accumulated Unpaid Vacation and Sick Pay (Continued)**

Deputies may sell back PTO once a year provided funds are available, if all criteria are met:

1. A minimum of 37.5 hours of scheduled PTO has been taken prior to annual sell back date. This time frame is based on the fiscal year of October through September.
2. No more than 75 hours of unscheduled PTO has been taken prior to annual sell back date. This time frame is based on the fiscal year of October through September.
3. There must be a PTO balance of a minimum of 150 hours after the sell back.

If Polk County Property Appraiser Deputies hired prior to October 1, 1996 and classified as full-time shall receive compensation for banked sick leave upon resignation and/or retirement. Any deputy terminated will not be paid sick leave. Those appointed after October 1, 1996 will not receive compensation for banked sick leave upon resignation or retirement.

A deputy shall not be eligible for compensation according to the schedule unless they have accrued a minimum of 20 days or 150 hours.

Maximum of 800 hours payable to deputies hired prior to January 1, 1987. Maximum of 400 hours payable to deputies hired after January 1, 1987. No sick leave hours payable to deputies hired after October 1, 1996.

Compensation shall be based on the deputy's computed hourly rate at the time of resignation or retirement based on hours on the books the day of resignation. Length of service and percentage payable shall be calculated on continuous service with the Property Appraiser's Office only.

<u>Years of Service</u>	<u>Percentage of Leave Accrued</u>
2-5 Years	25%
6-10 Years	30%
11-15 Years	35%
16-20 Years	40%
20 or More Years	50%

The Property Appraiser does not, nor is legally required to, accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the general fund of the Property Appraiser, but rather reported in the basic financial statements of Polk County, Florida.

**POLK COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Other Postemployment Benefit Obligations**

The County provides certain health care benefits for retired employees. In accordance with Section 112.0801, Florida Statutes, and as authorized by the County Ordinance 2011-023, effective October 3, 2011, and County Ordinance 2017-037 effective July 25, 2017, the County offers retiring employees enrolled in the County's plans at the time of retirement and their covered dependents the opportunity to continue to participate in health and/or life insurance plans through the County's Retiree Benefits Program. The Property Appraiser participates with Polk County in offering retiring employees the opportunity to continue to participate in the County's health insurance plan. Other postemployment benefits, calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

**Adoption of New Accounting Standards**

In June 2017, GASB issued Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized 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 standard, 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.

The Property Appraiser adopted the requirements of the guidance effective October 1, 2021, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

**NOTE 2 CUSTODIAL CREDIT RISK**

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the Property Appraiser will not be able to recover the value of its securities that are in the possession of an outside party.

At September 30, 2022, the Property Appraiser's book balance of cash was \$1,134,267 and the bank balance was \$1,506,807. The Federal Deposit Insurance Corporation (FDIC) insures the Property Appraiser's bank balances for \$250,000 for each banking relationship through December 31, 2022. The remaining balances are collateralized pursuant to Chapter 280, Florida Statutes. Pursuant to Chapter 280, Florida Statutes, the Property deposits are required to be entirely covered by federal depository insurance or by collateral pledged with the State Treasurer. Under this Chapter, in the event of default by a participating financial institution, (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

**POLK COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 3 CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended September 30, 2022:

	October 1, 2021	Additions	Deletions	September 30, 2022
<b>Capital Assets:</b>				
Building Improvements	\$ 68,373	\$ -	\$ -	\$ 68,373
Equipment	1,827,462	69,080	-	1,896,542
Intangibles	1,530,000	-	-	1,530,000
Right-to-Use Lease Equipment	-	414,596	-	414,596
Total Capital Assets	<u>3,425,835</u>	<u>483,676</u>	<u>-</u>	<u>3,909,511</u>
<b>Less: Accumulated Depreciation:</b>				
Building Improvements	68,373	-	-	68,373
Equipment	1,465,952	133,883	-	1,599,835
Intangibles	1,530,000	-	-	1,530,000
Right-to-Use Lease Equipment	-	306,781	-	306,781
Total Accumulated Depreciation	<u>3,064,325</u>	<u>440,664</u>	<u>-</u>	<u>3,504,989</u>
Total Capital Assets, Net	<u>\$ 361,510</u>	<u>\$ 43,012</u>	<u>\$ -</u>	<u>\$ 404,522</u>

**NOTE 4 LONG-TERM LIABILITIES**

The following is a summary of the changes in long-term liabilities which are reported in the basic financial statements of Polk County, Florida.

	October 1, 2021	Additions	Deletions	September 30, 2022	Due Within One Year
<b>Accrued Compensated</b>					
Absences	\$ 236,559	\$ 655,956	\$ (664,993)	\$ 227,522	\$ 227,522
Lease Liability	-	119,045	-	119,045	69,950
Total Long-Term Liabilities	<u>\$ 236,559</u>	<u>\$ 775,001</u>	<u>\$ (664,993)</u>	<u>\$ 346,567</u>	<u>\$ 297,472</u>

The long-term liabilities are not reported in the financial statements of the Property Appraiser since they are not payable from available spendable resources, and they have not matured. They are reported in the financial statements of the County.

The Property Appraiser leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2025 and provide renewal options ranging from 12 months to 3 years.

**POLK COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 5 PENSION PLANS**

**Background**

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Property Appraiser are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

***FLORIDA RETIREMENT SYSTEM PENSION PLAN***

**Plan Description**

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers Class – Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC) – Members in senior management level positions.

**POLK COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 5 PENSION PLANS (CONTINUED)**

***FLORIDA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)***

**Plan Description (Continued)**

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**Benefits Provided**

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

**POLK COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 5 PENSION PLANS (CONTINUED)**

***FLORIDA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)***

**Benefits Provided (Continued)**

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

***RETIREE HEALTH INSURANCE SUBSIDY PROGRAM***

**Plan Description**

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

**Benefits Provided**

For the fiscal year ended June 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

**POLK COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 5 PENSION PLANS (CONTINUED)**

***FRS INVESTMENT PLAN***

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Property Appraiser employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Property Appraiser.

**POLK COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 5 PENSION PLANS (CONTINUED)**

***FRS INVESTMENT PLAN (CONTINUED)***

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

**Contributions**

Participating employer contributions are based upon statewide rates established by the State of Florida. The Property Appraiser's contributions made to the plans during the years ended September 30, 2022, 2021, and 2020 were \$1,010,703, \$897,014, and \$757,238, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County's annual comprehensive financial report or County-wide financial statements.

**NOTE 6 LEASES**

The Property Appraiser leases assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Detailed information about the Property Appraiser's leases can be found in the Polk County, Florida Annual Comprehensive Financial Report.

Leases entered into by the Property Appraiser are included as other financing sources and capital outlay expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance in the year of inception. Payments made in accordance with the lease terms are reported as debt service expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance as they are incurred.

During the year ended September 30, 2022, the Property Appraiser entered into leases in the amount of \$414,596. During the year ended September 30, 2022, the Property Appraiser's principal and interest payments on leases totaled \$113,739.



**POLK COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 7 RELATED PARTY TRANSACTIONS**

Transactions with the Polk County, Florida Board of County Commissioners for the year ended September 30, 2022, were as follows:

Budget Appropriation – The Polk County, Florida Board of County Commissioners paid fees to the Property Appraiser for the year ended September 30, 2022 in the amount of \$10,549,637. Revenues from the Polk County, Florida Board of County Commissioners accounted for 93% of total General Fund revenues. The amount representing excess fees to the Polk County, Florida Board of County Commissioners at September 30, 2022 was \$861,446.

Health Insurance – The Board of County Commissioners provides health insurance benefits to the Property Appraiser for employees, their dependents, and retirees. The charges for the services for the year ended September 30, 2022 amounted to \$1,452,146.

Other – The Board of County Commissioners and the Clerk of Circuit Court provides other supplies and services to the Property Appraiser. The charges for these supplies and services for the year ended September 30, 2022 amounted to \$63,542 and \$230, respectively.

**NOTE 8 RISK MANAGEMENT**

The Property Appraiser participates in the risk management program through the Polk County, Florida Board of County Commissioners under a local government risk management pool. There were no losses reported for the years ended September 30, 2022, 2021, or 2020.

There have been no significant reductions in insurance coverage in the last year. Settled claims have not exceeded the insurance provided by third party carriers in any of the last three years.

The County is exposed to various risk of loss related to theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. A self-insurance program is effectively maintained by the County to administer insurance activities related to workers' compensation insurance, general and employment practices liability, auto liability and health. The County's self-insurance program covers operations of the Board of County Commissioners and the constitutional officers. Under the program, the County has retention limits for each type of claim, which is covered by commercial insurance purchased by the County.

**POLK COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 8 RISK MANAGEMENT (CONTINUED)**

Claim Type	County Coverage (Deductible/Self-insured Amount)	Excess Carrier's Coverage
Property	Deductible \$1,000,000 except for as below:  Named Windstorm 3% of TIV with \$5,000,000 Maximum \$1,000,000 Builders Risk	\$ 60,000,000 Named Windstorm \$ 100,000,000 All Other Perils (AOP) \$ 50,000,000 Builder's Risk \$ 25,000,000 Earthquake Aggregate \$ 20,000,000 Flood Aggregate \$ 10,000,000 Flood Aggregate (zones A & V)
Employment	\$ 1,500,000 Self-insurance Retention	\$ 5,000,000 Per Occurrence
Practices Liability	Sovereign immunity limits: \$ 200,000 Any One Person \$ 300,000 Any One Claim	\$ 10,000,000 Aggregate
General and Auto Liability	\$1,500,000 Self-insured Retention Sovereign immunity limits: \$ 200,000 Any One Person \$ 300,000 Any One Claim	\$ 5,000,000 Per Occurrence
Employee Health	\$ 1,000,000 Self-insurance Retention	Unlimited Stop Loss
Workers Compensation	\$ 1,500,000 Self-insured Retention \$ 1,000,000 Employers Liability	Workers Compensation Statutory Employers Liability - No Excess Coverage

**NOTE 9 LITIGATION**

Various suits and claims arising in the ordinary course of the Property Appraiser's operations are pending against the Property Appraiser. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Property Appraiser, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the Property Appraiser or the results of its operations.



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

Honorable Marsha M. Faux  
Property Appraiser  
Polk County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund of Polk County, Florida Property Appraiser (Property Appraiser), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Property Appraiser's basic financial statements, and have issued our report thereon dated January 20, 2023

***Report on Internal Control Over Financial Reporting***

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

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

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

Honorable Marsha M. Faux  
Property Appraiser

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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



**CliftonLarsonAllen LLP**

Lakeland, Florida  
January 20, 2023



## MANAGEMENT LETTER

Honorable Marsha M. Faux  
Polk County Property Appraiser  
Polk County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Polk County, Florida Property Appraiser (Property Appraiser), Florida, as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated January 20, 2023.

### ***Auditors' Responsibility***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

### ***Other Reporting Requirements***

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated January 20, 2023, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with our audit, we did not have any such findings.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 in notes to the financial statements.

Honorable Marsha M. Faux  
Property Appraiser

**Financial Management**

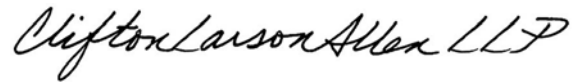
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

**Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and the Property Appraiser and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
January 20, 2023



## INDEPENDENT ACCOUNTANTS' REPORT

Honorable Marsha M. Faux and the Florida Auditor General  
Polk County Property Appraiser  
Polk County, Florida

We have examined Polk County, Florida Property Appraiser's (the Property Appraiser) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022. Management of the Property Appraiser is responsible for the Property Appraiser's compliance with the specified requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Property Appraiser complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Property Appraiser complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Property Appraiser's compliance with specified requirements.

In our opinion, the Property Appraiser complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022.

This report is intended solely for the information and use of the Property Appraiser and the Auditor General, State of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Lakeland, Florida  
January 20, 2023

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**POLK COUNTY, FLORIDA  
SHERIFF**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL REPORTS**

**YEAR ENDED SEPTEMBER 30, 2022**



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**POLK COUNTY SHERIFF  
TABLE OF CONTENTS  
YEAR ENDED SEPTEMBER 30, 2022**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>4</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCES – GOVERNMENTAL FUNDS</b>	<b>5</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE – BUDGET TO ACTUAL – GENERAL FUND</b>	<b>6</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE – BUDGET TO ACTUAL – INMATE WELFARE FUND</b>	<b>7</b>
<b>STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS</b>	<b>8</b>
<b>STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL     FUNDS</b>	<b>9</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>10</b>
<b>COMBINING SCHEDULES</b>	
<b>COMBINING SCHEDULE OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS</b>	<b>30</b>
<b>COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION –     CUSTODIAL FUNDS</b>	<b>31</b>
<b>COMBINING BALANCE SHEET– NONMAJOR FUNDS</b>	<b>32</b>
<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN     FUND BALANCE – NONMAJOR FUNDS</b>	<b>33</b>
<b>SUPPLEMENTAL REPORTS</b>	
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER     FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS     BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN     ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>34</b>
<b>MANAGEMENT LETTER</b>	<b>36</b>
<b>INDEPENDENT ACCOUNTANTS' REPORT</b>	<b>38</b>

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## INDEPENDENT AUDITORS' REPORT

Honorable Grady C. Judd  
Sheriff  
Polk County, Florida

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Polk County, Florida Sheriff (Sheriff), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund and Inmate Welfare Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Sheriff and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Emphasis of Matter*

As discussed in Note 1, the financial statements of the Sheriff referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the financial statements are intended to present the financial position, the changes in financial position of each major fund and the aggregate remaining fund information of Polk County, Florida that is attributable to the transactions of the Sheriff. They do not purport to, and do not, present fairly the financial position of Polk County, Florida as of September 30, 2022, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Honorable Grady C. Judd  
Polk County Sheriff

**Required Supplementary Information**

Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff’s financial statements. The combining statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2023, on our consideration of the Sheriff’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
February 25, 2023

**POLK COUNTY SHERIFF  
BALANCE SHEET – GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

	General Fund	Inmate Welfare	Nonmajor Governmental Fund	Total
<b>ASSETS</b>				
Cash and Investments	\$ 17,767,958	\$ 3,420,432	\$ 1,031,647	\$ 22,220,037
Due from Polk County, Florida				
Board of County Commissioners	377	-	704,734	705,111
Due from Clerk of Courts	132,195	-	363	132,558
Due from Other Governments	223,240	-	41,839	265,079
Due from Other Funds	190,000	-	200,000	390,000
Receivables, Net	250,000	4,761	1,017	255,778
Prepaid Items and Other Assets	1,118,928	-	104,613	1,223,541
	<u>19,682,698</u>	<u>3,425,193</u>	<u>2,084,213</u>	<u>25,192,104</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts Payable	3,740,177	65,208	18,112	3,823,497
Accrued Liabilities	8,580,457	9,164	12,028	8,601,649
Due to Polk County, Florida				
Board of County Commissioners	7,295,309	37,197	4,242	7,336,748
Due to Clerk of Courts	20,917	-	-	20,917
Due to Other Funds	-	-	390,000	390,000
Due to Other Governments	43,001	-	9,427	52,428
Unearned Revenue	2,837	-	-	2,837
	<u>19,682,698</u>	<u>111,569</u>	<u>433,809</u>	<u>20,228,076</u>
<b>FUND BALANCES</b>				
Nonspendable	1,118,928	-	104,613	1,223,541
Restricted	-	3,313,624	1,580,738	4,894,362
Assigned	-	-	8,149	8,149
Unassigned	(1,118,928)	-	(43,096)	(1,162,024)
Total Fund Balances	<u>-</u>	<u>3,313,624</u>	<u>1,650,404</u>	<u>4,964,028</u>
Total Liabilities and Fund Balances	<u>\$ 19,682,698</u>	<u>\$ 3,425,193</u>	<u>\$ 2,084,213</u>	<u>\$ 25,192,104</u>

See accompanying Notes to Financial Statements.



**POLK COUNTY SHERIFF  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2022**

	General Fund	Inmate Welfare	Nonmajor Governmental Fund	Total Governmental Funds
<b>REVENUES</b>				
Polk County, Florida Board of County Commissioners	\$ 187,844,834	\$ -	\$ 410,000	\$ 188,254,834
Charges for Services	14,283,732	-	711,879	14,995,611
Intergovernmental	603,616	-	94,032	697,648
Miscellaneous	4,090,130	1,172,265	74,202	5,336,597
Fines and Forfeitures	808,045	1,579	496,398	1,306,022
Interest	220,812	14,260	3,700	238,772
Sale of Capital Assets	1,255,902	-	-	1,255,902
<b>Total Revenues</b>	<u>209,107,071</u>	<u>1,188,104</u>	<u>1,790,211</u>	<u>212,085,386</u>
<b>EXPENDITURES</b>				
Public Safety:				
Personnel Services	157,759,141	301,595	490,208	158,550,944
Operating	37,023,437	119,843	514,969	37,658,249
Capital Outlay	9,258,662	129,556	20,000	9,408,218
Capital Outlay - Leases	907,766	-	-	907,766
Debt Service:				
Principal	377,919	-	-	377,919
Interest	19,858	-	-	19,858
<b>Total Expenditures</b>	<u>205,346,783</u>	<u>550,994</u>	<u>1,025,177</u>	<u>206,922,954</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	3,760,288	637,110	765,034	5,162,432
<b>OTHER FINANCING USES</b>				
Distribution of Excess Fees to Polk County, Florida Board of County Commissioners	(4,668,054)	-	-	(4,668,054)
Lease Proceeds	907,766	-	-	907,766
<b>Total Other Financing Uses</b>	<u>(3,760,288)</u>	<u>-</u>	<u>-</u>	<u>(3,760,288)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	637,110	765,034	1,402,144
Fund Balances - Beginning of Year	-	2,676,514	885,370	3,561,884
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 3,313,624</u>	<u>\$ 1,650,404</u>	<u>\$ 4,964,028</u>

See accompanying Notes to Financial Statements.

**POLK COUNTY SHERIFF  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Polk County, Florida Board of County Commissioners	\$ 186,478,823	\$ 187,844,834	\$ 187,844,834	\$ -
Charges for Services	-	14,283,733	14,283,732	(1)
Intergovernmental	-	603,616	603,616	-
Miscellaneous	-	4,090,126	4,090,130	4
Fines and Forfeitures	-	808,045	808,045	-
Interest	-	-	220,812	220,812
Sale of Capital Assets	-	1,255,902	1,255,902	-
Total Revenues	<u>186,478,823</u>	<u>208,886,256</u>	<u>209,107,071</u>	<u>220,815</u>
<b>EXPENDITURES</b>				
Public Safety:				
Personnel Services	150,566,384	158,573,054	157,759,141	813,913
Operating	33,416,306	37,829,134	37,023,437	805,697
Capital Outlay	2,496,133	12,086,278	9,258,662	2,827,616
Capital Outlay - Leases	-	1,336,184	907,766	428,418
Debt Service				
Principal	-	377,927	377,919	8
Interest	-	19,863	19,858	5
Total Expenditures	<u>186,478,823</u>	<u>210,222,440</u>	<u>205,346,783</u>	<u>4,875,657</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(1,336,184)	3,760,288	5,096,472
<b>OTHER FINANCING USES</b>				
Distribution of Excess Fees				
Polk County, Florida Board of County Commissioners	-	-	(4,668,054)	(4,668,054)
Lease Proceeds	-	1,336,184	907,766	(428,418)
Total Other Financing Uses	<u>-</u>	<u>1,336,184</u>	<u>(3,760,288)</u>	<u>(5,096,472)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**POLK COUNTY SHERIFF  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – INMATE WELFARE FUND  
SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 1,172,265	\$ 1,172,265
Fines and Forfeitures	-	-	1,579.00	1,579
Interest	-	-	14,260	14,260
Total Revenues	-	-	1,188,104	1,188,104
<b>EXPENDITURES</b>				
Public Safety:				
Personnel Services	320,095	309,785	301,595	8,190
Operating	-	132,810	119,843	12,967
Capital Outlay	-	148,000	129,556	18,444
Total Expenditures	320,095	590,595	550,994	39,601
<b>NET CHANGE IN FUND BALANCE</b>	(320,095)	(590,595)	637,110	1,227,705
Fund Balances - Beginning of Year	-	-	2,676,514	2,676,514
<b>FUND BALANCE - END OF YEAR</b>	\$ (320,095)	\$ (590,595)	\$ 3,313,624	\$ 3,904,219

See accompanying Notes to Financial Statements.

**POLK COUNTY SHERIFF  
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS  
SEPTEMBER 30, 2022**

	Custodial Funds
<b>ASSETS</b>	
Cash and Investments	\$ 862,543
Due from Individuals and Businesses	48,230
Due from Other Governments	11,581
Total Assets	\$ 922,354
<b>LIABILITIES AND FIDUCIARY NET POSITION</b>	
<b>LIABILITIES</b>	
Due to Other Governments	\$ 14,202
Due to Individuals and Businesses	1,017
Deposits	608,116
Total Liabilities	623,335
<b>FIDUCIARY NET POSITION</b>	<b>299,019</b>
Total Liabilities and Fiduciary Net Position	\$ 922,354

See accompanying Notes to Financial Statements.

**POLK COUNTY SHERIFF  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2022**

	Custodial Funds
<b>ADDITIONS</b>	
Fines and Fees Collections	
Individuals and Businesses	\$ 422,611
Other Governments	112,628
Contributions	
Individuals and Businesses	5,473,963
Total Additions	6,009,202
<b>DEDUCTIONS</b>	
Payments of Fines and Fees	521,008
Canteen Purchases	3,102,973
Inmate Spending	816,871
Miscellaneous Charges	1,505,928
Total Deductions	5,946,780
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	62,422
Total Net Position - Beginning of Year	236,597
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	\$ 299,019

See accompanying Notes to Financial Statements.

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**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Sheriff is a political subdivision of the state of Florida governed by the state constitution and general laws of the state of Florida.

The Sheriff is a county agency and a local governmental entity pursuant to Article 8, Section 1(d), of the Constitution of the State of Florida. For financial statement and reporting purposes, the Sheriff does not meet the definition of a legally separate organization and is not considered to be a component unit. The Sheriff is considered to be a part of the primary government of Polk County, Florida. The financial statements contained herein represent the financial transactions of the Sheriff only.

The accompanying financial statements have been prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Sheriff to only present fund financial statements. These financial statements present only the portion of the funds of Polk County, Florida that are attributable to the Sheriff. They are not intended to present fairly the financial position and results of operations of Polk County, Florida in conformity with accounting principles generally accepted in the United States of America. There are no separate legal entities (component units) for which the Sheriff is financially accountable.

The legislative and governing body of the county is the five-member Board of County Commissioners. Each county commissioner is elected on a county-wide basis for a four-year term of office and each county commissioner is a resident of their commission district. Polk County became a Home Rule Charter County on January 1, 1999, with an appointed county manager, and with separate legislative and executive functions. The county manager is the head of the administrative branch of county government and is responsible to the Board of County Commissioners for the proper administration of all affairs of the County, except for those powers, duties and functions residing, as specified by law, with the elected constitutional officers.

The Sheriff is the chief law enforcement officer of Polk County. He is a conservator of the peace; expressly empowered to suppress disturbances and to command the assistance of others in the furtherance of his duties. Additionally, he executes all process, both civil and criminal, within the County and is responsible for the management of the County detention facilities.

These financial statements are fund financial statements that have been prepared in conformity with the reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Sheriff, are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Basis of Presentation**

The accounts of the governmental funds are maintained on the modified accrual basis. Under the modified accrual basis, expenditures are recorded at the time liabilities are incurred, and revenues are recorded when received in cash or when they are considered both measurable and available and as such, are susceptible to accrual. For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days after year-end with the exception of grants, which have a period of availability of one year. Grants are recognized as revenue as soon as all eligibility requirements have been met. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured.

The custodial funds use the economic resources measurement focus and the accrual basis of accounting.

**Description of Funds**

The accounting records are organized for reporting purposes on the basis of governmental funds and a fiduciary funds.

**Governmental Funds**

**Major Fund**

**General Fund** – The General Fund is the general operating fund of the Sheriff. It is used to account for all financial resources, except for those required to be accounted for in another fund.

**Inmate Welfare Fund** – This fund accounts for the monies collected from commissary and canteen sales commissions, and is governed by the provisions of Section 951.23, *Florida Statute*.

**Nonmajor Funds**

**Special Revenue Funds** – The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes. These funds include expenditures for special revenue grants.

**Law Enforcement Education Fund** – These funds account for revenues from \$2.50 and \$2.00 court costs assessments pursuant to Section 938.15, *Florida Statutes* as outlined in Section 318.18, *Florida Statute*, \$85.00 domestic violence surcharge as outlined in Section 938.08, *Florida Statute*, and the \$5.00 animal control fee assessment pursuant to Polk County Ordinance 10-001, section 6. These revenues are used for the purpose of education and training of Law Enforcement, Detention and Support personnel.

**Law Enforcement Trust Fund** – These funds account for revenues from local forfeiture proceedings pursuant to Section 932.7055, *Florida Statute*, and federal civil assets forfeitures and sharing programs of Department of Justice and Department of Treasury per the U.S. Department of Justice Guide to Equitable Sharing.



**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Funds (Continued)**

**Fiduciary Funds**

**Custodial Funds** – The Custodial Funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations, and other governments. The Sheriff's Custodial Funds are: Fees and Suspense Fund; Inmate Fund; and Fines and DRDs Fund.

**Budgets and Budgetary Accounting**

The following are the procedures followed by the Sheriff in establishing the budget:

- a) On or before May 1 of each year, the Sheriff submits an annual budget for the operations of his office to the Board of County Commissioners. After the budget has been reviewed and approved by the Board of County Commissioners, it becomes the operating budget for the ensuing fiscal year.
- b) The General Fund budget is prepared on the modified accrual basis of accounting.
- c) The budget for the Sheriff is prepared, adopted and administered in accordance with Sections 30.49 and 129.03, *Florida Statutes*.
- d) Any subsequent amendments to the budget must be approved by the Board of County Commissioners. The annual budget serves as the legal authorization for expenditures.
- e) Section 129.07, *Florida Statutes*, provides that only expenditures in excess of total fund budgets are unlawful.
- f) Unused appropriations lapse at the end of each fiscal year.
- g) Formal budgetary integration is employed as a management control device for the General Fund. Budgetary Control is maintained by fund at the departmental expenditure level. Budgetary changes are made at the discretion of the Sheriff. Management uses a monthly budget variance report that analyzes year-to-date expenditures by category and fund and projects the year-end budget surplus or deficit.
- h) Budgets for the Special Revenue Funds and Other Governmental Funds are not required legally and are, therefore, not prepared.
- i) The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable to the fiscal year, whenever legally authorized.

**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

Capital assets purchased by the Sheriff are recorded as capital outlay expenditures. Ownership of all capital assets is vested in the Polk County, Florida Board of County Commissioners as provided by Chapter 274, *Florida Statutes*. The Sheriff maintains custodial responsibility for the capital assets used by his office. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the date received. The Sheriff's policy is to capitalize expenditures for equipment with a life of more than one year and cost of greater than \$5,000. However, certain items that are usually purchased in large quantities, such as computers, firearms, and radios, are considered capital assets even when their individual acquisition cost is under the \$5,000 threshold. The Sheriff's expenditures for building renovations shall only be considered capital if the renovation project exceeds \$5,000. No depreciation expense has been provided on capital assets in these financial statements. However, depreciation expense on these assets is recorded in the basic financial statements of Polk County, Florida.

**Excess Fees**

Chapter 30, *Florida Statutes*, requires that any excess of revenues over expenditures in the General Fund (excess fees) held by the Sheriff at the end of each fiscal year shall be refunded to Polk County, Florida Board of County Commissioners. Therefore, the excess of revenues over expenditures in the General Fund at the end of each fiscal year is reflected as a transfer of excess fees on the statement of revenues, expenditures and changes in fund balances, and the related liability is recorded as due to Polk County, Florida Board of County Commissioners.

**Cash and Investments**

All funds participate in the pooled cash and investments program for the purpose of maximizing investment yields. The earnings of the pool are allocated on a monthly basis to individual funds based upon their average monthly balance in the pool.

**Due to/from Other Funds**

Amounts receivable from or payable to other funds are reflected in the accounts of the fund until liquidated by payment or authorized interfund transactions.

**Receivables, Net**

Receivables include amounts due from services provided under various agreements. All receivables are current. Based on estimated collectability, the allowance for uncollectible amounts related to stipends paid to persons in the training academy is \$594,518, which is equal to the receivable of \$594,518. All other receivables are considered to be collectible and, therefore, no other allowance for doubtful accounts is considered necessary by management.

**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. Prepaid items are generally accounted for using the consumption method. These are not available expendable resources.

**Fund Balance and Spending Policies**

In accordance with GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. The following are the definitions of the fund balance classifications:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Sheriff. As the Sheriff is an elected official responsible for the activities of the Sheriff's office, he is the highest level of decision making authority and any official order from the Sheriff would be required to authorize commitment of fund balance.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Sheriff's general orders, only the executive director has been given the authority to assign fund balance for a specific purpose.

Unassigned – all other spendable amounts.

The Sheriff has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states when a general fund expenditure is incurred and where restricted, committed, assigned, or unassigned amounts are available to be used, the Sheriff will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts. All other funds in which fund expenditure is incurred and where restricted, committed, assigned, or unassigned amounts are available to be used, the Sheriff will first use unassigned amounts, then assigned amounts, then committed amounts, and finally restricted amounts.

**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accrued Compensated Absences**

**Vacation and Sick Leave Plan**

Full-time employees earn annual leave at varying rates depending upon length of service as follows:

<u>Rank</u>	<u>Length of Service</u>	<u>Annual Leave Earned</u>
Major and Above	0 and Above	240 Hours
Below Major	1 to 4 Years	96 Hours
	5 to 9 Years	120 Hours
	10 to 14 Years	160 Hours
	15 to 19 Years	180 Hours
	20 to 24 Years	200 Hours
	25 and Above Years	240 Hours

For employees hired prior to January 1, 1997, the maximum permissible accumulation of vacation leave is 36 times the monthly accrual rate. If hired after January 1, 1997, employees may accumulate vacation leave not to exceed 240 hours. At termination, employees in good standing are paid for any accumulated vacation leave.

Sick leave accumulates for full time employees at the rate of one day per calendar month and is cumulative. Employees hired after January 1, 1997 shall not be paid for accrued sick leave. However, if a full-time employee hired prior to January 1, 1997 leaves the Sheriff in good standing or retires, the employee shall be paid for accrued sick leave based on the following schedule:

<u>Length of Service</u>	<u>Percentage of Sick Leave</u>
15 to 19 Years	40 to 48%
20 to 24 Years	50 to 54%
25 to 29 Years	55 to 59%
30 and Above Years	60%

Total payable vacation and sick leave hours are multiplied by the current pay rate to determine the accrued liability. Employees are charged for the last day of vacation or sick leave when the leave is used. Thus, unless it is anticipated that vacation or sick will be used in excess of a normal year's accumulation, no additional expenditures are accrued.

The Sheriff does not, nor is the sheriff legally required to, accumulate expendable financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the governmental funds of the Sheriff, but rather reported in the basic financial statements for the Polk County, Florida.

**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accrued Compensated Absences (Continued)**

**Paid Time Off (PTO) Leave Plan**

Full-time employees earn annual leave at varying rates, depending upon length of service. All members in the PTO plan accrue leave according to the following schedule:

<u>Rank</u>	<u>Length of Service</u>	<u>PTO Leave Earned After January 1, 1997</u>
Major and Above	0 and Above	288 Hours
Below Major	0 to 4 Years	144 Hours
	5 to 9 Years	168 Hours
	10 to 14 Years	192 Hours
	15 to 19 Years	216 Hours
	20 and Above Years	248.4 Hours

There is no maximum amount of paid time off leave hours a member may accumulate. Upon termination, the maximum that shall be paid out is based on the following schedule:

<u>Length of Service</u>	<u>Members Hired January 1, 1997 to December 31, 2013</u>	<u>Members Hired January 1, 2014 and After</u>
0 to 3 Years	Up to 240 Hours	None
4 to 5 Years	Up to 240 Hours	Up to 100 Hours
6 Years	Up to 240 Hours	Up to 200 Hours
7 to 9 Years	Up to 250 Hours	Up to 250 Hours
10 to 14 Years	Up to 300 Hours	Up to 300 Hours
15 to 19 Years	Up to 350 Hours	Up to 350 Hours
20 to 24 Years	Up to 400 Hours	Up to 400 Hours
25 and Above Years	Up to 480 Hours	Up to 480 Hours

Total payable PTO leave hours are multiplied by the current pay rate to determine the accrued liability. Employees are charged for the last day of PTO leave when the leave is used. Thus, unless it is anticipated that PTO will be used in excess of a normal year's accumulation, no additional expenditures are accrued.

**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Other Postemployment Benefit Obligations**

The County provides certain health care benefits for retired employees. In accordance with Section 112.0801, *Florida Statutes*, and as authorized by the County Ordinance 2011-023, effective October 3, 2011, and County Ordinance 2017-037 effective July 25, 2017, the County offers retiring employees enrolled in the County's plans at the time of retirement and their covered dependents the opportunity to continue to participate in health and/or life insurance plans through the County's Retiree Benefits Program. The Sheriff participates with Polk County in offering retiring employees the opportunity to continue to participate in the County's health insurance plan. Other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

**Use of Estimates**

The preparation of the financial statements requires management of the Sheriff to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

**Adoption of New Accounting Standards**

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized 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 standard, 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.

The Sheriff adopted the requirements of the guidance effective October 1, 2021 and has elected to apply the provisions of this standard to the beginning of the period of adoption.

**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 2 CASH AND INVESTMENTS**

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At year-end, the Sheriff's deposits were entirely covered by federal depository insurance or guaranteed by qualified public depositories in Florida pursuant to Chapter 280.07, *Florida Statutes*. Under the Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the government entity for the loss.

**Deposits**

At September 30, 2022, the Sheriff's book balance of cash was \$23,082,579, which includes \$8,600 of cash on hand, and the bank balance was \$22,971,607. The Sheriff's interest bearing bank balance is collateralized pursuant to Chapter 280, *Florida Statutes*. The remaining balances in such accounts are collateralized with the State Treasurer pursuant to Chapter 280, *Florida Statutes*.

**Investments**

The Sheriff is authorized to invest surplus funds in accordance with Chapter 218.415, *Florida Statutes*. This investment policy formally established guidelines and authorized the Sheriff to invest in the following:

- a) the Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, in s. 163.01;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) interest bearing time deposits or savings accounts in qualified public depositories, as defined in s. 280.02, and
- d) direct obligations of the U.S. Treasury.

There were no violations of legal or contractual provisions for deposits and investments during the year.

**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

The Sheriff invests funds throughout the year with the Local Government Surplus Funds Trust Fund, "Florida PRIME" pool, an investment pool administered by the Florida State Board of Administration (SBA), under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, *Florida Statutes*. Florida PRIME is considered a qualifying external investment pool that meets all of the necessary criteria to elect to measure all of the investments at amortized cost. Therefore, the fair value of the Sheriff's position in the pool is the same as the value of the pool shares. At September 30, 2022, the balance in Florida PRIME totaled \$15,487,979.

The Sheriff's investment in the State Pool exposes it to custodial credit risk. Custodial credit risk is the risk that in the event of a failure of the counterparty to a transaction, the Sheriff will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The Florida PRIME has adopted operating procedures consistent with the requirements for a SEC 2a7-like fund (as defined in GASB 31); therefore, the account balance should be considered the fair value of the investment. The Florida PRIME is rated by Standard and Poor's. The current rating is AAAM. The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2022 was 21 days. The weighted average life (WAL) of the Florida PRIME at September 30, 2022 was 72 days.

A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the local government investment pool to interest rate changes.

In accordance with GASB 79, as a participant in a qualifying external investment pool, the Sheriff should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority) to impose liquidity fees or redemption gates in the notes to the financial statements.



**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

With regard to redemption gates, Chapter 218.409(8)(a), *Florida Statutes*, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the monies in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

With regard to liquidity fees, *Florida Statute* 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2022, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

**NOTE 3 LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the Sheriff for the year ended September 30, 2022 which are reported in the basic financial statements of Polk County, Florida:

	October 1, 2021	Additions	Deletions	September 30, 2022	Due Within One Year
Compensated Absences	\$ 10,109,546	\$ 9,414,815	\$ (9,496,638)	\$ 10,027,723	\$ 1,321,910
Lease Liability	428,417	907,766	(377,919)	958,264	328,671
	<u>\$ 10,537,963</u>	<u>\$ 10,322,581</u>	<u>\$ (9,874,557)</u>	<u>\$ 10,985,987</u>	<u>\$ 1,650,581</u>

**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 3 LONG-TERM LIABILITIES (CONTINUED)**

The Sheriff leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2031 and provide renewal options ranging from 12 months to 15 years.

**NOTE 4 PENSION PLANS**

**Background**

The Florida Retirement System (FRS) was created by Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Sheriff are eligible to enroll as members of the state-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiemployer benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

**Plan Description**

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Plan Description (Continued)**

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**Benefits Provided**

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Benefits Provided (Continued)**

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

***Retiree Health Insurance Subsidy Program***

**Plan Description**

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

**Benefits Provided**

For the fiscal year ended June 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

**FRS Investment Plan**

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Sheriff employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 4 PENSION PLANS (CONTINUED)**

**FRS Investment Plan (Continued)**

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Sheriff.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

**Contributions**

Participating employer contributions are based upon statewide rates established by the state of Florida. The Sheriff's contributions made to the plans during the years ended September 30, 2022, 2021, and 2020 were \$23,491,504, \$20,893,530, and \$19,920,312, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in Polk County's Annual Comprehensive Financial Report.

**NOTE 5 LEASES**

The Sheriff leases assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Detailed information about the Sheriff's leases can be found in the Polk County, Florida Annual Comprehensive Financial Report.

**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 5 LEASES (CONTINUED)**

Leases entered into by the Sheriff are included as other financing sources and capital outlay expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance in the year of inception. Payments made in accordance with the lease terms are reported as debt service expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance as they are incurred.

During the year ended September 30, 2022, the Sheriff entered into leases in the amount of \$907,766. During the year ended September 30, 2022, the Sheriff's principal and interest payments on leases totaled \$397,777.

Total future minimum lease payments under lease agreements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 328,671	\$ 13,963	\$ 342,634
2024	256,887	8,823	265,710
2025	247,778	3,976	251,754
2026	67,902	1,394	69,296
2027	18,907	1,005	19,912
2028-2032	38,119	1,653	39,772
Total Minimum Lease Payments	<u>\$ 958,264</u>	<u>\$ 30,814</u>	<u>\$ 989,078</u>

**NOTE 6 FUND BALANCE CLASSIFICATIONS**

As of September 30, 2022, fund balances are composed of the following:

	<u>General</u>	<u>Inmate Welfare</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:				
Prepaid Items	\$ 1,118,928	\$ -	\$ 104,613	\$ 1,223,541
Restricted:				
Inmate Welfare	-	3,313,624	-	3,313,624
Law Enforcement Education	-	-	817,099	817,099
Law Enforcement Trust Fund Purposes	-	-	527,676	527,676
Restricted for Purpose of Grants	-	-	235,963	235,963
Total Restricted	<u>-</u>	<u>3,313,624</u>	<u>1,580,738</u>	<u>4,894,362</u>
Assigned Funds				
Subsequent Year Expenditures	-	-	8,149	8,149
Unassigned Funds	<u>(1,118,928)</u>	<u>-</u>	<u>(43,096)</u>	<u>(1,162,024)</u>
Total Fund Balances	<u>\$ -</u>	<u>\$ 3,313,624</u>	<u>\$ 1,650,404</u>	<u>\$ 4,964,028</u>

**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 7 CAPITAL ASSETS**

Tangible personal property used by the Sheriff in operations is reported in the basic financial statements of Polk County, Florida.

State law requires the Sheriff to account for all tangible property used by the Sheriff. A summary of changes in capital assets for the year ended September 30, 2022:

	October 1, 2021	Additions	Disposals	Transfers	September 30, 2022
Capital Assets Not Depreciated:					
Construction-in-Progress	\$ 411,425	\$ 127,409	\$ -	\$ (89,535)	\$ 449,299
Total Assets Not Depreciated	<u>411,425</u>	<u>127,409</u>	<u>-</u>	<u>(89,535)</u>	<u>449,299</u>
Capital Assets Depreciated:					
Autos and Aircraft	40,961,578	6,638,884	(3,914,838)	-	43,685,624
Radios and Equipment	1,457,012	885,933	(885,933)	-	1,457,012
Jail Fixtures and Equipment	2,240,831	111,914	(6,429)	-	2,346,316
Office Furniture and Equipment	15,047,172	1,271,765	(130,056)	89,535	16,278,416
Other Criminal and Investigative	15,661,328	752,675	(233,193)	-	16,180,810
Right to Use - Leased Buildings	156,965	557,278	-	-	714,243
Right to Use - Leased Equipment	271,452	350,488	-	-	621,940
Total Assets Depreciated	<u>75,796,338</u>	<u>10,568,937</u>	<u>(5,170,449)</u>	<u>89,535</u>	<u>81,284,361</u>
Less Accumulated Depreciation:					
Autos and Aircraft	28,137,469	3,966,848	(3,022,603)	-	29,081,714
Radios and Equipment	1,139,248	46,006	-	-	1,185,254
Jail Fixtures and Equipment	1,655,923	159,729	(5,800)	-	1,809,852
Office Furniture and Equipment	12,021,982	1,365,967	(117,373)	-	13,270,576
Other Criminal and Investigative	8,388,004	1,121,066	(222,347)	-	9,286,723
Right to Use - Leased Buildings	-	154,243	-	-	154,243
Right to Use - Leased Equipment	-	238,355	-	-	238,355
Total Accumulated Depreciation:	<u>51,342,626</u>	<u>7,052,214</u>	<u>(3,368,123)</u>	<u>-</u>	<u>55,026,717</u>
Total Assets Depreciated, Net	<u>24,453,712</u>	<u>3,516,723</u>	<u>(1,802,326)</u>	<u>89,535</u>	<u>26,257,644</u>
Total Capital Assets, Net	<u>\$ 24,865,137</u>	<u>\$ 3,644,132</u>	<u>\$ (1,802,326)</u>	<u>\$ -</u>	<u>\$ 26,706,943</u>

**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 8 DUE TO/FROM POLK COUNTY, FLORIDA**

The amounts due from (to) the Board of County Commissioners and the Clerk of Courts as of September 30, 2022 are as follows:

<u>Due from Board of County Commissioners</u>	
General Fund	\$ 377
Nonmajor Governmental Funds	704,734
Total	<u>\$ 705,111</u>
 <u>Due to Board of County Commissioners</u>	
General Fund	\$ 7,295,309
Inmate Welfare Fund	37,197
Nonmajor Governmental Funds	4,242
Total	<u>\$ 7,336,748</u>
 <u>Due from Clerk of Courts</u>	
General Fund	\$ 132,195
Nonmajor Governmental Funds	363
Total	<u>\$ 132,558</u>
 <u>Due to Clerk of Courts</u>	
General Fund	\$ 20,917
Total	<u>\$ 20,917</u>

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

**Litigation**

Various suits and claims arising in the ordinary course of operations, some of which involve substantial amounts, are pending against the Sheriff. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Sheriff, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the Sheriff or the results of its operations.

**Contingencies**

No accrual has been made in the financial statements for contingencies related to claims not yet asserted, because the amount cannot be reasonably estimated. In management's opinion, any such claims, if asserted, would not have a material adverse effect on the operations or financial position of the Sheriff.



**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 9 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Federal and State Grant Programs**

The Sheriff participates in a number of federal and state programs. Grant programs are subject to financial and compliance audits by the grantors or their representatives. Accordingly, the Sheriff's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies, cannot be determined at this time although the Sheriff expects such amounts, if any, to be immaterial.

**NOTE 10 RELATED-PARTY TRANSACTIONS**

Transactions with the Polk County Board of County Commissioners for the year ended September 30, 2022 were as follows:

Budget Appropriations – The General Fund of the Sheriff received appropriations in the amount of \$187,844,834.

E911 – The General Fund of the Sheriff received E911 revenues in the amount of \$200,000.

Other Revenue – The General Fund of the Sheriff received revenues in the amounts of \$179,751 for charges for services, for the year ended September 30, 2022, from the Board of County Commissioners.

The Nonmajor Funds of the Sheriff received revenues in the amounts of \$1,313,913 and \$296,678 for fines and forfeitures and other charges for services, respectively, for the year ended September 30, 2022, from the Board of County Commissioners.

Fuel Expense – The General Fund of the Sheriff purchased fuel in the amount of \$2,259,812.

**NOTE 11 INTERLOCAL AGREEMENTS**

The Sheriff has entered into interlocal agreements with local governmental entities. The interlocal agreements were formed to provide law enforcement services, law enforcement related telecommunications services and related information technology services within the related municipalities within Polk County, Florida. The Sheriff shall assign personnel to provide these services consistent with each interlocal agreement. The activity for these interlocal agreements is accounted for in the General Fund in Charges and Fees for Services.

**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 12 RISK MANAGEMENT**

The Sheriff participates in the risk management program through the Polk County, Florida Board of County Commissioners under a local government risk management pool. The County is exposed to various risk of loss related to theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. A self-insurance program is effectively maintained by the County to administer insurance activities related to workers' compensation insurance, general and employment practices liability, auto liability and health. The County's self-insurance program covers operations of the Board of County Commissioners and the constitutional officers. Under the program, the County has retention limits for each type of claim, which is covered by commercial insurance purchased by the County.

Claim Type	County Coverage (Deductible/Self-insured Amount)	Excess Carrier's Coverage
Property	Deductible \$1,000,000 except for as below:  Named Windstorm 3% of TIV with \$5,000,000 Maximum \$1,000,000 Builders Risk	\$ 60,000,000 Named Windstorm \$ 100,000,000 All Other Perils (AOP) \$ 50,000,000 Builder's Risk \$ 25,000,000 Earthquake Aggregate \$ 20,000,000 Flood Aggregate \$ 10,000,000 Flood Aggregate (zones A & V)
General and Employment Practices Liability	\$1,500,000 Self-insurance Retention Sovereign immunity limits: \$200,000 Any One Person \$300,000 Any One Claim	\$ 5,000,000 Per Occurrence \$ 10,000,000 Aggregate
General and Auto Liability	\$1,500,000 Self-insured Retention Sovereign immunity limits: \$200,000 Any One Person \$300,000 Any One Claim	\$ 5,000,000 Per Occurrence
Employee Health	\$1,000,000 Self-insurance Retention	Unlimited Stop Loss
Workers Compensation	\$1,500,000 Self-insured Retention \$1,000,000 Employers Liability	Workers Compensation Statutory Employers Liability - No Excess Coverage

**NOTE 13 SHERIFF'S SALARY**

The Sheriff's salary is in accordance with Chapter 145 of the *Florida Statutes* for the year ended September 30, 2022. Per *Florida Statutes*, the Sheriff's allowed base salary was \$180,921 with Qualification and Education Incentive pay of \$2,000 and \$1,560 respectively.

**NOTE 14 SUBSEQUENT EVENTS**

The Sheriff entered into a purchase agreement on January 3, 2022 related to the purchase of one helicopter for \$1,887,435, of which \$150,000 has been prepaid as of fiscal year end September 30, 2022, with a delivery date of February 2023.

**POLK COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 15 CHANGE IN ACCOUNTING PRINCIPLE**

During the year ended September 30, 2022, the Sheriff adopted GASB Statement No. 87, *Leases*. This change requires the restatement of the beginning balances for Note 3 – Long-Term Liabilities and Note 7 – Capital Assets as follows:

	Beginning Balance
Note 3 - Long-Term Liabilities	
September 30, 2021 as Previously Reported	\$ 10,109,546
Cumulative Effect of Application of GASB Statement No. 87	428,417
Note 3 - Long-Term Liabilities	
Beginning Balance as Restated	\$ 10,537,963
	Beginning Balance
Note 7 - Capital Assets	
Total Assets Depreciated	
September 30, 2021 as Previously Reported	\$ 75,367,921
Cumulative Effect of Application of GASB Statement No. 87	428,417
Note 7 - Capital Assets	
Total Assets Depreciated	
Beginning Balance as Restated	\$ 75,796,338

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## **COMBINING SCHEDULES**

**POLK COUNTY SHERIFF  
COMBINING SCHEDULE OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2022**

	Custodial Funds			Total Custodial Funds
	Fees and Suspense	Fines and DRDs	Inmate	
<b>ASSETS</b>				
Cash and Investments	\$ 708,144	\$ 2,500	\$ 151,899	\$ 862,543
Due from Individuals and Businesses	4,999	-	43,231	48,230
Due from Other Governments	11,581	-	-	11,581
	<u>104,906</u>	<u>-</u>	<u>194,113</u>	<u>299,019</u>
Total Assets	<u>\$ 724,724</u>	<u>\$ 2,500</u>	<u>\$ 195,130</u>	<u>\$ 922,354</u>
<b>LIABILITIES AND FIDUCIARY NET POSITION</b>				
<b>LIABILITIES</b>				
Due to Other Governments	\$ 11,702	\$ 2,500	\$ -	\$ 14,202
Due to Individuals and Businesses	-	-	1,017	1,017
Deposits	608,116	-	-	608,116
	<u>619,818</u>	<u>2,500</u>	<u>1,017</u>	<u>623,335</u>
Total Liabilities	<u>619,818</u>	<u>2,500</u>	<u>1,017</u>	<u>623,335</u>
<b>FIDUCIARY NET POSITION</b>	<u>104,906</u>	<u>-</u>	<u>194,113</u>	<u>299,019</u>
Total Liabilities and Fiduciary Net Position	<u>\$ 724,724</u>	<u>\$ 2,500</u>	<u>\$ 195,130</u>	<u>\$ 922,354</u>

**POLK COUNTY SHERIFF  
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2022**

	Custodial Funds			Total Custodial Funds
	Fees and Suspense	Fines and DRDs	Inmate	
<b>ADDITIONS</b>				
Fines and Fees Collections				
Individuals and Businesses	\$ 422,611	\$ -	\$ -	\$ 422,611
Other Governments	63,644	48,984	-	112,628
Contributions				
Individuals and Businesses	-	-	5,473,963	5,473,963
Total Additions	<u>486,255</u>	<u>48,984</u>	<u>5,473,963</u>	<u>6,009,202</u>
<b>DEDUCTIONS</b>				
Payments of Fines and Fees	472,024	48,984	-	521,008
Canteen Purchases	-	-	3,102,973	3,102,973
Inmate Spending	-	-	816,871	816,871
Miscellaneous Charges	-	-	1,505,928	1,505,928
Total Deductions	<u>472,024</u>	<u>48,984</u>	<u>5,425,772</u>	<u>5,946,780</u>
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	14,231	-	48,191	62,422
Total Net Position - Beginning of Year	<u>90,675</u>	<u>-</u>	<u>145,922</u>	<u>236,597</u>
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	<u>\$ 104,906</u>	<u>\$ -</u>	<u>\$ 194,113</u>	<u>\$ 299,019</u>

**POLK COUNTY SHERIFF  
COMBINING BALANCE SHEET – NONMAJOR FUNDS  
SEPTEMBER 30, 2022**

	Special Revenue Funds	Law Enforcement Education	Law Enforcement Trust	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 254,656	\$ 237,507	\$ 539,484	\$ 1,031,647
Due from Polk County, Florida				
Board of County Commissioners	161,505	543,229	-	704,734
Due from Clerk of Courts	-	363	-	363
Due from Other Funds	-	200,000	-	200,000
Due from Other Governments	38,305	3,534	-	41,839
Receivables, Net	298	562	157	1,017
Prepaid Items and Other Assets	8,780	91,071	4,762	104,613
<b>Total Assets</b>	<b>\$ 463,544</b>	<b>\$ 1,076,266</b>	<b>\$ 544,403</b>	<b>\$ 2,084,213</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 4,319	\$ 1,828	\$ 11,965	\$ 18,112
Accrued Liabilities	12,028	-	-	12,028
Due to Polk County, Florida				
Board of County Commissioners	4,242	-	-	4,242
Due to Other Funds	190,000	200,000	-	390,000
Due to Other Governments	63	9,364	-	9,427
Unearned Revenue	-	-	-	-
<b>Total Liabilities</b>	<b>210,652</b>	<b>211,192</b>	<b>11,965</b>	<b>433,809</b>
<b>FUND BALANCES</b>				
Nonspendable	8,780	91,071	4,762	104,613
Restricted	235,963	817,099	527,676	1,580,738
Assigned	8,149	-	-	8,149
Unassigned	-	(43,096)	-	(43,096)
<b>Total Fund Balances</b>	<b>252,892</b>	<b>865,074</b>	<b>532,438</b>	<b>1,650,404</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 463,544</b>	<b>\$ 1,076,266</b>	<b>\$ 544,403</b>	<b>\$ 2,084,213</b>



**POLK COUNTY SHERIFF  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – NONMAJOR FUNDS  
YEAR ENDED SEPTEMBER 30, 2022**

	Special Revenue Funds	Law Enforcement Education	Law Enforcement Trust	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Board of County Commissioners	\$ -	\$ 410,000	\$ -	\$ 410,000
Charges for Services	476,678	235,201	-	711,879
Intergovernmental	86,376	7,656	-	94,032
Miscellaneous	74,202	-	-	74,202
Fines and Forfeitures	-	-	496,398	496,398
Interest	1,110	2,034	556	3,700
<b>Total Revenues</b>	<u>638,366</u>	<u>654,891</u>	<u>496,954</u>	<u>1,790,211</u>
<b>EXPENDITURES</b>				
Public Safety:				
Personnel Services	490,208	-	-	490,208
Operating	92,896	344,257	77,816	514,969
Capital Outlay	20,000	-	-	20,000
<b>Total Expenditures</b>	<u>603,104</u>	<u>344,257</u>	<u>77,816</u>	<u>1,025,177</u>
<b>NET CHANGE IN FUND BALANCES</b>	35,262	310,634	419,138	765,034
Fund Balances - Beginning of Year	<u>217,630</u>	<u>554,440</u>	<u>113,300</u>	<u>885,370</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 252,892</u>	<u>\$ 865,074</u>	<u>\$ 532,438</u>	<u>\$ 1,650,404</u>

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## **SUPPLEMENTAL REPORTS**



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

Honorable Grady C. Judd  
Sheriff  
Polk County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and aggregate remaining information of the Polk County, Florida Sheriff (Sheriff), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated February 25, 2023.

***Report on Internal Control Over Financial Reporting***

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

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

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

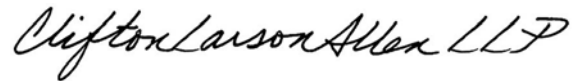
Honorable Grady C. Judd  
Polk County Sheriff

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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



**CliftonLarsonAllen LLP**

Lakeland, Florida  
February 25, 2023



## MANAGEMENT LETTER

Honorable Grady C. Judd  
Sheriff  
Polk County, Florida

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Polk County, Florida Sheriff (Sheriff), as of and for the year ended September 30, 2022 and have issued our report thereon dated February 25, 2023.

### **Auditors' Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

### **Other Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 25, 2023, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with our audit, we did not have any such findings.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 in notes to the financial statements.

Honorable Grady C. Judd  
Polk County Sheriff

**Financial Management**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

**Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Sheriff, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
February 25, 2023



## INDEPENDENT ACCOUNTANTS' REPORT

Honorable Grady C. Judd  
Sheriff  
Polk County, Florida

We have examined the Polk County, Florida Sheriff's (the Sheriff) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2022. Management of the Sheriff is responsible for the Sheriff's compliance with the specified requirements. Our responsibility is to express an opinion on the Sheriff's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Sheriff complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to this engagement.

Our examination does not provide a legal determination on the Sheriff's compliance with specified requirements.

In our opinion, the Sheriff complied, in all material respects, with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2022.

This report is intended solely for the information and use of the Sheriff and the Auditor General, State of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Lakeland, Florida  
February 25, 2023



**POLK COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL REPORTS**

**YEAR ENDED SEPTEMBER 30, 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**POLK COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
TABLE OF CONTENTS  
YEAR ENDED SEPTEMBER 30, 2022**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>4</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCES – GOVERNMENTAL FUNDS</b>	<b>5</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE – BUDGET AND ACTUAL – GENERAL FUND</b>	<b>6</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>7</b>
<b>SUPPLEMENTAL REPORTS</b>	
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER     FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS     BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN     ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>20</b>
<b>MANAGEMENT LETTER</b>	<b>22</b>
<b>INDEPENDENT ACCOUNTANTS' REPORT</b>	<b>24</b>

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## INDEPENDENT AUDITORS' REPORT

Honorable Lori Edwards  
Supervisor of Elections  
Polk County, Florida

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of each major fund of the Polk County, Florida, Supervisor of Elections (Supervisor), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Supervisor's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Supervisor as of September 30, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Supervisor and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matter*

As discussed in Note 1, the financial statements of the Supervisor referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the financial statements are intended to present the financial position, the changes in financial position and changes in financial position of each major fund, only for that portion of the major funds of Polk County, Florida that is attributable to the transactions of the Supervisor. They do not purport to, and do not, present fairly the financial position as of September 30, 2022, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

***Required Supplementary Information***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Honorable Lori Edwards  
Supervisor of Elections

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2023 on our consideration of the Supervisor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 14, 2023

**POLK COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
BALANCE SHEET – GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

	<u>General</u>	<u>Special Revenue Grants</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,306	\$ 442,615	\$ 443,921
Prepaid Items	245,542	-	245,542
	<u>246,848</u>	<u>442,615</u>	<u>689,463</u>
Total Assets	<u>\$ 246,848</u>	<u>\$ 442,615</u>	<u>\$ 689,463</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Vouchers Payable	\$ 158,789	\$ -	\$ 158,789
Accrued Liabilities	88,059	-	88,059
Total Liabilities	<u>246,848</u>	<u>-</u>	<u>246,848</u>
 <b>FUND BALANCES</b>			
Nonspendable	245,542	-	245,542
Restricted	-	442,615	442,615
Unassigned	<u>(245,542)</u>	<u>-</u>	<u>(245,542)</u>
Total Fund Balances	<u>-</u>	<u>442,615</u>	<u>442,615</u>
Total Liabilities and Fund Balances	<u>\$ 246,848</u>	<u>\$ 442,615</u>	<u>\$ 689,463</u>

See accompanying Notes to Financial Statements.



**POLK COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2022**

	General	Special Revenue Grants	Total
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 11,194	\$ 11,194
Charges for Services	21,878	-	21,878
Interest	-	3,670	3,670
Total Revenues	21,878	14,864	36,742
<b>EXPENDITURES</b>			
General Government:			
Personnel Services	2,408,929	-	2,408,929
Operating	2,100,045	9,090	2,109,135
Capital Outlay	44,364	-	44,364
Debt Service:			
Principal	9,159	-	9,159
Interest	1,448	-	1,448
Total Expenditures	4,563,945	9,090	4,573,035
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,542,067)	5,774	(4,536,293)
Other Financing Sources (Uses):			
Interfund Transfers In	2,104	-	2,104
Interfund Transfers Out	-	(2,104)	(2,104)
Transfer In from Polk County, Florida Board of County Commissioners	4,539,963	-	4,539,963
Total Other Financing Sources	4,542,067	(2,104)	4,539,963
<b>NET CHANGE IN FUND BALANCES</b>	-	3,670	3,670
Fund Balances - Beginning of Year	-	438,945	438,945
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ 442,615	\$ 442,615

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ -	\$ -	\$ 21,878	\$ 21,878
<b>EXPENDITURES</b>				
General Government:				
Personnel Services	2,823,660	2,823,660	2,408,929	414,731
Operating	2,331,031	2,292,567	2,100,045	192,522
Capital Outlay	17,500	74,364	44,364	30,000
Debt Service:				
Principal	-	10,000	9,159	841
Interest	-	1,600	1,448	152
Total Expenditures	<u>5,172,191</u>	<u>5,202,191</u>	<u>4,563,945</u>	<u>638,246</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(5,172,191)	(5,202,191)	(4,542,067)	660,124
<b>OTHER FINANCING SOURCES</b>				
Interfund Transfers In	-	-	2,104	2,104
Transfer In from Polk County, Florida Board of County Commissioners	5,172,191	5,172,191	4,539,963	(632,228)
Lease Proceeds	-	30,000	-	(30,000)
Total Other Financing Sources	<u>5,172,191</u>	<u>5,202,191</u>	<u>4,542,067</u>	<u>(660,124)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Polk County, Florida is a political subdivision of the State of Florida governed by the State Constitution and general laws of the State of Florida.

The legislative and governing body of the County is the five-member Board of County Commissioners. Each County Commissioner is elected on a countywide basis for a four-year term of office and each County Commissioner is a resident of their Commission District. Polk County became a Home Rule Charter County on January 1, 1999, with an appointed County Manager, and with separate legislative and executive functions. The County Manager is the head of the administrative branch of county government and is responsible to the Board of County Commissioners for the proper administration of all affairs of the County, except for those powers, duties and functions residing, as specified by law, with the elected constitutional officers.

There are six offices elected countywide which are as follows: Board of County Commissioners composed of five (5) members, Supervisor of Elections, Clerk of the Circuit Court, Property Appraiser, Sheriff, and Tax Collector.

**Reporting Entity**

The Supervisor of Elections (Supervisor) is a County Agency and a local governmental entity pursuant to Article 8, Section 1(d), of the Constitution of the State of Florida. For financial statement and reporting purposes, the Supervisor does not meet the definition of a legally separate organization and is not considered to be a component unit. The Supervisor is considered to be a part of the primary government of Polk County, Florida (the County).

These financial statements presented include the general fund and the special revenue grants fund of the Supervisor's office. The accompanying financial statements have been prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Florida Auditor General – Local Governmental Entity Audits*, which allows the Supervisor to only present fund financial statements. These financial statements present only the portion of the funds of Polk County, Florida that are attributable to the Supervisor. They are not intended to present fairly the financial position and results of operations of Polk County, Florida in conformity with accounting principles generally accepted in the United States of America.

The Supervisor is the official custodian of the registration books and has the exclusive control of matters pertaining to registration of electors and the administration of elections. These financial statements present all fund types of the Supervisor, and are not meant to represent Polk County, Florida as a whole.

The accounting policies of the Supervisor conform to accounting principles, as applicable to governmental units generally accepted in the United States of America. The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

**POLK COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Basis of Presentation**

The accounts of the governmental funds are maintained on the modified accrual basis. Under the modified accrual basis, expenditures are recorded at the time liabilities are incurred, and revenues are recorded when received in cash or when they are considered measurable and available and as such, are susceptible to accrual. For this purpose, the Supervisor considers revenues to be available if they are collected within 60 days after year-end with the exception of grants, which have a period of availability of one year. Grants are recognized as revenue as soon as all eligibility requirements have been met. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured.

**Description of Funds**

The accounting records are organized for reporting purposes on the basis of governmental funds.

**General Fund** – the general fund is the primary operating fund of the Supervisor. It is used to account for all revenues and expenditures not required to be accounted for in another fund.

**Special Revenue Grants Fund** – the grants fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Capital Assets**

Capital assets purchased by the Supervisor are recorded as capital outlay expenditures and are capitalized in the basic financial statements of Polk County, Florida rather than in the governmental funds of the Supervisor. Ownership of all capital assets is vested in the Polk County Board of County Commissioners as provided by Chapter 274, *Florida Statutes*. The Supervisor's policy is to capitalize expenditures for assets with a life of more than one year and cost of greater than \$5,000.

**Fund Balance and Spending Policies**

In accordance with GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. The following are the definitions of the fund balance classifications:

**Nonspendable** – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**POLK COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance and Spending Policies (Continued)**

**Restricted** – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed** – amounts that can be used only for specific purposes determined by a formal action of the Supervisor. As the Supervisor is an elected official responsible for the activities of the Supervisor’s office, she is the highest level of decision-making authority and an official order from the Supervisor would be required to authorize commitment of fund balance.

**Assigned** – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used or specific purposes.

**Unassigned** – all other spendable amounts.

The Supervisor has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states when general fund expenditure is incurred, the Supervisor will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts. All other funds in which fund expenditures are incurred, the Supervisor will first use unassigned amounts, then assigned amounts, then committed amounts, and finally restricted amounts.

**Accrued Compensated Absences**

The amounts of unpaid vacation and sick leave accumulated by employees are accrued as current year expenditures for amounts that would normally be liquidated with expendable available financial resources. Total available vacation and sick leave hours are multiplied by the current pay rate to determine the accrued liability. The Supervisor uses the last-in, first-out (LIFO) method of recognizing the use of vacation and sick hours. Employees are charged for the last day of vacation or sick leave earned when the leave is used. Thus, unless it is anticipated that vacation or sick leave will be used in excess of a normal year’s accumulation, no additional expenditures are accrued.

The Supervisor does not, nor is legally required to accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the general fund of the Supervisor, but rather is reported in the basic financial statements of Polk County, Florida.

**POLK COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Other Postemployment Benefit Obligations**

The County provides certain health care benefits for retired employees. In accordance with Section 112.0801, *Florida Statutes*, and as authorized by the County Ordinance 2011-023, effective October 3, 2011, and County Ordinance 2017-037 effective July 25, 2017, the County offers retiring employees enrolled in the County's plans at the time of retirement and their covered dependents the opportunity to continue to participate in health and/or life insurance plans through the County's Retiree Benefits Program. The Supervisor participates with Polk County in offering retiring employees the opportunity to continue to participate in the County's health insurance plan. Other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. Prepaid items are generally accounted for using the consumption method. These are not available expendable resources.

**Budgets and Budgetary Accounting**

The following are the procedures followed in establishing the budget for the Supervisor's office:

1. On or before June 1 of each year, the Supervisor submits to the Board of County Commissioners a tentative budget for expenditures to be paid by the Board of County Commissioners on behalf of the Supervisor for the ensuing fiscal year.
2. Prior to September 1 of each year, the Supervisor submits a budget to the Board of County Commissioners for filing which includes proposed expenditures for the operations of the Supervisor and the means of financing operations. All appropriations are provided by the Board of County Commissioners.
3. Formal budgetary integration is employed as a management control device during the year for the General Fund.
4. Section 129.07, *Florida Statutes*, provides that only excesses of total fund budgets are unlawful.
5. Unused appropriations expire at the end of each fiscal year.
6. A budget for the Special Revenue Grants Fund is not legally required to be prepared by the Supervisor and is therefore not presented in the financial statements.
7. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental allocations and legally authorized changes applicable to the fiscal year, whenever legally authorized.

**POLK COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of the financial statements requires management of the Supervisor to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

**Unexpended Budget Balance Reverting to Board of County Commissioners**

Section 218.36(2), Florida Statutes, requires that any excess of revenues over expenditures in the General Fund held by the Supervisor of Elections at the end of each fiscal year shall be remitted to the Board of County Commissioners. Therefore, the excess of revenues over expenditures in the General Fund at the end of each fiscal year is reflected as unexpended budget balance reverting to the Board of County Commissioners on the statement of revenues, expenditures and changes in the fund balance, and the related liability is included in due to constitutional officers. At September 30, 2022 there was no such excess.

**Adoption of New Accounting Standard:**

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized 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 standard, 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.

The Supervisor adopted the requirements of the guidance effective October 1, 2021 and has elected to apply the provisions of this standard to the beginning of the period of adoption.

**NOTE 2 CASH AND CASH EQUIVALENTS**

The Supervisor participates in the pooled cash and investments program of the Polk County, Florida, Board of County Commissioners for the purpose of maximizing investment yields. The earnings of the pool are allocated on a monthly basis to the individual funds of the Board of County Commissioners and the Supervisor based upon their average monthly balance in the pool.

Pooled cash and investments of the Board of County Commissioners determined to be available in excess of immediate needs is placed in investments in accordance with the Polk County Board of County Commissioners Investment Policy as amended October 4, 2016, under the guidelines of *Florida Statute* 218.415. Investments, which are primarily comprised of treasury notes and other U.S. obligations, certificates of deposit, and amounts invested in the State Board of Administration, are recorded at fair value.

**POLK COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 3 CAPITAL ASSETS**

Capital assets used by the Supervisor in operations is reported in the financial statements of Polk County, Florida. The Supervisor maintains custodial responsibility for the capital assets used by the office. The following is a summary of changes in capital assets, which are reported in the basic financial statements of Polk County, Florida:

	October 1, 2021	Additions	Disposals	September 30, 2022
Capital Assets being Depreciated:				
Equipment	\$ 861,631	\$ 44,364	\$ -	\$ 905,995
Furniture	37,835	-	-	37,835
IT Equipment	311,651	-	-	311,651
Right to Use - Leased Equipment				
Restated for GASB 87	25,679	-	-	25,679
Total Assets being Depreciated	<u>1,236,796</u>	<u>44,364</u>	<u>-</u>	<u>1,281,160</u>
Less: Accumulated Depreciation				
Equipment	391,026	71,537	-	462,563
Furniture	35,053	595	-	35,648
IT Equipment	282,608	7,625	-	290,233
Right to Use - Leased Equipment				
Restated for GASB 87	-	9,136	-	9,136
Total Accumulated Depreciation	<u>708,687</u>	<u>88,893</u>	<u>-</u>	<u>797,580</u>
Total Assets being Depreciated, Net	<u>\$ 528,109</u>	<u>\$ (44,529)</u>	<u>\$ -</u>	<u>\$ 483,580</u>

**NOTE 4 PENSION PLANS**

**Background**

The Florida Retirement System (FRS) was created by Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.



**POLK COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Background (Continued)**

Essentially all regular employees of the Supervisor are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost sharing, multiple employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

**Florida Retirement System Pension Plan**

**Plan Description**

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

**POLK COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**Benefits Provided**

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

**Retiree Health Insurance Subsidy Program**

**Plan Description**

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

**POLK COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Retiree Health Insurance Subsidy Program (Continued)**

**Benefits Provided**

For the fiscal year ended June 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

**FRS Investment Plan**

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Supervisor employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

**POLK COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 4 PENSION PLANS (CONTINUED)**

**FRS Investment Plan (Continued)**

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Supervisor.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

**Contributions**

Participating employer contributions are based upon statewide rates established by the State of Florida. The Supervisor's contributions made to the plans during the years ended September 30, 2022, 2021, and 2020 were \$278,634, \$282,829 and \$260,720, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the Polk County, Florida Annual Comprehensive Financial Report.

**POLK COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 5 LONG-TERM LIABILITIES**

The following is a summary of the changes in long-term liabilities which are reported in the basic financial statements of Polk County, Florida.

	October 1, 2021	Additions	Deletions	September 30, 2022	Due Within One Year
Compensated Absences	\$ 81,112	\$ 147,908	\$ (139,645)	\$ 89,375	\$ 89,375
Lease Liability					
Restated for GASB 87	25,679	-	(9,159)	16,520	9,743
	<u>\$ 106,791</u>	<u>\$ 147,908</u>	<u>\$ (148,804)</u>	<u>\$ 105,895</u>	<u>\$ 99,118</u>

The Supervisor leases equipment under long-term, noncancelable lease agreements. The leases expire at various dates in 2024 and provide renewal options ranging from 12 months to 3 years.

**NOTE 6 LEASES**

The Supervisor leases assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Detailed information about the Supervisor’s leases can be found in the Polk County, Florida Annual Comprehensive Financial Report.

Payments made in accordance with the lease terms are reported as debt service expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance as they are incurred.

The Supervisor did not enter into any lease agreements during the year ended September 30, 2022. During the year ended September 30, 2022, the Supervisor’s principal and interest payments on leases totaled \$10,607.

Total future minimum lease payments under lease agreements are as follows:

	Principal	Interest	Total
2023	\$ 9,743	\$ 863	\$ 10,606
2024	6,777	243	7,020
Total Minimum Lease Payments	<u>\$ 16,520</u>	<u>\$ 1,106</u>	<u>\$ 17,626</u>

**POLK COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 7 FUND BALANCE CLASSIFICATIONS**

As of September 30, 2022, fund balances are composed of the following:

	General	Special Revenue Grants	Total
Nonspendable:			
Prepaid Items	\$ 245,542	\$ -	\$ 245,542
Restricted:			
Restricted for Designated Use	-	442,615	442,615
Unassigned Funds	(245,542)	-	(245,542)
Total Fund Balances	<u>\$ -</u>	<u>\$ 442,615</u>	<u>\$ 442,615</u>

**NOTE 8 RELATED-PARTY TRANSACTIONS**

Transactions with the Polk County, Florida, Board of County Commissioners for the year ended September 30, 2022 were as follows:

Budget Appropriations – The Board of County Commissioners provided appropriations to the Supervisor in the amount of \$4,539,963 for personnel services, operating expenses, and capital outlay.

Fleet Expense – The General Fund of the Supervisor utilized the fleet services including fuel and repairs in the amount of \$5,541 for the year ended September 30, 2022, from the Board of County Commissioners.

Information Technology Service Expense – The General Fund of the Supervisor utilized the IT services in the amount of \$34,980 for the year ended September 30, 2022, from the Board of County Commissioners.

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

**Litigation**

Various suits and claims arising in the ordinary course of operations, some of which may involve substantial amounts, are pending against the Supervisor. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Supervisor, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the Supervisor or the results of its operations.

**Contingencies**

No accrual has been made in the financial statements for contingencies related to claims not yet asserted, because the amount cannot be reasonably estimated. In management's opinion, any such claims, if asserted, would not have a material adverse effect on the operations or financial position of the Supervisor.

**POLK COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 9 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**State Grant Programs**

The Supervisor participates in a number of State programs. Grant programs are subject to financial and compliance audits by the grantors or their representatives. Accordingly, the Supervisor's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies, cannot be determined at this time, although the Supervisor expects such amounts, if any, to be immaterial.

**NOTE 10 RISK MANAGEMENT**

The Supervisor of Elections participates in the risk management program through the Polk County, Florida Board of County Commissioners under a local government risk management pool. There were no losses reported for the years ended September 30, 2022, 2021, nor 2020.

There have been no significant reductions in insurance coverage in the last year. Settled claims have not exceeded the insurance provided by third-party carriers in any of the last three years.

The County is exposed to various risk of loss related to theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. A self-insurance program is effectively maintained by the County to administer insurance activities related to workers' compensation insurance, general and employment practices liability, auto liability and health. The County's self-insurance program covers operations of the Board of County Commissioners and the constitutional officers. Under the program, the County has retention limits for each type of claim, which is covered by commercial insurance purchased by the County. The insurance coverages are summarized below.

Claim Type	County Coverage (Deductible/Self-insured Amount)	Excess Carrier's Coverage
Property	Deductible \$1,000,000 except for as below:	\$ 60,000,000 Named Windstorm
		\$ 100,000,000 All Other Perils (AOP)
		\$ 50,000,000 Builder's Risk
	Named Windstorm 3% of TIV with \$5,000,000 Maximum	\$ 25,000,000 Earthquake Aggregate
	\$1,000,000 Builders Risk	\$ 20,000,000 Flood Aggregate
		\$ 10,000,000 Flood Aggregate (zones A & V)
General and Employment Practices Liability	\$1,500,000 Self-insurance Retention	\$ 5,000,000 Per Occurrence
	Sovereign immunity limits:	\$ 10,000,000 Aggregate
	\$200,000 Any One Person	
	\$300,000 Any One Claim	
General and Auto Liability	\$1,500,000 Self-insured Retention	\$ 5,000,000 Per Occurrence
	Sovereign immunity limits:	
	\$200,000 Any One Person	
	\$300,000 Any One Claim	
Employee Health Workers	\$1,000,000 Self-insurance Retention	Unlimited Stop Loss
Compensation	\$1,500,000 Self-insured Retention	Workers Compensation Statutory
	\$1,000,000 Employers Liability	Employers Liability - No Excess Coverage

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## **SUPPLEMENTAL REPORTS**



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

Honorable Lori Edwards  
Supervisor of Elections  
Polk County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund of the Polk County, Florida, Supervisor of Elections (Supervisor), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Supervisor's basic financial statements, and have issued our report thereon dated April 14, 2023.

***Report on Internal Control Over Financial Reporting***

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

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

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

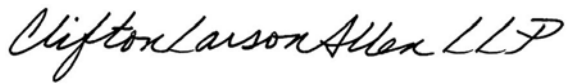
Honorable Lori Edwards  
Supervisor of Elections

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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



**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 14, 2023



## MANAGEMENT LETTER

Honorable Lori Edwards  
Supervisor of Elections  
Polk County, Florida

### Report on Financial Statements

We have audited the financial statements of Polk County, Florida, Supervisor of Elections (Supervisor), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated April 14, 2023.

### Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 14, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations reported in the preceding annual financial audit report.

### Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 in the notes to the financial statements. There were no component units to be reported in the financial statements.

Honorable Lori Edwards  
Supervisor of Elections

**Financial Management**

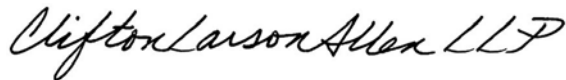
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

**Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Supervisor and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 14, 2023



## INDEPENDENT ACCOUNTANTS' REPORT

Honorable Lori Edwards  
Supervisor of Elections  
Polk County, Florida

We have examined the Polk County, Florida Supervisor of Elections' (Supervisor), compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2022. Management of the Supervisor is responsible for the Supervisor's compliance with the specified requirements. Our responsibility is to express an opinion on the Supervisor's compliance with the specific requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Supervisor complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Supervisor complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to this engagement.

Our examination does not provide a legal determination on the Supervisor's compliance with specified requirements.

In our opinion, the Supervisor complied, in all material respects, with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2022.

This report is intended solely for the information and use of the Supervisor and the Auditor General, State of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 14, 2023

**POLK COUNTY, FLORIDA  
TAX COLLECTOR**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL REPORTS**

**YEAR ENDED SEPTEMBER 30, 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
TABLE OF CONTENTS  
YEAR ENDED SEPTEMBER 30, 2022**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GENERAL FUND</b>	<b>4</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE – BUDGET AND ACTUAL – GENERAL FUND</b>	<b>5</b>
<b>STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUND</b>	<b>6</b>
<b>STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL     FUND</b>	<b>7</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>8</b>
<b>SUPPLEMENTAL REPORTS</b>	
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER     FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS     BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN     ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>25</b>
<b>MANAGEMENT LETTER</b>	<b>27</b>
<b>INDEPENDENT ACCOUNTANTS' REPORT</b>	<b>29</b>

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## INDEPENDENT AUDITORS' REPORT

Honorable Joe G. Tedder, CFC  
Tax Collector  
Polk County, Florida

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the General Fund and the aggregate remaining fund information of the Polk County, Florida, Tax Collector (Tax Collector), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tax Collector and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

As discussed in Note 1, the financial statements of the Tax Collector referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the financial statements are intended to present the financial position, the changes in financial position of the General Fund and the aggregate remaining fund information of Polk County, Florida that is attributable to the transactions of the Tax Collector. They do not purport to, and do not, present fairly the financial position of Polk County, Florida as of September 30, 2022, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

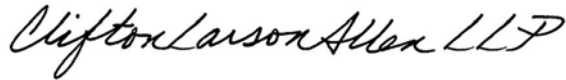
Honorable Joe G. Tedder, CFC  
Polk County Tax Collector

***Required Supplementary Information***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2023, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 21, 2023

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2022**

**ASSETS**

Cash and Cash Equivalents	\$ 6,980,753
Due from Board of County Commissioners	256,423
Due from Other Funds	603,679
Other Receivables	44,631
Prepaid Assets	<u>259,869</u>
 Total Assets	 <u><u>\$ 8,145,355</u></u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Vouchers Payable and Accrued Liabilities	\$ 902,422
Due to Board of County Commissioners	7,102,020
Due to Clerk of Courts	958
Due to Property Appraiser	53
Due to Other Governmental Agencies	<u>139,902</u>
 Total Liabilities	 8,145,355

**FUND BALANCE**

Nonspendable	259,869
Unassigned	<u>(259,869)</u>
Total Fund Balance	<u>-</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 8,145,355</u></u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Budget Positive (Negative)
	Original	Final		(Negative)
<b>REVENUES</b>				
Property Taxes - Board of County Commissioners	\$ 13,227,200	\$ 13,227,200	\$ 13,437,148	\$ 209,948
Property Taxes - Special Taxing Districts	1,016,030	1,016,030	1,187,114	171,084
Vehicle/Vessels	3,469,000	3,469,000	3,544,504	75,504
Drivers Licenses	1,500,000	1,500,000	1,592,689	92,689
Business Taxes	347,000	347,000	363,313	16,313
Tax Certificate Sales	905,000	905,000	909,787	4,787
Tax Certificate Redemptions	275,000	275,000	359,427	84,427
Payment Processing	125,000	125,000	125,404	404
Concealed Weapon Licenses	160,000	160,000	165,018	5,018
Hunting and Fishing Licenses	10,000	10,000	8,324	(1,676)
Tourist Development Taxes	433,970	433,970	697,250	263,280
Interest	20,000	20,000	12,502	(7,498)
Collection Costs and Miscellaneous	49,000	49,000	91,726	42,726
Total Revenues	<u>21,537,200</u>	<u>21,537,200</u>	<u>22,494,206</u>	<u>957,006</u>
<b>EXPENDITURES</b>				
General Government:				
Salaries and Benefits	17,427,745	17,389,497	16,577,998	811,499
Operating Expenditures	3,598,565	3,489,978	3,237,807	252,171
Capital Outlay	-	393,000	362,319	30,681
Capital Outlay - Leases	-	-	1,963,348	(1,963,348)
Debt Service:				
Principal	-	58,315	58,315	-
Interest	-	50,272	50,272	-
Total Expenditures	<u>21,026,310</u>	<u>21,381,062</u>	<u>22,250,059</u>	<u>(868,997)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	510,890	156,138	244,147	88,009
<b>OTHER FINANCING SOURCES (USES)</b>				
Distribution of Excess Fees to Polk County, Florida Board of County Commissioners	510,890	156,138	(2,324,016)	(2,167,878)
Distribution of Excess Fees to Other Governmental Agencies and Special Taxing Districts	-	-	(139,902)	(139,902)
Transfers from Board of County Commissioners	-	-	256,423	256,423
Lease Proceeds	-	-	1,963,348	1,963,348
Total Other Financing Sources (Uses)	<u>510,890</u>	<u>156,138</u>	<u>(244,147)</u>	<u>(88,009)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUND  
SEPTEMBER 30, 2022**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 6,123,743
Due from Other Governmental Agencies	164,698
Due from Individuals and Businesses	52,017
Other Miscellaneous Receivables	119,034
Total Assets	<u>\$ 6,459,492</u>
<b>LIABILITIES</b>	
Due to Other Governmental Agencies	\$ 4,814,051
Tax Certificates Payable	529,698
Refunds and Other Payables	512,064
Due to Other Funds	603,679
Total Liabilities	<u>6,459,492</u>
<b>FIDUCIARY NET POSITION</b>	<u>\$ -</u>

See accompanying Notes to Financial Statements.



**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION,  
CUSTODIAL FUND  
YEAR ENDED SEPTEMBER 30, 2022**

	Custodial Funds
<b>ADDITIONS</b>	
Tax, License, and Fee Collections	\$ 578,831,826
<b>DEDUCTIONS</b>	
Payments to Other Governments	541,525,231
Payments to Tax Certificate Holders	22,813,712
Payments to Others	14,492,883
Total Deductions	578,831,826
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	-
Fiduciary Net Position - Beginning of Year	-
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	\$ -

See accompanying Notes to Financial Statements.

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**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Tax Collector is a political subdivision of the state of Florida governed by the state constitution and general laws of the state of Florida.

The Tax Collector is a county agency and a local governmental entity pursuant to Article 8, Section 1(d), of the Constitution of the State of Florida. For financial statement and reporting purposes, the Tax Collector does not meet the definition of a legally separate organization and is not considered to be a component unit. The Tax Collector is considered to be a part of the primary government of Polk County, Florida. The financial statements contained herein represent the financial transactions of the Tax Collector only.

The accompanying financial statements have been prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Tax Collector to only present fund financial statements. These financial statements present only the portion of the funds of Polk County, Florida that are attributable to the Tax Collector. They are not intended to present fairly the financial position and results of operations of Polk County, Florida in conformity with accounting principles generally accepted in the United States of America. There are no separate legal entities (component units) for which the Tax Collector is financially accountable.

The legislative and governing body of the county is the five-member Board of County Commissioners. Each county commissioner is elected on a county-wide basis for a four-year term of office and each county commissioner is a resident of their commission district. Polk County became a Home Rule Charter County on January 1, 1999, with an appointed county manager, and with separate legislative and executive functions. The county manager is the head of the administrative branch of county government and is responsible to the Board of County Commissioners for the proper administration of all affairs of the County, except for those powers, duties and functions residing, as specified by law, with the elected constitutional officers.

The Tax Collector is an elected public official responsible for the collection and distribution of the following taxes and fees: ad valorem taxes on real and tangible property and non-ad valorem assessments on property within Polk County, tourist development taxes, hunting and fishing licenses, motor vehicle and mobile home titles and registrations, driver license fees, business tax receipts, vessel titles and registrations and sales tax on motor vehicle and vessel sales with nondealers. These services are provided on behalf of the Polk County Board of County Commissioners (Board), Polk County School Board, the State of Florida, as well as, municipalities and special taxing districts within Polk County, Florida.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Basis of Presentation**

The accounts of the governmental funds are maintained on the modified accrual basis. Under the modified accrual basis, expenditures are recorded at the time liabilities are incurred, and revenues are recorded when received in cash or when they are considered both measurable and available and as such, are susceptible to accrual. For this purpose, the Tax Collector considers revenues to be available if they are collected within 31 days after year-end with the exception of grants, which have a period of availability of one year. Grants are recognized as revenue as soon as all eligibility requirements have been met. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured.

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in the fund balance.

In governmental funds, material revenues in the following categories are considered susceptible to accrual when they are both measurable and available:

Property Taxes	Intergovernmental Revenues	Interest Earned
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Miscellaneous and other revenues are generally recorded as revenues when received in cash because they are usually not measurable until actually received.

The custodial funds use the economic resources measurement focus and the accrual basis of accounting.

**Fund Accounting**

The accounts of the Tax Collector are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The purpose of the Tax Collector's various funds is as follows:

**Governmental Fund**

**General Fund** – The General Fund is the general operating fund of the Tax Collector and accounts for all financial resources not required to be accounted for in another fund.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Accounting (Continued)**

**Fiduciary Funds**

**Custodial Fund** – Custodial Funds are used to account for all assets held by the Tax Collector in his capacity as a custodian or agent for individuals and other governmental units.

**Budgets and Budgetary Data**

The following are the procedures followed in establishing the budget for the Tax Collector's office:

- 1) On or before August 1 of each year, the Tax Collector submits an annual budget for the operations of their office to the Florida Department of Revenue, Property Tax Oversight Division (Department). A copy of the budget is also furnished to the Board of County Commissioners. After the budget has been reviewed and approved by the Department, it becomes the operating budget for the ensuing fiscal year.
- 2) The Tax Collector's operating budget can only be amended after written approval has been received from the Department.
- 3) Section 129.07, *Florida Statutes*, provides that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. The Department of Revenue approves all transfers between appropriation categories, and this becomes the level of control for budgetary considerations.
- 4) Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
- 5) The budget for the General Fund is adopted on a basis consistent with GAAP.

**Capital Assets**

Capital assets are assets with a useful life of more than one year and a cost of \$5,000 or greater. Capital assets purchased by the Tax Collector are recorded as expenditures. Ownership of all capital assets, except for real property, is vested in the Polk County, Florida Board of County Commissioners as provided by Chapter 274, *Florida Statutes*. Section 197.332, *Florida Statutes*, provides for county tax collectors to own real property. Buildings are being depreciated over a 40-year useful life using the straight-line method. Donated capital assets are recorded at acquisition value at the date of donation.

**Excess Fees**

Chapter 218.36(2), *Florida Statutes*, provides that the excess of the Tax Collector's fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by the governmental agency bear to total fee income received by the Tax Collector. The amount of undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board of County Commissioners and due to other governmental agencies and special taxing districts.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Ad Valorem Taxes**

The property tax calendar for 2022 is as follows:

Lien Date	January 1, 2022
Levy Date	January 1, 2022
Due Dates	November 1, 2022 - March 31, 2023
Delinquent Date	April 1, 2023
Tax Certificate Sale	No later than June 1, 2023

No accruals for the property tax levy becoming due in November of 2022 are included in the accompanying financial statements since such taxes are collected to finance expenditures of the subsequent period.

**Cash and Investments**

The Tax Collector has elected to adopt an Internal Investment Policy in accordance with Chapter 218, *Florida Statutes*. This policy authorizes the Tax Collector to invest surplus public funds in the following:

- 1) The Local Government Surplus Funds Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Chapter 163, *Florida Statutes*.
- 2) Securities and Exchange Commission registered money market funds with the highest quality rating from a nationally recognized rating agency.
- 3) Accounts in state qualified public depositories as defined in Chapter 280, *Florida Statutes*.
- 4) Certificates of Deposit in state qualified public depositories, as defined in Chapter 280, *Florida Statutes*.
- 5) Direct obligations of the U.S. Treasury.
- 6) Federal agency and instrumentalities.
- 7) Repurchase Agreements collateralized by securities otherwise authorized above.

**Due to/from Other Funds**

Amounts receivable from or payable to other funds are reflected in the accounts of the fund until liquidated by payment or authorized interfund transactions.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method. Under the consumption method, services paid for in advance are reported as an asset until the period in which the services are actually consumed.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance**

In accordance with GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. The following are the definitions of the fund balance classifications:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Tax Collector. As the Tax Collector is an elected official responsible for the activities of the Tax Collector’s office, he is the highest level of decision making authority and any official order from the Tax Collector would be required to authorize commitment of fund balance.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned – all other spendable amounts.

The Tax Collector as implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states that when an expenditure is incurred and where restricted, committed, assigned, or unassigned amounts are available to be used, the Tax Collector will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

**Accumulated Unpaid Leave**

Effective January 1, 1992, employees began earning annual leave at varying rates depending upon length of service as follows:

<u>Length of Service</u>	<u>Annual Leave Earned</u>
1 - 5 Years	20 days
6 - 10 Years	25 days
11 - 15 Years	28 days
16 - 20 Years	30 days
21 - 25 Years	32 days
26 and Over	35 days

Employees are paid at fiscal year-end for accumulated paid leave in excess of 240 hours for full time employees and 120 hours for part time employees.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accumulated Unpaid Leave (Continued)**

The Tax Collector uses the last-in, first-out (LIFO) method of recognizing the use of compensated absences. Under this method, compensated absences are recorded as an expenditure when the liability is normally liquidated with expendable available financial resources. Thus, unless it is anticipated that compensated absences will be used in excess of a normal year's accumulation, no additional expenditures are accrued.

Since the Tax Collector remits the excess of revenues over expenditures to the Board and other governmental agencies on an annual basis, the entire unpaid liability for sick and annual leave is the responsibility of the Board and other governmental agencies and is therefore recorded in the General Long Term Debt Account Group of the Board and the respective governmental agencies.

**Other Postemployment Benefit Obligations**

The County provides certain health care benefits for retired employees. In accordance with Section 112.0801, *Florida Statutes*, and as authorized by the County Ordinance 2011-023, effective October 3, 2011, and County Ordinance 2017-037 effective July 25, 2017, the County offers retiring employees enrolled in the County's plans at the time of retirement and their covered dependents the opportunity to continue to participate in health and/or life insurance plans through the County's Retiree Benefits Program. The Tax Collector participates with Polk County in offering retiring employees the opportunity to continue to participate in the County's health insurance plan. Other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

**Use of Estimates**

The preparation of financial statements in conformity with accounting practices prescribed by GASB and the Auditor General, State of Florida, and requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

**Adoption of New Accounting Standards**

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized 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 standard, 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.



**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Adoption of New Accounting Standards (Continued)**

The Tax Collector adopted the requirements of the guidance effective October 1, 2021 and has elected to apply the provisions of this standard to the beginning of the period of adoption.

**NOTE 2 CASH AND CASH EQUIVALENTS**

**Deposits**

At September 30, 2022, the Tax Collector's book balance of cash was \$13,104,496, which includes \$41,961 of cash on hand, and the bank balance was \$13,028,951. The Tax Collector's interest bearing bank balance is collateralized pursuant to Chapter 280, *Florida Statutes*. The remaining balances in such accounts are collateralized with the State Treasurer pursuant to Chapter 280, *Florida Statutes*.

**Investments**

The Tax Collector invests funds throughout the year with the Local Government Surplus Funds Trust Fund, "Florida PRIME" pool, an investment pool administered by the Florida State Board of Administration (SBA), under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, *Florida Statutes*. Florida PRIME is considered a qualifying external investment pool that meets all of the necessary criteria to elect to measure all of the investments at amortized cost. Therefore, the fair value of the Tax Collector's position in the pool is the same as the value of the pool shares. At September 30, 2022, the balance in Florida PRIME totaled \$5,869,323.

The Tax Collector's investment in the State Pool exposes it to custodial credit risk. Custodial credit risk is the risk that in the event of a failure of the counterparty to a transaction, the Tax Collector will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The Florida PRIME has adopted operating procedures consistent with the requirements for a SEC 2a7-like fund (as defined in GASB 31); therefore, the account balance should be considered the fair value of the investment. The Florida PRIME is rated by Standard and Poor's. The current rating is AAAM. The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2022 was 21 days. The weighted average life (WAL) of the Florida PRIME at September 30, 2022 was 72 days.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

**Investments (Continued)**

The Tax Collector also invests funds throughout the year with the Florida Local Government Investment Trust "FL Trust" pool, an independent local government investment pool developed through the Florida Court Clerks and Comptrollers and the Florida Association of Counties. Investments are authorized under Chapter 218.415(16) *Florida Statutes*. Investments in FL Trust are accounted for as a stable NAV investment pool and operates like a money market fund with each share valued at \$1. Therefore, the fair value of the Tax Collector's position in the pool is the same as the value of the pool shares. At September 30, 2022, the balance in FL Trust totaled \$206,115.

The investment strategy of FL Trust is to offer a safe, convenient, and liquid investment option to Florida governmental entities and therefore is not subject to custodial credit risk.

The FL Trust has adopted operating procedures consistent with the requirements for a SEC 2a7-like fund (as defined in GASB 31); therefore, the account balance should be considered the fair value of the investment. The FL Trust is rated by Fitch Ratings. The current rating is AAmmf. The weighted average days to maturity (WAM) of the FL Trust at September 30, 2022 was 29 days.

A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the local government investment pool to interest rate changes.

In accordance with GASB 79, as a participant in a qualifying external investment pool, the Tax Collector should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority) to impose liquidity fees or redemption gates in the notes to the financial statements. There were no such limitations or restrictions noted.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At year-end, the Tax Collector's deposits were entirely covered by federal depository insurance or guaranteed by qualified public depositories in Florida pursuant to Chapter 280.07, *Florida Statutes*. Under the Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the government entity for the loss.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 3 LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities which are reported in the basic financial statements of Polk County, Florida:

	October 1, 2021	Additions	Deletions	September 30, 2022	Due Within One Year
Compensated Absences	\$ 585,450	\$ 1,102,364	\$ (1,054,902)	\$ 632,912	\$ 219,115
Lease Liability*	407,657	1,963,348	(58,315)	2,312,690	82,447
Total	<u>\$ 993,107</u>	<u>\$ 3,065,712</u>	<u>\$ (1,113,217)</u>	<u>\$ 2,945,602</u>	<u>\$ 301,562</u>

\* - Restated due to GASB 87 Implementation

The Tax Collector leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2042 and provide renewal options ranging from 12 months to 20 years.

**NOTE 4 PENSION PLANS**

**Background**

The Florida Retirement System (FRS) was created by Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Tax Collector are eligible to enroll as members of the state-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiemployer benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Plan Description**

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Benefits Provided**

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

***Retiree Health Insurance Subsidy Program***

**Plan Description**

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

**Benefits Provided**

For the fiscal year ended June 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 4 PENSION PLANS (CONTINUED)**

**FRS Investment Plan**

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Tax Collector employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Tax Collector.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

**Contributions**

Participating employer contributions are based upon statewide rates established by the state of Florida. The Tax Collector's contributions made to the plans during the years ended September 30, 2022, 2021, and 2020 were \$1,606,297, \$1,378,811, and \$1,178,727 respectively, equal to the actuarially determined contribution requirements for each year.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Contributions (Continued)**

Additional information about pension plans can be found in Polk County's Annual Comprehensive Financial Report.

**NOTE 5 LEASES**

The Tax Collector leases assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Detailed information about the Tax Collector's leases can be found in the Polk County, Florida Annual Comprehensive Financial Report.

Leases entered into by the Tax Collector are included as other financing sources and capital outlay expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance in the year of inception. Payments made in accordance with the lease terms are reported as debt service expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance as they are incurred.

During the year ended September 30, 2022, the Tax Collector entered into leases in the amount of \$1,963,348. During the year ended September 30, 2022, the Tax Collector's principal and interest payments on leases totaled \$108,587.

Total future minimum lease payments under lease agreements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 82,447	\$ 82,030	\$ 164,477
2024	87,428	78,554	165,982
2025	94,845	74,814	169,659
2026	103,596	70,745	174,341
2027	99,789	66,686	166,475
2028-2032	609,701	266,943	876,644
2033-2037	578,916	164,510	743,426
2038 and Thereafter	655,968	53,614	709,582
Total Minimum Lease Payments	<u>\$ 2,312,690</u>	<u>\$ 857,896</u>	<u>\$ 3,170,586</u>

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 6 CAPITAL ASSETS**

Tangible personal property used by the Tax Collector in operations is reported in the basic financial statements of Polk County, Florida.

State law requires the Tax Collector to account for all tangible property used by the Tax Collector. A summary of changes in capital assets for the year ended September 30, 2022:

	October 1, 2021	Additions	Disposals	September 30, 2022
Capital Assets Not Depreciated:				
Land	\$ 2,279,723	\$ -	\$ -	\$ 2,279,723
Total Assets Not Depreciated	<u>2,279,723</u>	<u>-</u>	<u>-</u>	<u>2,279,723</u>
Capital Assets Depreciated:				
Building and Improvements	6,880,641	-	-	6,880,641
Right to Use - Leased Buildings*	435,871	1,963,348	-	2,399,219
Right to Use - Leased Equipment*	22,015	-	-	22,015
Total Assets Depreciated	<u>7,338,527</u>	<u>1,963,348</u>	<u>-</u>	<u>9,301,875</u>
Less Accumulated Depreciation:				
Building and Improvements	1,255,905	173,366	-	1,429,271
Right to Use - Leased Buildings*	-	151,098	-	151,098
Right to Use - Leased Equipment*	-	17,389	-	17,389
Total Accumulated Depreciation	<u>1,255,905</u>	<u>341,853</u>	<u>-</u>	<u>1,597,758</u>
Total Assets Depreciated, Net	<u>6,082,622</u>	<u>1,621,495</u>	<u>-</u>	<u>7,704,117</u>
Total Capital Assets, Net	<u>\$ 8,362,345</u>	<u>\$ 1,621,495</u>	<u>\$ -</u>	<u>\$ 9,983,840</u>

\* - Restated due to GASB 87 Implementation



**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 7 RELATED-PARTY TRANSACTIONS**

Transactions with the Polk County Board of Commissioners and the Constitutional Officers of Polk County, Florida for the year ended September 30, 2022 were as follows:

**Receipts**

The General Fund of the Tax Collector received revenue from the Board of County Commissioners in the amount of \$13,437,148 for the year ended September 30, 2022. Additionally, receivables due from the Board as of September 30, 2022 were \$256,423.

**Disbursements**

The Board of County Commissioners provides health insurance, facilities maintenance, utilities, and other services to the Tax Collector. The charges for these services for the fiscal year ended September 30, 2022 amounted to \$2,434,368. The distribution payable at year-end was \$316,030. Excess fees payable to the Board as of September 30, 2022 was \$2,324,016.

The Tax Collector also remitted \$465,763,906 to the Board of County Commissioners for custodial distributions. The distribution payable at year-end was \$4,461,974.

The Clerk of Courts provides various services to the Tax Collector. The charges for these services for the fiscal year ended September 30, 2022 amounted to \$27,498. The distribution payable at year-end was \$40. The Tax Collector also remitted \$48,735 to the Clerk of Courts for custodial distributions. The distribution payable at year-end was \$918.

The Tax Collector remitted \$584 to the Property Appraiser for custodial distributions. The distribution payable at year-end was \$53.

**NOTE 8 COMMITMENTS AND CONTINGENCIES**

Effective November 5, 2013, the Tax Collector has a contingent liability to the Lakeland Community Redevelopment Agency (LCRA) in the amount of \$600,000. The LCRA provided \$600,000 to the Tax Collector to assist with the relocation of the Lakeland Service Center. The agreement provides for the Tax Collector to repay the \$600,000 to the LCRA if the Tax Collector ceases to use the building within the next twenty-five years. If the Tax Collector ceases to use the building between years twenty-six and fifty, the Tax Collector must repay \$300,000 of this amount. There is no amount due if the Tax Collector is using the building at the end of fifty years.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 9 RISK MANAGEMENT**

The Tax Collector participates in the risk management program through the Polk County, Florida Board of County Commissioners under a local government risk management pool. The County is exposed to various risk of loss related to theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. A self-insurance program is effectively maintained by the County to administer insurance activities related to workers' compensation insurance, general and employment practices liability, auto liability and health. The County's self-insurance program covers operations of the Board of County Commissioners and the constitutional officers. Under the program, the County has retention limits for each type of claim, which is covered by commercial insurance purchased by the County.

Claim Type	County Coverage (Deductible/Self-insured Amount)	Excess Carrier's Coverage
Property	Deductible \$1,000,000 except for as below:	\$ 60,000,000 Named Windstorm
		\$ 100,000,000 All Other Perils (AOP)
		\$ 50,000,000 Builder's Risk
	Named Windstorm 3% of TIV with \$5,000,000 Maximum	\$ 25,000,000 Earthquake Aggregate
	\$1,000,000 Builders Risk	\$ 20,000,000 Flood Aggregate
General and Employment Practices Liability	\$1,500,000 Self-insurance Retention	\$ 5,000,000 Per Occurrence
	Sovereign immunity limits:	\$ 10,000,000 Aggregate
	\$200,000 Any One Person	
	\$300,000 Any One Claim	
General and Auto Liability	\$1,500,000 Self-insured Retention	\$ 5,000,000 Per Occurrence
	Sovereign immunity limits:	
	\$200,000 Any One Person	
	\$300,000 Any One Claim	
Employee Health	\$1,000,000 Self-insurance Retention	Unlimited Stop Loss
Workers Compensation	\$1,500,000 Self-insured Retention	Workers Compensation Statutory
	\$1,000,000 Employers Liability	Employers Liability - No Excess Coverage

**NOTE 10 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 21, 2023, the date which the financial statements were available for issue, and has determined there are no additional adjustments and/or disclosures required.

## **SUPPLEMENTAL REPORTS**



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

Honorable Joe G. Tedder, CFC  
Tax Collector  
Polk County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the Polk County, Florida, Tax Collector (Tax Collector), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements, and have issued our report thereon dated April 21, 2023.

***Report on Internal Control Over Financial Reporting***

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

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

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

Honorable Joe G. Tedder, CFC  
Tax Collector  
Polk County, Florida

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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



**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 21, 2023



## MANAGEMENT LETTER

Honorable Joe G. Tedder, CFC  
Tax Collector  
Polk County, Florida

### Report on Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Polk County, Florida, Tax Collector (Tax Collector), as of and for the year ended September 30, 2022 and have issued our report thereon dated April 21, 2023.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550 Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 21, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

### Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 in notes to the financial statements.

Honorable Joe G. Tedder, CFC  
Tax Collector  
Polk County, Florida

**Financial Management**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had one financial management recommendation.

**Timely Preparation of Bank Statements**

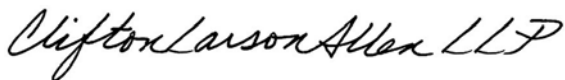
Bank statements in some instances were accumulated for several months before they were reconciled to the appropriate general ledger controls. Not reconciling bank accounts on a monthly basis means that errors or other problems might not be recognized and resolved on a timely basis. Also, it is generally easier and less time-consuming to reconcile accounts while transactions are fresh in mind. We recommend the accounting department develop processes and procedures that allow for timely reconciliation of bank statements.

**Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Tax Collector and applicable management and is not intended to be and should not be used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 21, 2023



## INDEPENDENT ACCOUNTANTS' REPORT

Honorable Joe G. Tedder, CFC  
Tax Collector  
Polk County, Florida

We have examined the Polk County, Florida Tax Collector's (Tax Collector) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds, during the year ended September 30, 2022. Management of the Tax Collector is responsible for the Tax Collector's compliance with the specified requirements. Our responsibility is to express an opinion on the Tax Collector's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Tax Collector complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Tax Collector complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to this engagement.

Our examination does not provide a legal determination on the Tax Collector's compliance with the specified requirements.

In our opinion, the Tax Collector complied, in all material respects, with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2022.

This report is intended solely for the information and use of the Tax Collector and the Auditor General, State of Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 21, 2023





**Stacy M. Butterfield, CPA**  
 Clerk of Courts & Comptroller  
 Polk County, Florida

330 W. Church St  
 Drawer FA01  
 Post Office Box 988  
 Bartow, FL 33831-0988  
 (863) 534-6508 Phone  
 (863) 534-5951 Fax  
 www.polkcountyclerk.net

CLERK AND COMPTROLLER TO THE BOARD

**IMPACT FEE AFFIDAVIT**

BEFORE ME, the undersigned authority, personally appeared Stacy M. Butterfield of Polk County, Florida who being duly sworn, deposes and says on oath that:

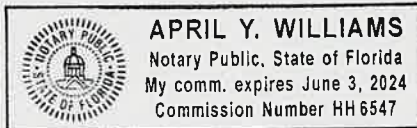
1. I am the Chief Financial Officer of Polk County, Florida which is a local governmental entity of the State of Florida.
2. The governing body of Polk County, Florida adopted Ordinance numbers 89-040, 90-012, 91-012, 92-009, 93-032, 94-001, 98-071, 99-015, 02-002, 02-082, 04-057, 05-007, 05-040, 05-044, 07-018, 07-035, 07-040, 08-017, 09-005, 09-043, 10-032, 10-035, 10-080, 12-015, 13-037, 13-048, 13-057, 13-058, 15-026, 18-038, 19-056, 19-076, and 23-025 implementing impact fees.
3. Polk County has complied and, as of the date of this affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Stacy M. Butterfield  
 Clerk of the Circuit Court and County Comptroller

STATE OF FLORIDA  
 COUNTY OF POLK

SWORN TO AND SUBSCRIBED before me this 16<sup>th</sup> day of May, 2023.



April Y. Williams  
 Notary Public  
 Print name April Y. Williams

Personally known  or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires:  
5/3/2024

*The mission of the Clerk of Courts & Comptroller is to function as a team dedicated to our customers by preparing and maintaining accurate records, furnishing assistance in an understanding and compassionate manner, and providing services with competence, professionalism, and courtesy in compliance with laws, rules and regulations.*