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# **POLK COUNTY, IOWA**

**Annual Comprehensive Financial Report**

**For the Fiscal Year Ended June 30, 2022**

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**PREPARED BY:**

**POLK COUNTY AUDITOR'S OFFICE – JAMIE FITZGERALD**

**CENTRAL ACCOUNTING DIVISION**

Central Accounting Manager  
Keith Olson

Accounting Supervisor  
Jo Ellen Bigelow, CPA, CPM

**Other Staff**

Christina Albizo  
Stacy Biondi  
Alison Herold, CPA  
Darren Sickerson

**BOARD OF SUPERVISOR'S STAFF**

Deb Anderson

# POLK COUNTY, IOWA

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(concluded)



COUNTY OF POLK  
OFFICE OF POLK COUNTY AUDITOR  
DES MOINES, IOWA 50309

JAMIE FITZGERALD  
COUNTY AUDITOR  
COMMISSIONER OF ELECTIONS

ADMINISTRATION BUILDING  
111 COURT AVE.  
286-3080

December 21, 2022

County Board of Supervisors  
County of Polk  
Des Moines, Iowa 50309

State law requires that all local governments publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles or GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of Polk County (the “County”) for the fiscal year ended June 30, 2022.

This report consists of management’s representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County’s financial statements have been audited by RSM US LLP, a firm of licensed certified public accountants. The purpose of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor issued an unmodified opinion on the County’s financial statements for the fiscal year ended June 30, 2022, indicating that they were fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are in the compliance section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

## **Profile of Polk County**

Polk County, located in central Iowa, was formed in 1846. The County, containing Des Moines, West Des Moines, Urbandale, Ankeny and 14 smaller cities, is the largest population center in Iowa. Des Moines is the state capital and has a diverse and vigorous economy. Principal industries include financial services, health care, government, and varied manufacturing. The area has enjoyed a stable economy and moderate growth during the past decade.

The County occupies a land area of 592 square miles and serves a population of 496,844. Polk County is empowered to levy a property tax on real properties located within its boundaries.

Polk County operates under a Board of Supervisors form of government. The Board of Supervisors has both legislative and administrative powers and is the policy-making body for Polk County government. With its authority to adopt legislation and policies for department operations, the Board sets priorities, allocates resources and maintains budgetary control. The Board also appoints individuals or serves on a number of Boards and Commissions that affect all aspects of Polk County. There are five members on the Board of Supervisors, each elected by citizens in one of the five districts. Board members serve overlapping four-year terms, with elections held every two years. The Board elects one of its members annually to chair its activities. The Board is available to its constituency on a full-time basis and can respond to issues of importance to citizens.

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

The County provides a broad scope of services to its citizens, operating through various organizational entities ranging from elected departments to administrative departments to appointed commissions. The County provides a full range of services, including public safety, mental health, social services, construction and maintenance of highways, streets, and other infrastructure, and recreational/entertainment event centers.

In addition, the County is financially accountable for a legally separate convention center hotel entity, Iowa Event Center Hotel Corporation ("IEC Hotel Corp"). IEC Hotel Corp is reported separately within Polk County's financial statements as discretely presented component unit. Additional information on this legally separate entity can be found in Note 1. (A) in the notes to the financial statements.

The annual budget serves as the foundation for the County's financial planning and control. The budget division is responsible for developing a budget proposal to the Board of Supervisors. The proposed budget is presented to the Board in January and February of each year. The Board is required to hold a public hearing on the proposed budget and, by March 15<sup>th</sup>, certify the budget for the fiscal year beginning July 1st. If an amendment to the budget is needed after certification, the Board approves and publishes an amendment, with a final amendment approved no later than May 31<sup>st</sup> of the respective fiscal year. The State of Iowa requires passage of an annual budget of total County operating expenditures by major program service areas. Activities of the general fund, special revenue funds, capital projects funds and debt service funds are included in the annual appropriated budget. The legal level of budgetary control is at the total program service area level.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

## **Local Economy**

The current general economic condition of the County is growing. The population continues to grow at a moderate pace, up approximately 12% since 2012, to 496,844 in 2022. Unemployment is approximately 2.7% which is higher than the state level of 2.6% and lower than the national level of 3.8%. Other economic indicators are also steady. The County remains the primary center of economic activity in Central Iowa and the State although adjoining counties, specifically Dallas County to the west, are experiencing significant new development.

## **Major Initiatives**

### County Judicial System Public Safety Improvements

The Polk County Courthouse built in 1906 was originally designed for four courtrooms. Before renovations began, there were 28 courtrooms in the historic Courthouse with Polk County providing an additional 23,700 square feet of leased space at two locations. Following a study conducted by the National Center for State Courts, the County developed a three-stage, nine-year Master Plan to increase court space, centralize court services and enhance security. The Master Plan included renovation of the old main jail for criminal courts; a recently purchased office building to be renovated into a Justice Center for County Attorney, Magistrate (small claims, traffic), juvenile and clerk storage functions; and the much needed interior/exterior renovation of the historic courthouse for civil, probate and family courts. A referendum to issue up to \$81 million of bonds to address these needs was approved by Polk County voters in November 2013.

Currently, the Justice Center office space has been renovated with all staff relocated to this new space in October 2016. This move has eliminated the use of all leased space for the Polk County court functions, resulting in significant savings. Exterior renovation of the historic Courthouse was completed in October 2014. Construction is completed at the Criminal Courts building, and renovation/restoration for the interior of the historic Courthouse is complete. Polk County has been committed to this project for over ten years, and is excited that the project is complete and well executed.

### Iowa Events Center Hotel

The Iowa Events Center is owned by Polk County and consists of Wells Fargo Arena, HyVee Hall, and Community Choice Credit Union Convention Center. The venues have been successful in drawing first class entertainment to Central Iowa, resulting in more than \$1.7 million in annual revenue being earned by Polk County in previous years (with the exception of years impacted by COVID-19).

In February 2016, the State of Iowa committed Iowa Reinvestment Act funds to help construct and operate a convention center hotel attached to the Iowa Events Center. Additional financial commitments were made by Polk County, the City of Des Moines and private businesses. The hotel is owned and operated by the IEC Hotel Corporation, a non-profit organization, which will ensure that profits from the hotel are reinvested back into the community. The 330-room Hilton Hotel opened in the spring of 2018 and has been performing as expected until the pandemic began.

Both the Iowa Events Center and the Hilton hotel made drastic changes to their operations to reflect the lack of events and travel due to COVID-19. Additionally, Polk County provided substantial financial support to both venues throughout the downturn in the hospitality and tourism industry. The Iowa Events Center and Hilton hotel are more recently returning to normal operations and profitability, and we anticipate their continued success moving forward.

### American Rescue Plan Act

Polk County has been allocated approximately \$96 million to aid in COVID-19 recovery. The Board of Supervisors determined that funds would be spent to address four categories of work: affordable housing, water quality, mental health and economic wellbeing. Workgroups met in 2021 and 2022 to create an investment plan that focused on long-term impact, sustainability and collaboration. The Board of Supervisors has approved funding commitments of over \$15 million to affordable housing, nearly \$8 million for mental health initiatives, almost \$15 million for economic wellbeing initiatives and over \$11 million of water quality initiatives. The board will deliberate in January 2023 on expenditures of remaining funds. Polk County will pay for ARPA approved projects out of general funds that were made available by ARPA.

### Polk County Water and Land Legacy Projects

In November 2021, voters supported the \$65 million Polk County Water and Land Legacy (PCWLL) Bond, passing the measure by 81%. Conservation projects to be addressed in the coming years include improved water quality, wildlife habitat protection, connected communities by means of trails and greenways, revitalized parks, outdoor recreation and education opportunities. Of \$65 million authorized debt, \$21 million has been issued in the first bond letting as of July 1, 2022.

Polk County Conservation Board completed the spending on the \$50 million 2012 Polk County Water and Land Legacy Bond in July 2022.

### Broadway Avenue Multi-Modal Improvements Project

This project is comprised of converting the existing 2-lane rural design of a significant minor arterial roadway to an urban three-lane roadway to match its current use. The project will improve the safety and transportation network reliability for dozens of industries, thousands of employees, and local residents that use this corridor every day. This project also includes the construction of an underpass structure below a dual track rail crossing owned and operated by the Union Pacific Railroad Co. The profile geometry and sight distance restrictions of the existing at-grade crossings are unsafe and result in frequent vehicle accidents in addition to traffic delays each day. Polk County has worked with the City of Des Moines, Des Moines Area MPO, Iowa Department of Transportation, Union Pacific Railroad, Des Moines Water Works, and our business partners to secure the project funding which is estimated to cost over \$50 million. This project was awarded a \$25 million federal BUILD program grant (Better Utilizing Investments to Leverage Development) in November of 2020. Project design and development are complete, the project letting was held in October of 2022, and construction will be completed in 2026.

### NE 22<sup>nd</sup> Street Improvement Project

This project is currently under design with a planned letting in the spring of 2023 and construction through 2024. The project will widen NE 22<sup>nd</sup> Street from 2 lanes to 2 lanes with a center turn lane from NE 54<sup>th</sup> Avenue to NE 62<sup>nd</sup> Avenue. It will include improvements at the NE 58<sup>th</sup> Avenue intersection and safety improvements at the railroad crossing.

### Watershed Management Authorities

Polk County is involved in the Watershed Management Authorities (WMA) within the region to develop long term management plans for each of the respective watersheds to reduce flooding risks, improve water quality, and educate the public. The Watershed Management Authorities are bringing together cities, counties, and Soil and Water Conservation Districts within each watershed. A key component to each watershed is improving the water quality within the watershed and eliminating development within the flood plain to protect the County's tax base and make all member communities more sustainable for growth. Flooding, nutrient pollution, and stream bank erosion are the primary concerns in the watersheds.

In 2020, Polk County created a new program to implement saturated buffers and bioreactors to treat agricultural runoff from tile drainage systems. This "Batch and Build" Project has set a new standard for the state, resulting in 102 practices being installed over the past two years. Polk County plans to continue this program in coming years and is in the development process of a new Wetlands Batch and Build Project.

### Watershed Flood Prevention and Operations Program

Polk County was the first entity in Iowa with a project accepted into the Watershed Flood Prevention and Operations Program (WFPO) through the United States Department of Agriculture. The Public Works Department led the development of a WFPO Watershed Plan in 2020-2022 that outlines 14 miles of stream restoration projects and one constructed wetland in partnership with the Cities of Altoona, Pleasant Hill, Ankeny, Des Moines, and Polk County Conservation. The Plan has been submitted for approval. Once it is accepted, the County is expected to enter into the full design phase in 2023, and the construction phase will begin in 2024. In total, this project outlines \$32 million in watershed improvements in Eastern Polk County and is expected to be the largest stream restoration project ever completed in Iowa.



### Polk County Comprehensive Plan - Polk 2050

The Comprehensive Plan update was adopted in August of 2022 and encompasses two years of community outreach, stakeholder input, public engagement, and plan development. Polk 2050 provides needed updates to demographic, economic and other data and analyses essential to understanding and planning for future growth and development of Polk County. The plan includes recommendations, goals and strategies including policy and action items for Land Use, Housing, Natural Resources, Agriculture, Economic Development, Infrastructure, and Transportation.

### **Operational and Budget Management**

Polk County remains committed to serving the needs of our community in an effective and efficient manner. In response to the COVID-19 pandemic, Polk County implemented measures to provide safe shelter options for homeless individuals, provide financial relief to address housing and food needs, and promote community awareness and preparedness through its Emergency Operations Center and Public Health Department. State and Federal funding is anticipated to cover the majority of expenditures incurred for COVID-19. Additionally, Polk County is implementing new programs to address housing, health, and environment through the use of ARPA funds that will enhance the long-term vitality of our community.

The Board continues to improve efficiency by enhancing intergovernmental communications through its membership in the Metropolitan Advisory Council. The council consists of mayors, council members and County supervisors within the metropolitan area who meet to discuss such issues as shared services, planning, and infrastructure. Shared successes have included regional use of the uniform building code and nuisance and vicious animal ordinances. The Board of Supervisors and the Des Moines City Council continue to dialogue about cost efficiencies and service improvements between the two governments.

It is anticipated that during the upcoming year, fund balances will be at a level consistent with the County's adopted financial policies. These strong reserves enhance the County's ability to manage upcoming challenges and enable the County to maintain its AAA bond rating. Nonetheless, the County remains cognizant of the need to serve citizens in the most cost-effective manner possible.

### **Long-term Financial Planning**

The Board has developed and implemented a fiscal policy and three-year budget forecast. These financial practices enable management to identify fiscal threats while sufficient time exists to make adjustments in revenue and expenditures. Additionally, Polk County initiated a five-year capital improvement plan (CIP) that assists the Board with long-term capital planning.

### **Awards and Acknowledgements**

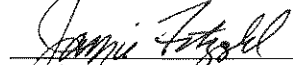
The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Polk County for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

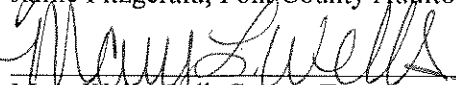
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. A Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

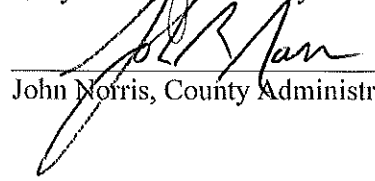
A Certificate of Achievement is valid for a period of one year only. Polk County has received a Certificate of Achievement for the last twenty-eight consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for their review.

The preparation of this report could not have been accomplished without the dedicated efforts of the employees of the offices of the County Auditor and County Treasurer. We also would like to thank the members of the Board of Supervisors for their interest and support in timely and comprehensive financial reporting.

Respectfully submitted,

  
\_\_\_\_\_  
Jamie Fitzgerald, Polk County Auditor

  
\_\_\_\_\_  
Mary Wells, Polk County Treasurer

  
\_\_\_\_\_  
John Norris, County Administrator

## **POLK COUNTY, IOWA**

### **OFFICIALS**

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<b>Name</b>	<b>Title</b>	<b>Term Expires</b>
John Sarcone	County Attorney	2022
Jamie Fitzgerald	County Auditor	2024
Julie Haggerty	County Recorder	2022
Mary Wells	County Treasurer	2022*
Kevin Schneider	County Sheriff	2025
Randy Ripperger	County Assessor	2027*
Robert Brownell	Board of Supervisors	2024
Angela Connolly	Board of Supervisors	2022
Steve Van Oort	Board of Supervisors	2024
Tom Hockensmith	Board of Supervisors	2022
Matt McCoy	Board of Supervisors	2022

\* Appointed

# POLK COUNTY ORGANIZATION

**COUNTY CONFERENCE BOARD**  
 Polk County Board of Supervisors,  
 representative from Board of Education-  
 each school district, all Mayors of cities.

**COUNTY ASSESSOR**

**POLK COUNTY ELECTORATE**

**COUNTY AUDITOR**  
 J. Fitzgerald

**COUNTY TREASURER**  
 M. Wells

**COUNTY RECORDER**  
 J. Haggerty

**BOARD OF SUPERVISORS**  
 R. Brownell, A. Connolly,  
 T. Hockensmith,  
 M. McCoy, S. Van Oort

**COUNTY ATTORNEY**  
 J. Sarcone

**COUNTY SHERIFF**  
 K. Schneider

CONSERVATION BOARD

EMERGENCY MANAGEMENT

REGIONAL MENTAL HEALTH AND DISABILITIES SERVICES

VETERAN AFFAIRS

**COUNTY ADMINISTRATOR**  
 J. Norris

**MEDICAL EXAMINER**  
 Dr. Akers

**GENERAL SERVICES**  
 J. Tyler

**PUBLIC WORKS**  
 R. Rice

**PUBLIC HEALTH**  
 H. Eddy

**COMMUNITY, FAMILY & YOUTH SERVICES**  
 E. Kool

**INFORMATION TECHNOLOGY**  
 T. Jefferson

**HUMAN RESOURCES**  
 J. Edgar



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Polk  
Iowa**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

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## Independent Auditor's Report

RSM US LLP

Board of Supervisors  
Polk County, Iowa

### Report on the Audit of the Financial Statements

#### **Opinions**

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, there was a change in reporting entity due to a previously reported discretely presented component unit no longer meeting the definition of a component unit. In addition, as discussed in Note 29 to the financial statements, the County adopted GASB Statement No. 87, *Leases*, as of July 1, 2021. Our opinions are not modified with respect to these matters.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect 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 the management's discussion and analysis, the total other postemployment benefit (OPEB) liability and related ratios schedule, the Iowa Public Employees Retirement System pension plan schedules and the budgetary comparison schedule, as listed in the table of contents, 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 nonmajor fund financial statements, the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other schedules listed in the table of contents are 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 auditor's 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 December 21, 2022 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.

*RSM US LLP*

Des Moines, Iowa  
December 21, 2022

## POLK COUNTY, IOWA

### Management's Discussion and Analysis For the Year Ended June 30, 2022

This section of Polk County's ("County") annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year that ended June 30, 2022. Please read this section in conjunction with the transmittal letter at the front of this report and with the County's financial statements, which follow this section.

#### FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board Statement (GASB) No. 87, Leases, during fiscal year ending June 30, 2022. The implementation of this standard revised certain asset and liability accounts related to leases, however it had no effect on the beginning net position for governmental activities.
- The County's total net position increased by \$80.3 million (15%) to \$626.7 million. Net position of governmental activities increased \$72.9 million (30%) to \$316.9 million primarily due to a decrease in the net pension liability (asset), receipt of the second half of American Rescue Plan Act (ARPA) grant funding and lower than anticipated expenses during the year. Net position of business-type activities increased \$7.4 million (2%) to \$309.8 million primarily due to an increase in revenues and lower than anticipated expenses during the year.
- In the County's governmental activities, total revenues increased \$111.6 million (35%) primarily due to receiving \$65 million of additional State of Iowa emergency rental assistance funding and the second half (\$47.6 million) of the ARPA grant funding. Total expenses increased \$73.4 million (26%) primarily due to an increase in administration expenses of \$78.5 million related to ARPA and emergency rental assistance expenses.
- In the County's business-type activities, total revenues increased \$18.6 million (54%) and total expenses increased \$8.1 million (23%). The increase in revenues is primarily due to an increase in charges for services from holding more events at the Iowa Events Center during the year and gambling revenue from Prairie Meadows Racetrack/Casino. Expenses increased primarily due to an increase in economic development expense in Prairie Meadows Racetrack/Casino fund and increased events at the Iowa Events Center.
- The County's actual expenditures were \$28.7 million below budget amounts. This is attributed to conservative estimated appropriations of large multi-year capital projects where actual construction expenditures lag the appropriated expenditure schedule and lower than anticipated expenditures on economic development loans, community development grant expenditures, and various social service and public health programs.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The County's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This discussion and analysis is intended to serve as an introduction to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements** – The government-wide financial statements are designed to provide readers with a broad overview of County finances, in a manner similar to private-sector business.

The government-wide financial statements of the County are divided into three categories:

- **Governmental Activities** – Most of the County's basic services are included here, such as public safety, legal services, physical health, social services, mental health, county environment, roads/transportation, and administration services. Property taxes and state and federal grants finance the majority of these activities.
- **Business-Type Activities** – The County charges fees to customers to help it cover the costs of certain services. The County's sanitary sewer, racetrack/casino, and events center are included here.
- **Component Unit** – The County includes the Iowa Events Center Hotel Corporation ("IEC Hotel Corp") in its report. Although legally separate, this "component unit" is included as it is financially dependent on the County.

The **Statement of Net Position** presents information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between these items reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Polk County is improving or deteriorating.

The **Statement of Activities** presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (such as uncollected taxes and earned but unused vacation leave).

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes. The County uses fund accounting to ensure and demonstrate compliance with legal requirements for financial transactions and reporting.

The County has three kinds of funds:

- **Governmental funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains three individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Mental Health Fund and American Rescue Plan Act Fund, which are considered to be major funds. Data from the other 19 governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget which includes its general, special revenue, debt service and capital projects funds. A budgetary comparison schedule has been provided for these funds to demonstrate compliance with this budget. For additional information see notes to required supplementary information.

- **Proprietary funds** – The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its air pollution control, convention/entertainment/arena, sanitary sewer, racetrack/casino, golf course, sewer/drainage district operations, and a tax and tags collection system. Internal service funds are accounting devices used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for health insurance and risk management. The County's internal services primarily benefit governmental activities.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Sanitary Sewer, Prairie Meadows Racetrack/Casino and Iowa Events Center which are considered to be major funds of the County. Data from the other five enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

- **Fiduciary funds** – The County is the agent, or *fiduciary*, for resources held for the benefit of parties outside the government. All of the County’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in assets and liabilities. These activities are excluded from the County’s government-wide financial statements because the County cannot use these assets to finance its operations. The County reports individual fund data for the custodial funds within other supplementary information.

**Notes to the Financial Statements** – The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements.

**Other information** – In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* which includes the changes in the total OPEB liability and related ratios schedule, proportionate share of net pension liability schedule, pension contribution schedule and the budgetary comparison schedule for the governmental funds. The combining statements referred to earlier in connection with nonmajor governmental, proprietary, internal service, fiduciary funds and discretely presented component unit are presented immediately following the required supplementary information.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Net Position.** The following table presents a summary of the County’s net position for the year ended June 30, 2022 with comparison totals as of June 30, 2021. The County’s *combined* net position increased \$80.3 (15%) million in the current year.

### Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 582,024,051	\$ 479,956,177	\$ 160,072,698	\$ 76,398,822	\$ 742,096,749	\$ 556,354,999
Capital assets, net	305,275,805	295,991,872	302,188,285	320,928,870	607,464,090	616,920,742
<b>Total assets</b>	<b>887,299,856</b>	<b>775,948,049</b>	<b>462,260,983</b>	<b>397,327,692</b>	<b>1,349,560,839</b>	<b>1,173,275,741</b>
Deferred outflows of resources	18,691,993	23,059,226	306,789	437,840	18,998,782	23,497,066
Long-term liabilities	218,488,937	271,472,920	68,830,780	85,767,618	287,319,717	357,240,538
Other liabilities	83,960,894	69,096,396	10,560,046	8,473,992	94,520,940	77,570,388
<b>Total liabilities</b>	<b>302,449,831</b>	<b>340,569,316</b>	<b>79,390,826</b>	<b>94,241,610</b>	<b>381,840,657</b>	<b>434,810,926</b>
Deferred inflows of resources	286,660,701	214,485,168	73,406,284	1,139,090	360,066,985	215,624,258
Net position						
Net investment in						
capital assets	199,148,310	178,840,583	245,395,416	250,962,456	444,543,726	429,803,039
Restricted	9,472,452	16,158,117	915,341	373,389	10,387,793	16,531,506
Unrestricted	108,260,555	48,954,091	63,459,905	51,048,987	171,720,460	100,003,078
<b>Total net position</b>	<b>\$ 316,881,317</b>	<b>\$ 243,952,791</b>	<b>\$ 309,770,662</b>	<b>\$ 302,384,832</b>	<b>\$ 626,651,979</b>	<b>\$ 546,337,623</b>

Net position of the County’s governmental activities increased 30% to \$316.9 million at June 30, 2022. The largest portion of the County’s net position (63%) reflects its investment in capital assets (e.g. land, buildings, infrastructure, equipment, etc.), less any related debt used to acquire those assets that is still outstanding. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased \$20.3 million (11%) over the prior year. The net investment in capital assets increased primarily due to completion of the Historic Courthouse Phase IV project, the Sheriff’s Administration/Law Enforcement Facility and work on the NE Broadway Ave Phase I improvements.

Restricted net position of governmental activities decreased \$6.7 million (41%) to \$9.5 million primarily due to increased expenses to meet the state legislative mandated fund balance target in the Mental Health Special Revenue Fund. Unrestricted net position of governmental activities increased \$59.3 million (121%) to \$108.3 million primarily due to a decrease in the net pension liability (asset).

The net position of business-type activities increased 2% to \$309.8 million at June 30, 2022. Approximately 79% of the net position of business-type activities is invested in capital assets (e.g. land, buildings, infrastructure, equipment, etc), less any related debt used to acquire those assets that is still outstanding.

### Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 63,309,531	\$ 44,250,498	\$ 45,664,511	\$ 31,353,951	\$ 108,974,042	\$ 75,604,449
Operating grants and contributions	135,748,723	50,357,676	2,482,400	839,664	138,231,123	51,197,340
Capital grants and contributions	6,276,248	4,758,778	32,000	32,000	6,308,248	4,790,778
General revenues:						
Property taxes	195,064,719	192,812,266	-	-	195,064,719	192,812,266
Other County taxes	8,041,247	6,268,316	-	-	8,041,247	6,268,316
Interest on property taxes	1,392,693	2,173,963	-	-	1,392,693	2,173,963
State replacements	13,969,069	14,056,107	-	-	13,969,069	14,056,107
Use of money and property	2,637,236	1,719,432	3,925,045	1,608,950	6,562,281	3,328,382
Miscellaneous	5,419,525	3,848,416	1,300,089	947,640	6,719,614	4,796,056
<b>Total revenues</b>	<b>431,858,991</b>	<b>320,245,452</b>	<b>53,404,045</b>	<b>34,782,205</b>	<b>485,263,036</b>	<b>355,027,657</b>
<b>Expenses:</b>						
Public safety and legal services	91,517,994	98,320,747	-	-	91,517,994	98,320,747
Physical health and social services	39,360,602	43,090,352	-	-	39,360,602	43,090,352
Mental health	29,121,148	26,413,988	-	-	29,121,148	26,413,988
County environment and education	28,681,708	22,687,489	-	-	28,681,708	22,687,489
Roads and transportation	19,904,738	20,399,665	-	-	19,904,738	20,399,665
Government services to residents	8,482,345	10,604,040	-	-	8,482,345	10,604,040
Administration	139,026,689	60,486,836	-	-	139,026,689	60,486,836
Interest on long-term debt	5,500,496	6,165,281	-	-	5,500,496	6,165,281
Air Quality	-	-	1,067,562	1,193,109	1,067,562	1,193,109
Sanitary Sewer	-	-	1,789,710	1,663,793	1,789,710	1,663,793
Prairie Meadows Racetrack/Casino	-	-	14,957,183	13,706,637	14,957,183	13,706,637
Conservation Enterprises	-	-	253,298	355,316	253,298	355,316
Hamilton Urban Drainage District	-	-	425,199	426,611	425,199	426,611
Iowa Events Center	-	-	24,362,991	17,238,103	24,362,991	17,238,103
Urban Sewer	-	-	30,734	45,544	30,734	45,544
Iowa Tax & Tags	-	-	466,283	581,598	466,283	581,598
<b>Total expenses</b>	<b>361,595,720</b>	<b>288,168,398</b>	<b>43,352,960</b>	<b>35,210,711</b>	<b>404,948,680</b>	<b>323,379,109</b>
Excess (deficiency) before transfers	70,263,271	32,077,054	10,051,085	(428,506)	80,314,356	31,648,548
Transfers	2,665,255	(436,853)	(2,665,255)	436,853	-	-
<b>Increase (decrease) in net position</b>	<b>72,928,526</b>	<b>31,640,201</b>	<b>7,385,830</b>	<b>8,347</b>	<b>80,314,356</b>	<b>31,648,548</b>
Net position - beginning	243,952,791	212,312,590	302,384,832	302,376,485	546,337,623	514,689,075
<b>Net position- ending</b>	<b>\$ 316,881,317</b>	<b>\$ 243,952,791</b>	<b>\$ 309,770,662</b>	<b>\$ 302,384,832</b>	<b>\$ 626,651,979</b>	<b>\$ 546,337,623</b>

## Statement of Activities - Changes in Net Position

Polk County's governmental activities net position increased \$72.9 million during the year. The County reported an excess of revenues over expenses for the year of \$70.3 million. Revenues for governmental activities increased \$111.6 million primarily due to an increase of \$85.4 million in operating grants and contributions primarily due to additional State of Iowa emergency rental assistance funding to Polk County and receipt of the second half of ARPA grant funding. In addition, charges for services revenues increased \$19.1 million primarily due to recognizing lost revenue replacement under the ARPA grant program. The County's taxable valuations increased 3.8%, resulting in an increase of \$2.3 million in current property tax revenue. The business-type activities net position increased \$7.4 million during the year due to an increase in parking income, commissions income, and concession sales at the Iowa Events Center due to holding more conventions and other events.

The fact that 45% of total governmental revenues are derived from property taxes illustrates the County's continued dependence on property taxes to finance its general functions. In addition, operating grants represent 31% and charges for services represent 15% of total governmental revenues.

Governmental activities expenses increased 26%, including a 130% increase in administration due to the pass-through of emergency rental assistance funding (pandemic expenses) to IMPACT Community Action Partnership and allocation of ARPA funds to the General Fund to reimburse for lost revenue during COVID-19. County environment expenses increased 26% primarily due to providing economic development loans to Genesis Health Club and the YMCA. Mental health expenses increased 10% primarily due to new state mandates to meet a target fund balance.

The County's expenses cover a range of services, with the largest expenses relating to administration (pandemic expenses) (38%), public safety and legal services (25%), and physical health and social services (11%).

**Governmental Activities** Revenues for the County's governmental activities increased \$111.6 million (35%), while expenses increased \$73.4 million (26%). Key elements of these changes include the following:

- \$85.4 million (170%) increase in operating grants and contributions due to receipt of additional State of Iowa emergency rental assistance funding and receipt of the second half of ARPA grant funds.
- \$19.1 million (43%) increase in charges for services revenue due to allocation of ARPA funds to reimburse lost revenue in the General Fund.
- \$1.5 million (32%) increase in capital grants and contributions revenue due to contributions of infrastructure assets by the Iowa Department of Transportation, federal grant reimbursement of bridge expenses, and contributions received from various outside entities for Polk County Water & Land Legacy projects.
- \$2.3 million (1%) increase in property tax revenue due to a 3.8% increase in taxable valuations. The net current property tax revenue generated from the 3.8% increase in taxable valuations was offset by a \$4.7 million reduction in mental health property tax revenues due to a legislative change in the mental health funding system.
- \$1.6 million (41%) increase in miscellaneous revenue due to transitioning management of the behavioral health and disability services department from an outside entity to in-house. As a result, \$1.4 million of lead agency remittances were returned to the Polk County in late FY 21/22.
- \$6.8 million (-7%) decrease in public safety and legal services expense primarily due to a decrease in pension expense during the year.
- \$2.7 million (10%) increase in mental health expense primarily due to a state legislative change that required reduced fund balance targets. In addition, due to the discontinued contracting with Polk County Health Services, Inc. (PCHS), the County received Integrated Service Agencies (ISA) monies that PCHS had managed and subsequently disbursed to various ISA agencies.
- \$6 million (26%) increase in county environment and education primarily due to an economic development loan to a local YMCA, contributions for water quality improvement, and increased investment in neighborhood revitalization.
- \$2.1 million (-20%) decrease in state and local government services expense primarily due to timing of the election cycle and prior year receipt of outside funds used for election administration.
- \$78.5 million (130%) increase in administration expense primarily due to pass-through of emergency rental assistance funding and expenditure of ARPA funding.

**Business-type Activities** Revenues for the County’s business-type activities increased \$18.6 million (54%) and expenses increased \$8.1 million (23%). Key elements of these changes include the following:

- Charges for services increased \$14.3 million primarily due to an increase in gambling revenue at Prairie Meadows Racetrack/Casino and holding more conventions and other events at the Iowa Events Center than prior year because of COVID-19 restrictions.
- Iowa Events Center expenses increased \$7.1 million primarily due to holding more events than prior year because of COVID-19 restrictions and Prairie Meadows Racetrack/Casino expenses increased \$1.3 million primarily due to economic developments costs that were paid to Iowa Events Center Hotel Corp during the current year.

## **FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS**

### **Governmental Funds**

As the County completed the current fiscal year, its governmental funds reported a *combined fund* balance of \$204 million at June 30, 2022, which is \$57.9 million more than the prior year. Key elements of these changes include the following:

- The General Fund increased \$40 million primarily due to the allocation of \$24.8 million in lost revenue reimbursement from the ARPA Fund, a \$5.2 million increase in property tax revenue due to a 3.8% increase in taxable valuations and a \$6.9 million increase in transfers from Prairie Meadows Racetrack/Casino for community development. In addition, retiree incentive payments decreased \$2.5 million from the prior year.
- The Mental Health Special Revenue Fund decreased \$8.8 million primarily due to a state legislative change that required reduced fund balance targets. In addition, due to the discontinued contracting with Polk County Health Services, Inc. (PCHS) see Note 1, the County received Integrated Service Agencies (ISA) monies that PCHS had managed and subsequently disbursed to various ISA agencies.
- The American Rescue Plan Act Special Revenue Fund nonspendable fund balance increased \$3.9 million primarily due to advancing the IEC Hotel Corporation funds for operating needs.

### **Proprietary Funds**

Sanitary Sewer net position increased \$2.3 million primarily due to transfers in from the general fund of \$1 million to provide for a lift station reserve and \$.6 million relating to funding of debt payments. In addition, the fund received a \$.8 million revenue from Norwoodville Urban Renewal TIF funds as reimbursement for constructing sewer improvements in the Norwoodville area.

Prairie Meadows Racetrack/Casino net position decreased \$3.1 million primarily due \$2.0 million in economic development costs relating to the Iowa Event Center Hotel Corp and \$19.7 million transfers out for funding of community betterment projects in excess over \$13.5 million net income.

Iowa Events Center net position increased \$8.2 million primarily due to \$13.2 million transfers in over \$5 million net loss due to an increase in parking income, commissions income, and concession sales at the Iowa Events Center due to holding more conventions and other events. Transfers in consist of funds to pay for Iowa Events Center Hotel debt service, Iowa Events Center roof replacement expenses and funding for cash flow needs at the hotel.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

The County’s capital assets for its governmental and business-type activities as of June 30, 2022, amount to \$607.5 million (net of accumulated depreciation / amortization). These capital assets include land, buildings, improvements other than buildings, leasehold improvements, infrastructure, equipment, vehicles, intangibles, construction in progress, right to use leased building and right to use leased equipment. Polk County’s capital assets decreased \$9.5 million during the year. The primary reason for the decrease is due to increased depreciation expense over capital additions during the fiscal year.

Major capital asset events for the year ended June 30, 2022, are as follows:

- Historic Courthouse Phase IV - \$5.3 million
- Sheriff’s Administration/Law Enforcement Facility - \$4.4 million
- NE Broadway Ave Phase I - \$4.2 million
- Polk County Water & Land Legacy projects - \$2.9 million
- Sleepy Hollow Sports Park Land - \$1 million

Capital assets for the governmental and business-type activities at June 30, 2022 are as follows:

### Capital Assets

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 31,437,581	\$ 28,457,667	\$ 18,215,559	\$ 18,215,559	\$ 49,653,140	\$ 46,673,226
Intangibles - permanent easements	-	-	3,322,580	3,322,580	3,322,580	3,322,580
Buildings	288,093,164	227,868,110	328,328,644	327,335,535	616,421,808	555,203,645
Improvements other than buildings	21,154,716	18,938,571	11,571,591	11,571,591	32,726,307	30,510,162
Leasehold improvements	-	-	191,536,328	191,536,328	191,536,328	191,536,328
Infrastructure	153,691,426	152,831,494	39,483,506	36,646,485	193,174,932	189,477,979
Equipment	17,109,744	16,832,740	5,747,572	5,645,496	22,857,316	22,478,236
Vehicles	14,896,753	13,252,548	194,140	194,140	15,090,893	13,446,688
Intangibles - computer software	3,750,039	2,598,063	-	-	3,750,039	2,598,063
Intangible in progress	586,415	285,584	-	-	586,415	285,584
Construction in progress	6,240,187	51,284,052	1,563,100	4,721,280	7,803,287	56,005,332
Right to use leased building	188,247	188,247	-	-	188,247	188,247
Right to use leased equipment	170,133	170,133	-	-	170,133	170,133
<b>Total</b>	<u>537,318,405</u>	<u>512,707,209</u>	<u>599,963,020</u>	<u>599,188,994</u>	<u>1,137,281,425</u>	<u>1,111,537,823</u>
Less: accumulated depreciation / amortization	(232,042,600)	(216,527,090)	(297,774,735)	(278,260,124)	(529,817,335)	(494,787,214)
<b>Total</b>	<u>\$ 305,275,805</u>	<u>\$ 296,180,119</u>	<u>\$ 302,188,285</u>	<u>\$ 320,928,870</u>	<u>\$ 607,464,090</u>	<u>\$ 616,750,609</u>

Additional information on Polk County’s capital assets can be found in Note 7 in the notes to the financial statements.

The County’s FY 22/23 capital budget includes spending an estimated \$.8 million for the Polk County Historic Courthouse, \$21.6 million for Polk County Water & Land Legacy projects, \$1.9 million for the Sheriff’s administration/law enforcement facility, \$3.5 million for capital improvement projects at various County facilities, \$1.2 million for technology upgrades and \$7 million for the first phase of a county morgue construction. Planned capital outlays for proprietary funds include \$6 million for improvements to the Iowa Events Center and \$1 million for sanitary sewer improvements.

### Long-Term Debt

At June 30, 2022, the County had \$232.9 million in bonds and notes outstanding, a decrease of \$6.9 million compared to FY 20/21. The reason for the decrease in bonds and notes outstanding is the scheduled payment of principal on existing bonds. Three large outstanding obligations pertain to the Iowa Events Center Enterprise Fund. Projects consisted of construction of a new arena and exhibit hall along with a renovated Veteran Memorial Community Choice Convention Center. The fund reported outstanding obligations of \$46.3 million at the end of FY21/22.



Polk County is well below the statutory debt capacity limitation. The debt capacity is controlled by the constitutional debt limit which is an amount equal to 5% of the actual value of taxable property within the County limits. The County’s unused legal debt capacity was \$1.9 billion as of June 30, 2022. In addition, the County maintains an Aaa rating from Moody’s Investors Service and an AAA rating from Standard & Poor’s Global Ratings on all outstanding debt obligations.

### Outstanding Debt

	Governmental Activities		Business-type Activities		Total		Percentage Change 2021-2022
	2022	2021	2022	2021	2022	2021	
G.O. bonds	\$ 164,344,372	\$ 155,550,040	\$ 47,795,717	\$ 62,453,276	\$ 212,140,089	\$ 218,003,316	-3%
Notes payable	-	-	20,744,000	21,756,000	20,744,000	21,756,000	-5%
<b>Total</b>	<u>\$ 164,344,372</u>	<u>\$ 155,550,040</u>	<u>\$ 68,539,717</u>	<u>\$ 84,209,276</u>	<u>\$ 232,884,089</u>	<u>\$ 239,759,316</u>	-3%

Additional information on Polk County’s outstanding debt can be found in Note 9 in the notes to the financial statements.

### BUDGETARY HIGHLIGHTS

Over the course of the year, the Board of Supervisors amended the County budget twice to reflect a variety of actions taken since certifying the original budget. Adjustments included such items as re-appropriating special project funds, grant awards, position changes and amendments based on revised expenditure and revenue estimates. Additionally, because unexpended appropriations do not carry forward from year to year, the County was required to amend the budget to fulfill commitments from the previous year.

Even with these adjustments, actual expenditures were \$28.7 million below final budget amounts. Significant variances include:

- County environment and education expense was \$7.3 million less than budget. This is primarily due to a change in a loan made to the local YMCA. After the final budget amendment, the YMCA secured an additional funding source and reduced its loan request from the County by \$6.5 million.
- Capital projects, primarily construction of a new Sheriff’s administration/law enforcement facility and a new county morgue as well as renovation of the historic courthouse, were \$6.7 million less than budget due to timing. The budget is a conservative estimate to ensure sufficient appropriation is available to carry out any potential or planned capital improvements. The actual construction expenditures lag the appropriated expenditure schedule.
- Physical health and social service expense was \$4.8 million less than budget. Appropriations for shelter assistance, transportation, public health grants/medical supplies, sobering services, and weatherization were underexpended.
- Administration expense was \$4.7 million less than budget due to timing of ARPA expenditures as well lower than anticipated risk management expense. Additionally, Community development grant expenditures were \$1.2 million less than budget. The variance is primarily due to a large grant reserve being set aside for this purpose, but fewer than anticipated grants actually being awarded.
- Public safety and legal services were \$2.3 million less than budget This includes under expenditure of the adult corrections appropriation (primarily the jail medical contract contingency) and under expenditure of the assistance to district courts appropriation due to COVID-related court closures for a portion of the fiscal year.

### ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The financial condition of Polk County government remains strong. Healthy reserves, significant growth in property valuations, and increased state and federal funding have allowed Polk County to address COVID-19 related needs and maintain County services without growth in the tax rate.

For FY 22/23, certified taxable valuations increased 5.8%, resulting in a budgeted increase of \$9.2 million in net current property tax revenue and state tax replacements. Per State property tax reform, commercial and industrial taxable valuations were rolled back to 90% of assessed valuation, with the State pledging to replace funding lost due to the rollback. Beginning in FY 22/23, the State replacement funding will be phased out over a 5-year period. Even so, the County estimates state replacement funding of \$5.0 million in FY 22/23.

Polk County's current budget for FY 22/23 indicates General fund balances will decrease \$9.3 million due to planned balance utilization to fund capital projects including construction of a morgue, investment in sanitary sewer infrastructure, and replacement of the roof at Wells Fargo Arena. County balances are projected to meet or exceed the County policy that sets ending fund balances at a goal of 20% - 25% of expenditures. Additionally, the County will retain its \$8 million contingency reserve.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Polk County Auditor's Office, 111 Court Avenue, Suite 315, Des Moines, IA 50309, telephone (515) 286-3419 or e-mail at [JoEllen.Bigelow@polkcountyiowa.gov](mailto:JoEllen.Bigelow@polkcountyiowa.gov).

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POLK COUNTY, IOWA

Statement of Net Position

June 30, 2022

	Primary Government		Component Unit	
	Governmental Activities	Business-type Activities	Total	IEC Hotel Corp
<b>ASSETS</b>				
Cash and pooled investments	\$ 250,700,103	\$ 32,765,063	\$ 283,465,166	\$ 1,581,925
Receivables (net)	52,097,043	93,716,538	145,813,581	660,051
Due from component units	-	159,365	159,365	-
Advances to component units	3,903,296	34,984,249	38,887,545	-
Internal balances	3,305,594	(3,305,594)	-	-
Inventories	2,014,007	115,042	2,129,049	32,101
Prepaid items	1,744,105	92,563	1,836,668	282,788
Restricted assets - cash and pooled investments	28,493,236	915,341	29,408,577	9,687,849
Succeeding year property taxes receivable	210,745,467	-	210,745,467	-
Capital assets not being depreciated	38,264,183	23,101,239	61,365,422	-
Capital assets being depreciated/amortized, net	267,011,622	279,087,046	546,098,668	91,284,481
Net pension asset	29,021,200	630,131	29,651,331	-
<b>TOTAL ASSETS</b>	<b>887,299,856</b>	<b>462,260,983</b>	<b>1,349,560,839</b>	<b>103,529,195</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>18,691,993</b>	<b>306,789</b>	<b>18,998,782</b>	
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	20,923,684	8,850,467	29,774,151	2,003,823
Due to primary government	-	-	-	9,502,995
Interest payable	478,474	190,119	668,593	1,356,743
Unearned revenues	62,558,736	671,620	63,230,356	460,008
Advance deposits and ticket sales	-	847,840	847,840	-
Due within one year:				
General obligation bonds payable	25,222,976	12,421,313	37,644,289	-
Notes payable	-	1,044,000	1,044,000	-
Lease agreements	44,549	-	44,549	-
Compensated absences payable	2,507,036	31,582	2,538,618	-
Termination benefits payable	19,000	-	19,000	-
Estimated liability for claims and judgments	6,028,800	-	6,028,800	-
Certificate of participation	-	-	-	1,168,767
Due in more than one year:				
General obligation bonds payable	139,121,396	35,374,404	174,495,800	-
Notes payable	-	19,700,000	19,700,000	1,735,426
Lease agreements	173,924	-	173,924	-
Compensated absences payable	18,035,256	259,481	18,294,737	-
Estimated liability for claims and judgments	8,796,000	-	8,796,000	-
Total OPEB liability	18,540,000	-	18,540,000	-
Certificate of participation	-	-	-	54,989,726
Certificate of participation - due to primary government	-	-	-	27,750,000
Derivative instruments - interest rate swaps	-	-	-	2,935,748
Due to manager - Hilton Management, LLC	-	-	-	2,250,000
<b>TOTAL LIABILITIES</b>	<b>302,449,831</b>	<b>79,390,826</b>	<b>381,840,657</b>	<b>104,153,236</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>286,660,701</b>	<b>73,406,284</b>	<b>360,066,985</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	199,148,310	245,395,416	444,543,726	7,375,988
Restricted for:				
Capital improvements	-	915,341	915,341	-
Debt service	2,657,392	-	2,657,392	-
Enabling legislation - State Statutes	6,815,060	-	6,815,060	-
IEC Hotel Corporation	-	-	-	1,111,349
Unrestricted	108,260,555	63,459,905	171,720,460	(9,111,378)
<b>TOTAL NET POSITION</b>	<b>\$ 316,881,317</b>	<b>\$ 309,770,662</b>	<b>\$ 626,651,979</b>	<b>\$ (624,041)</b>

POLK COUNTY, IOWA

Statement of Activities  
For the Year Ended June 30, 2022

Function/Program	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	Total
<b>Primary government:</b>								
Governmental activities:								
Public safety and legal services	\$ 91,517,994	\$ 21,266,708	\$ 1,732,824	\$ -	\$ (68,518,462)	\$ -	\$ (68,518,462)	\$ -
Physical health and social services	39,360,602	1,619,371	11,960,171	-	(25,781,060)	-	(25,781,060)	-
Mental health	29,121,148	15,807	7,773,953	-	(21,331,388)	-	(21,331,388)	-
County environment and education	28,681,708	2,784,438	768,523	1,027,015	(24,101,732)	-	(24,101,732)	-
Roads and transportation	19,904,738	853,244	7,731,423	5,249,233	(6,070,838)	-	(6,070,838)	-
Government services to residents	8,482,345	10,331,781	10,000	-	1,859,436	-	1,859,436	-
Administration	139,026,689	26,438,164	105,771,829	-	(6,816,696)	-	(6,816,696)	-
Interest on long-term debt	5,500,496	18	-	-	(5,500,478)	-	(5,500,478)	-
Total governmental activities	361,595,720	63,309,531	135,748,723	6,276,248	(156,261,218)	-	(156,261,218)	-
Business-type activities:								
Air Quality	1,067,562	452,468	847,292	-	-	232,198	232,198	-
Sanitary Sewer	1,789,710	1,265,659	-	-	-	(524,051)	(524,051)	-
Prairie Meadows Racetrack/Casino	14,957,183	25,987,677	-	-	-	11,030,494	11,030,494	-
Conservation Enterprises	253,298	370,172	-	-	-	116,874	116,874	-
Hamilton Urban Drainage District	425,199	192,297	-	-	-	(232,902)	(232,902)	-
Iowa Events Center	24,362,991	17,119,475	1,635,108	32,000	-	(5,576,408)	(5,576,408)	-
Urban Sewer	30,734	-	-	-	-	(30,734)	(30,734)	-
Iowa Tax & Tags	466,283	276,763	-	-	-	(189,520)	(189,520)	-
Total business-type activities	43,352,960	45,664,511	2,482,400	32,000	-	4,825,951	4,825,951	-
Total primary government	\$ 404,948,680	\$ 108,974,042	\$ 138,231,123	\$ 6,308,248	(156,261,218)	4,825,951	(151,435,267)	-
<b>Component unit:</b>								
IEC Hotel Corp	\$ 18,297,914	\$ 12,046,643	\$ 889,998	\$ 2,400,000				(2,961,273)
General revenues:								
Property taxes					195,064,719	-	195,064,719	-
Other county taxes					8,041,247	-	8,041,247	-
Interest and penalties on property taxes					1,392,693	-	1,392,693	-
State tax credits and replacements against levied property taxes					13,969,069	-	13,969,069	-
Interest income					2,637,236	3,925,045	6,562,281	1,894,487
Miscellaneous					5,419,525	1,300,089	6,719,614	1,192,955
Transfers					2,665,255	(2,665,255)	-	-
Total general revenues and transfers					229,189,744	2,559,879	231,749,623	3,087,442
Change in net position					72,928,526	7,385,830	80,314,356	126,169
Net position - beginning, as restated					243,952,791	302,384,832	546,337,623	(750,210)
Net position - ending					\$ 316,881,317	\$ 309,770,662	\$ 626,651,979	\$ (624,041)

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**POLK COUNTY, IOWA**

**Balance Sheet  
Governmental Funds  
June 30, 2022**

	<b>General</b>	<b>Mental Health</b>	<b>American Rescue Plan Act</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and pooled investments	\$ 138,020,595	\$ 2,594,158	\$ 62,733,826	\$ 27,733,391	\$ 231,081,970
Restricted assets - cash and pooled investments	-	-	-	28,493,236	28,493,236
Receivables (net):					
Taxes	733,117	45,934	-	144,102	923,153
Succeeding year property taxes	175,049,226	-	-	35,696,241	210,745,467
Special assessments	162,323	-	-	10,931	173,254
Accounts	604,172	12,500	-	4,559	621,231
Leases	329,358	-	-	-	329,358
Notes	12,962,793	-	-	-	12,962,793
Accrued interest	1,199,228	-	-	-	1,199,228
Due from other funds	473,033	-	-	67,609	540,642
Due from other governments	7,647,262	30,796	-	1,342,596	9,020,654
Advances to other funds	2,765,464	-	-	-	2,765,464
Advances to component unit	-	-	3,903,296	-	3,903,296
Inventories	721,452	-	-	1,292,555	2,014,007
Prepaid items	904,542	576,943	-	250,229	1,731,714
<b>TOTAL ASSETS</b>	<b>\$ 341,572,565</b>	<b>\$ 3,260,331</b>	<b>\$ 66,637,122</b>	<b>\$ 95,035,449</b>	<b>\$ 506,505,467</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 3,922,097	\$ 2,451,645	\$ 402,995	\$ 3,716,345	\$ 10,493,082
Contract/retainage payable	-	-	-	818,162	818,162
Wages payable	3,691,757	34,804	-	182,647	3,909,208
Payroll taxes payable	608,634	5,845	-	30,533	645,012
Compensated absences payable	4,118,387	-	-	-	4,118,387
Termination benefit payable	19,000	-	-	-	19,000
Estimated liability for claims and judgments	328,000	-	-	-	328,000
Due to other funds	512	-	-	-	512
Due to other governments	4,242,080	-	-	258,758	4,500,838
Trust payable	102,752	-	-	-	102,752
Unearned revenues	227,905	-	62,330,831	-	62,558,736
<b>TOTAL LIABILITIES</b>	<b>17,261,124</b>	<b>2,492,294</b>	<b>62,733,826</b>	<b>5,006,445</b>	<b>87,493,689</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>179,000,495</b>	<b>76,730</b>	<b>-</b>	<b>35,931,375</b>	<b>215,008,600</b>
Fund balances:					
Nonspendable	4,163,553	576,943	3,903,296	1,542,784	10,186,576
Restricted	-	114,364	-	39,722,010	39,836,374
Committed	14,759,793	-	-	13,256,926	28,016,719
Unassigned	126,387,600	-	-	(424,091)	125,963,509
<b>TOTAL FUND BALANCES</b>	<b>145,310,946</b>	<b>691,307</b>	<b>3,903,296</b>	<b>54,097,629</b>	<b>204,003,178</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 341,572,565</b>	<b>\$ 3,260,331</b>	<b>\$ 66,637,122</b>	<b>\$ 95,035,449</b>	<b>\$ 506,505,467</b>

See Notes to Basic Financial Statements



**POLK COUNTY, IOWA**

**Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds  
to Net Position of Governmental Activities on the Statement of Net Position  
June 30, 2022**

Fund balances - total governmental funds	\$	204,003,178
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets	\$ 537,318,405	
Accumulated depreciation/amortization	<u>(232,042,600)</u>	305,275,805
Interest payable on long-term obligations that does not require current financial resources and therefore is not reported in the funds.		
		(478,474)
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		18,122,185
Revenues and other financing sources that are not available to pay for current period expenditures in the funds.		
Property taxes	901,465	
Special assessments	169,202	
Accounts receivable	195,602	
Due from other governments	2,141,767	
Due from other funds (Prairie Meadows property taxes)	<u>540,130</u>	3,948,166
Long-term assets are not available to pay for current period expenditures and therefore are not reported in the funds:		
Notes receivable (Metro Waste Authority)		25,885,000
Interest receivable (Metro Waste Authority)		65,281
Net pension asset		29,021,200
Pension related deferred outflows of resources and deferred inflows of resources are not reported in the governmental funds, but are amortized and recognized as a component of pension/OPEB expense in the government-wide financial statements, as follows:		
Deferred outflows of resources (Pension)		14,876,685
Deferred outflows of resources (OPEB)		3,815,308
Deferred inflows of resources (Pension)		(72,481,727)
Deferred inflows of resources (OPEB)		(1,219,080)
Deferred inflows of resources (Gain on refunding)		(1,899,460)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds payable		(164,344,372)
Lease agreements payable		(218,473)
Compensated absences payable		(16,423,905)
Estimated liability for claims and judgments		(12,526,000)
Total OPEB liability		<u>(18,540,000)</u>
Net position of governmental activities	\$	<u><u>316,881,317</u></u>

**POLK COUNTY, IOWA**

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2022**

	<b>General</b>	<b>Mental Health</b>	<b>American Rescue Plan Act</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES:</b>					
Property taxes	\$ 154,882,515	\$ 9,703,975	\$ -	\$ 30,456,889	\$ 195,043,379
Other County taxes	5,495,959	258,290	-	2,286,998	8,041,247
Interest and penalties on delinquent taxes	1,392,693	-	-	-	1,392,693
Intergovernmental	137,216,854	8,492,261	32,807,444	11,143,903	189,660,462
Licenses and permits	1,051,992	-	-	189,022	1,241,014
Charges for services	19,021,166	-	-	1,099,817	20,120,983
Use of money and property	4,648,269	-	-	3,350,499	7,998,768
Miscellaneous	2,237,998	1,723,932	-	1,170,327	5,132,257
<b>TOTAL REVENUES</b>	<b>325,947,446</b>	<b>20,178,458</b>	<b>32,807,444</b>	<b>49,697,455</b>	<b>428,630,803</b>
<b>EXPENDITURES:</b>					
Current:					
Public safety and legal services	88,478,643	-	-	1,688,073	90,166,716
Physical health and social services	40,171,093	-	-	-	40,171,093
Mental health	-	28,940,071	-	-	28,940,071
County environment and education	22,983,570	-	-	2,402,029	25,385,599
Roads and transportation	1,045,459	-	-	11,698,834	12,744,293
Government services to residents	9,210,902	-	-	153,331	9,364,233
Administration	114,538,293	-	28,904,148	-	143,442,441
Debt service:					
Principal	43,232	-	-	17,435,000	17,478,232
Interest and fiscal charges	7,261	-	-	5,792,667	5,799,928
Capital projects:					
Roadway construction	-	-	-	6,172,048	6,172,048
Conservation land acquisition and development	1,437,425	-	-	4,891,535	6,328,960
Other capital projects	-	-	-	15,606,473	15,606,473
<b>TOTAL EXPENDITURES</b>	<b>277,915,878</b>	<b>28,940,071</b>	<b>28,904,148</b>	<b>65,839,990</b>	<b>401,600,087</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>48,031,568</b>	<b>(8,761,613)</b>	<b>3,903,296</b>	<b>(16,142,535)</b>	<b>27,030,716</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	31,083,960	-	-	17,966,115	49,050,075
Transfers out	(39,145,683)	-	-	(7,219,137)	(46,364,820)
Issuance of bonds	-	-	-	27,935,000	27,935,000
Issuance of refunding bonds	-	-	-	3,411,866	3,411,866
Premium/(discount) on bonds issued	-	-	-	272,456	272,456
Payment to refunding bond escrow	-	-	-	(3,405,000)	(3,405,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(8,061,723)</b>	<b>-</b>	<b>-</b>	<b>38,961,300</b>	<b>30,899,577</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>39,969,845</b>	<b>(8,761,613)</b>	<b>3,903,296</b>	<b>22,818,765</b>	<b>57,930,293</b>
<b>FUND BALANCE, BEGINNING</b>	<b>105,341,101</b>	<b>9,452,920</b>	<b>-</b>	<b>31,278,864</b>	<b>146,072,885</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 145,310,946</b>	<b>\$ 691,307</b>	<b>\$ 3,903,296</b>	<b>\$ 54,097,629</b>	<b>\$ 204,003,178</b>

See Notes to Basic Financial Statements

**POLK COUNTY, IOWA**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2022**

Net change in fund balances - total governmental funds \$ 57,930,293

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. The following is the detail of the amount by which capital outlays and capital contributions exceed depreciation/amortization in the current year:

Capital outlays	20,381,119
Capital contribution	4,732,581
Depreciation/amortization expense	(16,018,014)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Change in deferred inflows of resources	871,442
Collection of long-term receivable (Metro Waste Authority) recognized as revenue in the governmental funds	(2,420,000)
Change in interest receivable (Metro Waste Authority)	(4,788)

The current year County employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position.

9,807,609

Expenses in the statement of activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.

Change in estimated liabilities for claims and judgments	(100,000)
Change in compensated absences	(1,494,077)
Pension expense	8,011,165
OPEB expense	(1,190,870)

Debt proceeds provide current financial resources to governmental funds. Issuing debt increases long-term liabilities in the government-wide statement of net position. Repayments are an expenditure in the governmental funds. Repayment reduces long-term liabilities in the government-wide statement of net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Change in capital leases	708,673
Lease agreements	(30,226)
Payments on long-term bonds	20,840,000
Amortization of bond premium/(discount)	1,703,733
Amortization of gain on refunding of debt	72,018

Interest expense on long-term debt is reported in the government-wide statement of activities.

Interest payable does not require the use of current financial resources. This related interest expense is not reported as an expenditure in the governmental funds.

Change in interest payable on debt	(53,843)
------------------------------------	----------

Internal service funds are used by management to charge the costs of insurance. The change in net position is reported with governmental activities.

519,776

Change in net position of governmental activities \$ 72,928,526

POLK COUNTY, IOWA

Statement of Net Position  
Proprietary Funds  
June 30, 2022

	Business-type Activities - Enterprise Funds			
	Sanitary Sewer	Prairie Meadows Racetrack/ Casino	Iowa Events Funds	Nonmajor Enterprise Funds
<b>ASSETS</b>				
Current assets:				
Cash and pooled investments	\$ 9,947,741	\$ 10,691,000	\$ 10,156,229	\$ 1,970,093
Restricted assets - cash and pooled investments	-	-	915,341	-
Receivables (net):				
Accounts	136,916	-	6,530,582	144,453
Lease receivables	-	14,087,074	690,087	-
Notes	809,363	-	-	140,157
Due from other governments	57,581	-	-	197,256
Due from component units	-	-	159,365	-
Inventories	-	-	115,042	-
Prepaid items	-	-	92,563	-
Total current assets	10,951,601	24,778,074	18,659,209	2,451,959
Noncurrent assets:				
Receivables (net):				
Special assessments	22	-	-	6,824
Lease receivables	-	52,765,472	2,973,680	-
Notes	11,872,671	-	-	3,304,400
Advances to component units	-	29,970,000	5,014,249	-
Capital assets not being depreciated	2,162,711	3,129,000	13,914,413	3,895,115
Capital assets being depreciated, net	16,621,480	118,603,428	132,549,777	11,312,361
Net pension asset	-	-	68,402	561,729
Total noncurrent assets	30,656,884	204,467,900	154,520,521	19,080,429
<b>TOTAL ASSETS</b>	41,608,485	229,245,974	173,179,730	21,532,388
<b>DEFERRED OUTFLOW OF RESOURCES</b>	-	-	23,742	283,047
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	34,417	-	5,430,447	73,321
Wages payable	-	-	232,271	44,122
Payroll taxes payable	-	-	18,089	7,334
Interest payable	28,843	-	156,112	5,164
Estimated liability for claims and judgments	-	-	-	-
Due to other funds	-	540,130	-	-
Due to other governments	-	3,010,466	-	-
Advance deposits and ticket sales	-	-	847,840	-
Unearned revenues	-	-	671,620	-
General obligation bonds payable	-	-	12,047,779	373,534
Notes payable	1,044,000	-	-	-
Advances from other funds	-	-	-	272,345
Compensated absences payable	-	-	12,432	19,150
Total current liabilities	1,107,260	3,550,596	19,416,590	794,970
Noncurrent liabilities:				
General obligation bonds payable	-	-	34,253,803	1,120,601
Notes payable	19,700,000	-	-	-
Advances from other funds	-	-	-	2,493,119
Compensated absences payable	-	-	-	259,481
Total noncurrent liabilities	19,700,000	-	34,253,803	3,873,201
<b>TOTAL LIABILITIES</b>	20,807,260	3,550,596	53,670,393	4,668,171
<b>DEFERRED INFLOWS OF RESOURCES</b>	-	65,883,100	6,153,630	1,369,554
<b>NET POSITION</b>				
Net investment in capital assets	10,722,225	121,732,428	97,733,287	15,207,476
Restricted for capital improvements	-	-	915,341	-
Unrestricted	10,079,000	38,079,850	14,730,821	570,234
<b>TOTAL NET POSITION</b>	\$ 20,801,225	\$ 159,812,278	\$ 113,379,449	\$ 15,777,710

See Notes to Basic Financial Statements

<b>Total</b>	<b>Governmental Activities- Internal Service Funds</b>
\$ 32,765,063	\$ 19,618,133
915,341	-
6,811,951	917,091
14,777,161	-
949,520	-
254,837	-
159,365	-
115,042	-
92,563	12,391
<u>56,840,843</u>	<u>20,547,615</u>
6,846	-
55,739,152	-
15,177,071	-
34,984,249	-
23,101,239	-
279,087,046	-
630,131	-
<u>408,725,734</u>	<u>-</u>
<u>465,566,577</u>	<u>20,547,615</u>
306,789	-
5,538,185	283,221
276,393	-
25,423	171,409
190,119	-
-	1,970,800
540,130	-
3,010,466	-
847,840	-
671,620	-
12,421,313	-
1,044,000	-
272,345	-
31,582	-
<u>24,869,416</u>	<u>2,425,430</u>
35,374,404	-
19,700,000	-
2,493,119	-
259,481	-
<u>57,827,004</u>	<u>-</u>
<u>82,696,420</u>	<u>2,425,430</u>
73,406,284	-
245,395,416	-
915,341	-
<u>63,459,905</u>	<u>18,122,185</u>
<u>\$ 309,770,662</u>	<u>\$ 18,122,185</u>

**POLK COUNTY, IOWA**

**Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2022**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sanitary Sewer</b>	<b>Prairie Meadows Racetrack/ Casino</b>	<b>Iowa Events Center</b>	<b>Nonmajor Enterprise Funds</b>
<b>OPERATING REVENUES:</b>				
Charges for goods and services:				
Charges for services	\$ 1,265,659	\$ 14,640,696	\$ 3,330,739	\$ 921,528
Intergovernmental revenues	-	-	1,635,108	847,292
Project income	-	11,346,981	872,500	-
Parking income	-	-	1,105,117	-
Concession sales	-	-	7,512,110	-
Commissions income	-	-	3,819,118	370,172
PFMS user fee on ticket sales	-	-	479,891	-
Miscellaneous	778,793	-	505,923	15,373
Total operating revenues	2,044,452	25,987,677	19,260,506	2,154,365
<b>OPERATING EXPENSES:</b>				
Cost of goods and services:				
Personal services	22,183	-	2,880,286	1,272,293
Supplies	-	-	583,489	87,706
Professional services	4,735	-	150,591	2,513
Other services/charges	712,086	3,550,596	2,352,088	176,874
Insurance	-	-	348,120	-
Direct event expense	-	-	2,267,461	-
Cost of goods sold - concession	-	-	4,567,549	-
Management expense	-	-	268,959	-
Miscellaneous	21,055	2,200,000	-	4,688
Amortization of discount (premium)	-	-	(595,147)	(48,534)
Depreciation	625,415	9,206,587	10,548,085	637,917
Total operating expenses	1,385,474	14,957,183	23,371,481	2,133,457
<b>OPERATING INCOME (LOSS)</b>	658,978	11,030,494	(4,110,975)	20,908
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest revenue	344,532	3,398,359	157,921	24,233
Debt issuance costs	-	-	(175,210)	-
Interest expense	(404,236)	-	(816,300)	(109,619)
Total nonoperating revenues (expenses)	(59,704)	3,398,359	(833,589)	(85,386)
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	599,274	14,428,853	(4,944,564)	(64,478)
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS:</b>				
Capital contributions from others	-	-	32,000	-
Transfers in	1,729,034	2,200,000	13,194,214	-
Transfers out	-	(19,688,503)	-	(100,000)
Total capital contributions and transfers	1,729,034	(17,488,503)	13,226,214	(100,000)
<b>CHANGE IN NET POSITION</b>	2,328,308	(3,059,650)	8,281,650	(164,478)
<b>NET POSITION - BEGINNING</b>	18,472,917	162,871,928	105,097,799	15,942,188
<b>NET POSITION - ENDING</b>	\$ 20,801,225	\$ 159,812,278	\$ 113,379,449	\$ 15,777,710

See Notes to Basic Financial Statements

Total	Governmental Activities- Internal Service Funds
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\$ 20,158,622	\$ 24,694,651
2,482,400	-
12,219,481	-
1,105,117	-
7,512,110	-
4,189,290	-
479,891	-
1,300,089	-
<u>49,447,000</u>	<u>24,694,651</u>

4,174,762	-
671,195	-
157,839	-
6,791,644	50,035
348,120	24,153,793
2,267,461	-
4,567,549	-
268,959	-
2,225,743	-
(643,681)	-
21,018,004	-
<u>41,847,595</u>	<u>24,203,828</u>

<u>7,599,405</u>	<u>490,823</u>
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3,925,045	48,953
(175,210)	-
(1,330,155)	-
<u>2,419,680</u>	<u>48,953</u>

<u>10,019,085</u>	<u>539,776</u>
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32,000	-
17,123,248	4,434,070
(19,788,503)	(4,454,070)
<u>(2,633,255)</u>	<u>(20,000)</u>

7,385,830	519,776
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<u>302,384,832</u>	<u>17,602,409</u>
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\$ <u>309,770,662</u>	\$ <u>18,122,185</u>
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**POLK COUNTY, IOWA**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2022**

	<b>Business-type Activities-Enterprise Funds</b>		
	<b>Sanitary Sewer</b>	<b>Prairie Meadows Racetrack/ Casino</b>	<b>Iowa Events Center</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 2,014,854	\$ -	\$ 14,072,112
Cash received from internal customers - other funds	-	-	-
Cash received from operating grants	-	-	-
Cash received from racetrack/casino	-	25,460,083	-
Cash paid to suppliers for goods and services	(757,640)	(7,118,252)	(6,941,235)
Cash paid to employees	(22,183)	-	(2,844,230)
<b>Net cash flows from operating activities</b>	<b>1,235,031</b>	<b>18,341,831</b>	<b>4,286,647</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Repayment on due from other funds	-	(23,600)	-
Disbursements for due to component unit	-	-	184,399
Repayment on advance from other funds	-	(1,110,000)	-
Transfers in	1,729,034	2,200,000	13,194,214
Transfers out	-	(19,688,503)	-
<b>Net cash flows from noncapital financing activities</b>	<b>1,729,034</b>	<b>(18,622,103)</b>	<b>13,378,613</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Issuance costs paid on long-term debt	-	-	(175,210)
Proceeds from debt issued for advance refunding	-	-	35,521,457
Payments to escrow agent for advance refunding debt	-	-	(35,350,000)
Principal paid on long-term debt	(1,012,000)	-	(11,475,000)
Interest paid on long-term debt	(410,349)	-	(1,732,226)
Capital contributions from others	-	-	32,000
Purchase of capital assets	(1,435,449)	-	(969,669)
Repayments on capital note receivable	775,435	-	-
<b>Net cash flows from capital and related financing activities</b>	<b>(2,082,363)</b>	<b>-</b>	<b>(14,148,648)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	344,532	3,403,571	157,921
<b>Net cash flows from investing activities</b>	<b>344,532</b>	<b>3,403,571</b>	<b>157,921</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,226,234</b>	<b>3,123,299</b>	<b>3,674,533</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>8,721,507</b>	<b>7,567,701</b>	<b>7,397,037</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 9,947,741</b>	<b>\$ 10,691,000</b>	<b>\$ 11,071,570</b>



	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Governmental Activities- Internal Service Funds</b>
\$	1,309,197	\$ 17,396,163	\$ -
	-	-	24,472,903
	840,560	840,560	-
	-	25,460,083	-
	(247,312)	(15,064,439)	(24,736,986)
	(1,592,979)	(4,459,392)	9,749
	309,466	24,172,975	(254,334)
	-	(23,600)	-
	-	184,399	-
	(269,649)	(1,379,649)	-
	-	17,123,248	4,434,070
	(100,000)	(19,788,503)	(4,454,070)
	(369,649)	(3,884,105)	(20,000)
	-	(175,210)	-
	-	35,521,457	-
	-	(35,350,000)	-
	(310,000)	(12,797,000)	-
	(110,851)	(2,253,426)	-
	-	32,000	-
	(102,076)	(2,507,194)	-
	133,350	908,785	-
	(389,577)	(16,620,588)	-
	24,233	3,930,257	48,953
	24,233	3,930,257	48,953
	(425,527)	7,598,539	(225,381)
	2,395,620	26,081,865	19,843,514
\$	1,970,093	\$ 33,680,404	\$ 19,618,133

(continued)

**POLK COUNTY, IOWA**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2022**

	<b>Business-type Activities-Enterprise Funds</b>		
	<b>Sanitary Sewer</b>	<b>Prairie Meadows Racetrack/ Casino</b>	<b>Iowa Events Center</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 658,978	\$ 11,030,494	\$ (4,110,975)
Components of operating income (loss) not included in operating activities:			
Depreciation	625,415	9,206,587	10,548,085
Amortization	-	-	(595,147)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
(Increase) decrease in special assessments receivable	5,101	-	-
(Increase) decrease in accounts receivable	(26,658)	-	(5,080,689)
(Increase) decrease in lease receivable	-	13,671,250	669,987
(Increase) decrease in due from other governments	(8,041)	441,852	8,000
(Increase) decrease in inventories	-	-	(39,553)
(Increase) decrease in prepaid items	-	-	80,556
(Increase) decrease in deferred outflows of resources	-	-	10,485
Increase (decrease) in accounts payable	(19,764)	-	3,556,019
Increase (decrease) in wages payable	-	-	161,068
Increase (decrease) in payroll taxes payable	-	-	12,440
Increase (decrease) in due to other governments	-	(1,367,656)	-
Increase (decrease) in advance deposits and ticket sales	-	-	139,740
Increase (decrease) in unearned revenue	-	-	(203,140)
Increase (decrease) in compensated absences payable	-	-	4,486
Increase (decrease) in estimated liability for claims and judgments	-	-	-
Increase (decrease) in net pension liability	-	-	(152,423)
Increase (decrease) in deferred inflows of resources	-	(14,640,696)	(722,292)
Net cash flows from operating activities	<u>\$ 1,235,031</u>	<u>\$ 18,341,831</u>	<u>\$ 4,286,647</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Disposal of fully depreciated capital assets	\$ -	\$ -	\$ (1,503,393)
Acquisition of capital assets through accounts payable	-	-	(229,775)
Acquisition of notes receivable through disposal of capital assets	(775,435)	-	-

See Notes to Basic Financial Statements

Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
\$ 20,908	\$ 7,599,405	\$ 490,823
637,917	21,018,004	-
(48,534)	(643,681)	-
25	5,126	-
2,099	(5,105,248)	(221,748)
-	14,341,237	-
(6,732)	435,079	-
-	(39,553)	-
-	80,556	96
120,566	131,051	-
24,469	3,560,724	39,746
9,020	170,088	-
1,461	13,901	9,749
-	(1,367,656)	-
-	139,740	-
-	(203,140)	-
3,390	7,876	-
-	-	(573,000)
(1,752,863)	(1,905,286)	-
1,297,740	(14,065,248)	-
<u>\$ 309,466</u>	<u>\$ 24,172,975</u>	<u>\$ (254,334)</u>

\$ -	\$ (1,503,393)	\$ -
-	(229,775)	-
-	(775,435)	-

(concluded)

# POLK COUNTY, IOWA

## Statement of Fiduciary Net Position

### Custodial Funds

June 30, 2022

	<b>Total Custodial Funds</b>
<b>ASSETS</b>	
Cash and pooled investments	\$ 28,248,561
Receivables (net):	
Taxes	4,333,952
Succeeding year property taxes	1,043,335,910
Special assessments	7,059,967
Accounts	344,967
Due from other governments	813,312
	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 1,086,558,100</b>
<b>LIABILITIES</b>	
Accounts payable	\$ 839,817
Wages payable	146,078
Payroll taxes payable	24,551
Due to other governments	31,990,181
Trusts payable	4,829
Compensated absences payable	1,404,069
Termination benefits payable	94,000
Stamped warrants payable	218,192
Total OPEB liability	344,000
	<hr/>
<b>TOTAL LIABILITIES</b>	<b>35,065,717</b>
	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>1,043,335,910</b>
	<hr/>
<b>NET POSITION</b>	
Restricted for individuals, organizations, and other governments	\$ 8,156,473
	<hr/> <hr/>

**POLK COUNTY, IOWA**

**Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the Year Ended June 30, 2022**

	<b>Total Custodial Funds</b>
<b>ADDITIONS:</b>	
Property and other county tax	\$ 950,314,558
State tax credits	64,435,354
Registration fee to Department of Transportation	105,872,856
Use tax to Department of Revenue	76,415,970
Special assessments	333,199
911 surcharge	3,081,707
Intergovernmental revenues	8,133,080
Charges for services	24,525
Fines and forfeitures	734,537
Miscellaneous	56,229
<b>TOTAL ADDITIONS</b>	<b>1,209,419,988</b>
<b>DEDUCTIONS:</b>	
Agency remittances:	
Treasurer disbursement to other governments	1,191,983,768
Trusts paid out	40,433
Personal services	5,755,316
Supplies	60,959
Professional services	1,263,926
Other services/charges	5,937,626
Capital outlay	2,107,585
<b>TOTAL DEDUCTIONS</b>	<b>1,207,149,613</b>
<b>CHANGES IN NET POSITION</b>	<b>2,270,375</b>
<b>TOTAL NET POSITION - BEGINNING</b>	<b>5,886,098</b>
<b>TOTAL NET POSITION - ENDING</b>	<b>\$ 8,156,473</b>

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# POLK COUNTY, IOWA

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

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

#### A) Financial Reporting Entity

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

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

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

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

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

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

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

### **Government-wide Financial Statements**

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

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

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

Net position is reported in three categories:

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

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

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

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



Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

### **Fund Financial Statements**

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

### **Fund Accounting**

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

### **Governmental Funds**

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

**Basis of Accounting:** Governmental fund financial statements are reported using the “current financial resources measurement focus” and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 75 days of the end of the current fiscal period (except for property taxes which is 60 days). Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions, and claims and judgments, are recorded only when payment is due.

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

The following are the County's major governmental funds:

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

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

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

### **Proprietary Funds**

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

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

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

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

The County reports the following major proprietary funds:

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

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

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

## Fiduciary Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

The County’s capitalization thresholds are as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Pensions:** For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability (asset) attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 2. FUND BALANCE DEFICITS

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

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

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

## 3. CASH AND POOLED INVESTMENTS

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

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

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

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



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

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

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

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

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

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

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

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

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

**4. RESTRICTED ASSETS**

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

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

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

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

**5. INTERNAL BALANCES**

**Due From/To Other Funds**

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

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

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

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

Property taxes owed to various funds from Prairie Meadows Racetrack/Casino Enterprise Fund	\$ 540,130
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### Advances To/From Other Funds

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

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

## 6. LEASE RECEIVABLE

### Governmental Activities

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

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

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

## Business-type Activities

### Prairie Meadows Racetrack/Casino

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

### Wells Fargo Arena

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

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

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

## 7. CAPITAL ASSETS

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

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

## Governmental Activities

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

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

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

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

**Business-type Activities**

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

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

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

**8. DEFERRED OUTFLOWS OF RESOURCES**

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

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

## 9. LONG-TERM LIABILITIES

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

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

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

### Lease Agreements

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

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

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



## General Obligation Bonds Payable

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

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

## Notes Payable

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

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

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

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

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

## Bond Refunding

### 2022B G.O. Refunding Bonds

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

### Termination Benefits Payable

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

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

#### Early Retirement Incentive Program

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

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

#### Voluntary Severance Program

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

#### Drainage Warrants

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

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

### **10. INDUSTRIAL DEVELOPMENT REVENUE BONDS – CONDUIT DEBT OBLIGATIONS**

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

### **11. DEVELOPER AGREEMENTS**

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

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

## 12. TAX ABATEMENTS

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

### County Tax Abatements

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

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

### Tax Abatements of Other Entities

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

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

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

### 13. DEFERRED INFLOWS OF RESOURCES

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

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

### 14. DEFERRED COMPENSATION PLAN

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

### 15. TRANSFER RECONCILIATION

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

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

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

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

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

## 16. RISK MANAGEMENT

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

### Self-Insurance Fund

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

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

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

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

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

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

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

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

**Governmental Activities (prior to Internal Service Allocation)**

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

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

**Employee Insurance Fund**

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

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

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

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

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

## 17. COMMITMENTS AND CONTINGENCIES

### Commitments

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

#### General Fund:

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

#### Secondary Road Fund:

Des Moines Asphalt and Paving (HMA Resurfacing Program)	\$ 5,036,675
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#### American Rescue Plan Act Fund:

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

#### Conservation Water & Land Improvements Capital Projects Fund:

Sleepy Hollow Sports Park	\$ 1,750,000
RW Excavating - Trails End Mitigation Bank	<u>6,774,976</u>
Total	\$ <u>8,524,976</u>



## **Contingencies**

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

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

### **18. PRAIRIE MEADOWS RACETRACK/CASINO**

The County owns real estate that is currently improved with a horse racing and gaming facility in Altoona, Iowa. The Board of Supervisors leases the real estate and improvements to Prairie Meadows Racetrack and Casino, Inc. ("Prairie Meadows"), which holds a state gaming license and which owns and operates horse racing and gaming at the leased facility, through a contract that covers the period of 2019-2026. This Agreement provides for rental payments to the County of \$15.9 million per year and additional annual payments equal to 5% of Prairie Meadows' adjusted gross receipts. In the event adjusted gross receipts exceed \$225 million, an additional 1% of adjusted gross receipts will be paid on the increment above \$225 million. Additionally, Prairie Meadows will reimburse Polk County for any annual property tax liability in excess of \$4.5 million. See Note 6 for further information on lease receivable.

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

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

### **19. IOWA EVENTS CENTER**

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

#### **Managed Facilities**

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

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

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

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

### **Leased Facility**

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

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

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

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

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

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

### **County Non-Operating**

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

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

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

## 20. IOWA EVENTS CENTER HOTEL CORPORATION

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

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

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

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

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

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

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

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

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

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

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

**21. RELATED PARTY TRANSACTIONS**

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

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

**22. PENSION AND RETIREMENT BENEFITS**

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

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

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

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

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

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

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

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

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

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

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

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

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

For the year ended June 30, 2022, the County recognized pension expense of \$8,174,659. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,157,899	\$ 1,050,663
Changes of assumptions	1,116,001	729,502
Net difference between projected and actual earnings on pension plan investments	-	70,847,587
Changes in proportion and differences between County contributions and proportionate share of contributions	901,810	1,336,376
County contributions subsequent to the measurement date	<u>10,007,764</u>	<u>-</u>
	<u>\$ 15,183,474</u>	<u>\$ 73,964,128</u>

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

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

There were no non-employer contributing entities at IPERS.

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

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

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

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

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

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

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

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

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

**IPERS' Fiduciary Net Position** - Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at [www.ipers.org](http://www.ipers.org).

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

**23. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

**Plan Description and Benefits Provided**

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

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

**Contributions**

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

**Employees Covered by Benefit Terms**

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

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

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

**Total OPEB Liability by Employee Group**

Employee Group	Total OPEB Liability
Polk County	\$ 18,540,000
County Assessor's Office	<u>344,000</u>
Total	<u><u>\$ 18,884,000</u></u>



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

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

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

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

**Changes in the Total OPEB Liability**

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

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

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

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

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

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

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

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

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

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

**24. JOINT VENTURE**

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

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

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

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

**25. ELECTED OFFICIALS**

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

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

## 26. FUND BALANCES

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

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

## 27. STABILIZATION ARRANGEMENT

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

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

## 28. SUBSEQUENT EVENTS

### Acquisition of Sleepy Hollow Sports Park

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

### Opioid Settlement

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

## 29. ACCOUNTING CHANGE/RESTATEMENT

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

### Governmental Activities

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

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

### Business-type Activities

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

### 30. PENDING ACCOUNTING PRONOUNCEMENTS

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

- GASB Statement No. 87, Leases, issued June 2017, was effective for the County beginning with its year ending June 30, 2022. Statement No. 87 is designed to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Implementation had an immaterial impact on the governmental activities; however, proprietary funds lease receivable and deferred inflow of resources were restated by \$84,857,550.
- GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, issued June 2018, was effective for the County beginning with its year ending June 30, 2022. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.
- GASB Statement No. 92, Omnibus 2020, issued in January 2020, was effective for the County beginning with its year ending June 30, 2022. The objective of Statement No. 92 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues related to leases, postemployment benefits (pensions and other postemployment benefits), fiduciary activities, asset retirement obligations and fair value measurement and application.
- GASB Statement No. 93, Replacement of Interbank Offered Rates establishes how the County will report the change of any of its variable payment debt that are tied to the London Interbank Offered Rate (LIBOR) when the LIBOR standard is no longer used after December 31, 2021. This statement will be effective for the County with its year ending June 30, 2021 except for provision relating to the removal of the LIBOR rate, which was effective for the fiscal year ending June 30, 2022.
- GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. This statement will also enhance the relevance, consistency and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. Another objective of this statement is to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. This statement was effective for the County with its year ending June 30, 2022.

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

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

- GASB Statement No. 91, Conduit Debt Obligations, issued May 2019, will be effective for the County beginning with its fiscal year ending June 30, 2023. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.
- GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements will improve financial reporting by addressing issues related to public-private and public-public partnerships and provides guidance for accounting and reporting for availability payment arrangements. This statement will be effective for the County with its year ending June 30, 2023.
- GASB Statement No. 96, Subscription-Based Information Technology Arrangements provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. This statement will be effective for the County with its year ending June 30, 2023.
- GASB Statement No. 99, *Omnibus 2022*, addresses a variety of topics and practice issues that have been identified during implementation and application of certain GASB Statements. The new statement clarifies issues related to derivative instruments, leases, PPP and APA arrangements, SBITAs and various other topics. This statement will be effective for the County with its year ending June 30, 2024.
- GASB Statement No. 100, *Accounting Changes and Error Corrections- Amendment of GASB Statement No. 62*, this Statement prescribes the accounting and financial reporting for each type of accounting change and (2) error corrections. This Statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This statement will be effective for the County with its year ending June 30, 2025.
- GASB Statement No. 101, Compensated Absences, this Statement clarifies the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This statement will be effective for the County with its year ending June 30, 2025.

**POLK COUNTY, IOWA**

**Required Supplementary Information  
Schedule of Changes in the County's Total OPEB Liability and Related Ratios  
For the Year Ended June 30, 2022**

	Fiscal Year				
	2018	2019	2020	2021	2022
Service cost	\$ 818,000	\$ 849,000	\$ 939,000	\$ 1,213,000	\$ 1,250,000
Interest cost	469,000	489,000	491,000	351,000	365,000
Differences between expected and actual experience	-	-	(799,000)	-	2,324,000
Changes in assumptions or other inputs	(326,000)	446,000	1,546,000	75,000	(403,000)
Benefit payments	(359,000)	(526,000)	(494,000)	(663,000)	(638,000)
Net change in total OPEB liability	602,000	1,258,000	1,683,000	976,000	2,898,000
Total OPEB liability beginning of year	11,467,000	12,069,000	13,327,000	15,010,000	15,986,000
Total OPEB liability end of year	\$ 12,069,000	\$ 13,327,000	\$ 15,010,000	\$ 15,986,000	\$ 18,884,000
Covered payroll	\$ 87,753,289	\$ 90,825,000	\$ 95,838,732	\$ 99,193,000	107,043,000
Total OPEB liability as a percentage of covered payroll	14%	15%	16%	16%	18%

**Notes:**

Changes in assumptions - Changes in assumptions and other inputs reflect the changes in the discount rate each period  
The following are discount rates used in each period.

2017	3.58%
2018	3.87%
2019	3.50%
2020	2.21%
2021	2.16%
2022	3.54%

GASB Statement No. 75 requires the presentation of 10 years of information. However, until a full 10-year trend is compiled, the County will present information for those years which information is available.



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**POLK COUNTY, IOWA**

**Required Supplementary Information  
Schedule of County's Proportionate Share of the Net Pension Liability (Asset)  
Iowa Public Employees' Retirement System  
For the Year Ended June 30, 2022**

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	Fiscal Year		
	2015	2016	2017
County's collective proportion of the net pension liability (asset)	0.772%	0.845%	0.917%
County's collective proportionate share of the net pension liability (asset)	\$ 30,599,492	\$ 41,742,830	\$ 57,706,303
County's covered payroll	\$ 80,989,791	\$ 83,272,164	\$ 85,876,171
County's collective proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.78%	50.13%	67.20%
IPERS net position as a percentage of the total pension liability (asset)	87.61%	85.19%	81.82%

**Note:** In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding year. GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

See Notes to Required Supplementary Information.

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<b>Fiscal Year</b>				
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
0.955%	0.874%	0.859%	0.934%	8.59%
\$ 63,605,131	\$ 55,279,039	\$ 49,746,611	\$ 65,612,952	\$ (29,651,331)
\$ 92,676,838	\$ 92,543,147	\$ 96,884,023	\$ 100,714,922	\$ 102,922,972
68.63%	59.73%	51.35%	65.15%	-28.81%
82.21%	83.62%	85.45%	82.90%	100.81%

**POLK COUNTY, IOWA**

**Required Supplementary Information  
Schedule of County Contributions  
Iowa Public Employees' Retirement System  
Last Ten Fiscal Years**

	Fiscal Year			
	2013	2014	2015	2016
Statutorily required contribution	\$ 7,178,473	\$ 7,499,317	\$ 7,705,776	\$ 7,897,049
Contributions in relation to the statutorily required contribution	(7,178,473)	(7,499,317)	(7,705,776)	(7,897,049)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
County's covered payroll	N/A	\$ 80,989,791	\$ 83,272,164	\$ 85,876,171
Contributions as a percentage of covered payroll	N/A	9.26%	9.25%	9.20%

N/A - information is not available for this fiscal year.

See Notes to Required Supplementary Information.

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<b>Fiscal Year</b>					
<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$ 8,486,841	\$ 8,457,052	\$ 9,303,317	\$ 9,579,734	\$ 9,710,249	\$ 10,007,764
(8,486,841)	(8,457,052)	(9,303,317)	(9,579,734)	(9,710,249)	(10,007,764)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 92,676,838	\$ 92,543,147	\$ 96,884,023	\$ 100,714,922	\$ 102,922,972	\$ 106,969,352
9.16%	9.14%	9.60%	9.51%	9.43%	9.36%

## POLK COUNTY, IOWA

### Notes to the Required Supplementary Information Pension Liability (Asset) For the Year Ended June 30, 2022

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#### Changes of Benefit Terms:

There are no significant changes in benefit terms.

#### Changes of Assumptions:

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

# POLK COUNTY, IOWA

## Required Supplementary Information Budgetary Comparison Schedule All Governmental Funds For the Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Variance
<b>REVENUES:</b>				
Property taxes	\$ 194,072,398	\$ 194,278,700	\$ 195,035,229	\$ 756,529
Other County taxes	6,014,803	7,664,803	7,970,889	306,086
Interest and penalty on delinquent taxes	1,225,000	1,225,000	1,409,182	184,182
Intergovernmental	48,552,557	209,400,566	200,443,622	(8,956,944)
Licenses and permits	1,301,950	1,301,950	1,254,351	(47,599)
Charges for services	16,991,918	19,305,051	20,031,907	726,856
Use of money and property	6,670,689	8,144,451	8,456,915	312,464
Miscellaneous	1,727,900	3,130,608	4,878,532	1,747,924
Total receipts	276,557,215	444,451,129	439,480,627	(4,970,502)
<b>EXPENDITURES:</b>				
Current:				
Public safety and legal services	88,783,002	91,819,424	89,525,734	2,293,690
Physical health and social services	42,831,147	43,469,560	38,658,382	4,811,178
Mental health	18,991,222	28,938,316	27,216,004	1,722,312
County environment and education	21,194,547	41,812,513	34,551,592	7,260,921
Roads and transportation	12,428,855	12,778,769	12,102,849	675,920
Government services to residents	9,244,694	9,745,467	9,271,197	474,270
Administration	41,113,515	150,308,883	145,597,951	4,710,932
Debt service	23,046,088	23,277,303	23,174,883	102,420
Capital projects	19,380,356	37,111,219	30,440,984	6,670,235
Total disbursements	277,013,426	439,261,454	410,539,576	28,721,878
<b>OTHER FINANCING SOURCES (USES):</b>				
General long-term debt proceeds	-	-	31,619,321	31,619,321
Proceeds from sale of capital assets	49,000	79,600	99,553	19,953
Transfers in (out)	1,895,299	2,157,897	2,685,255	527,358
Refunded debt/Payments to escrow	-	-	(3,405,000)	(3,405,000)
Total other financing sources (uses)	1,944,299	2,237,497	30,999,129	28,761,632
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES - BUDGETARY BASIS</b>				
	\$ 1,488,088	\$ 7,427,172	59,940,180	\$ 52,513,008
<b>RECONCILIATION TO GAAP BASIS:</b>				
Basis differences:				
Increase (decrease) in accrual basis assets/deferred outflows			15,534,906	
(Increase) decrease in accrual basis liabilities/deferred inflows			(17,544,793)	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses - GAAP basis			57,930,293	
Fund balance at beginning of year - GAAP basis			146,072,885	
Fund balance at end of year - GAAP basis			\$ 204,003,178	

## **POLK COUNTY, IOWA**

### **Notes to the Required Supplementary Information Budgetary Reporting For the Year Ended June 30, 2022**

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The County prepares its budgets on a cash basis. The basic financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

State law mandates that annual budgets for the fiscal year beginning July 1 must be certified to the County Auditor no later than March 15, preceding the beginning of the fiscal year. Amendments to the budget are considered when program activities change. The budgeted amounts presented in the financial statements reflect the original and amended budget.

In accordance with the Code of Iowa and provisions of the Iowa Administrative Code, annual budgets are adopted collectively for the General, Special Revenue, Capital Projects, and Debt Service Funds on the cash basis (budgetary basis) by the Board of Supervisors, following required public notice and hearing. The Board of Supervisors then appropriates by resolution the amounts by program service area deemed necessary for each of the different County offices and departments. Appropriations as adopted or amended lapse at the end of the fiscal year. Thus, no encumbrances exist at year end.

A budget amendment must be prepared and adopted in the same manner as the original budget. The County budget was amended as prescribed and the original and final amended amounts are shown in the budgetary schedules. Supplemental appropriations are provided when unanticipated revenues become available or when unanticipated program expenditures are needed. During the year ended June 30, 2022 there were two supplemental appropriations resulting in an increase in total disbursements of \$162,248,028.

County management may amend detail line-item budgets as long as the total budget for each program service area does not exceed the budgeted level of authorized expenditures.

The legal level of control (the level of which expenditures may not legally exceed appropriations) is program service area for budgeted governmental funds in total, rather than by individual fund type. Formal and legal budgetary control is based on 10 major classes of expenditures known as program service areas. These 10 program service areas are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, government services to residents, administration, non-program services, debt service and capital projects. Legal budgetary control is also based upon the appropriation to each office or department, in accordance with State of Iowa statute.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Assessor, by the County Assessor Conference Board, for the 911 System by the Joint 911 Service Board and for Emergency Management, by the County Emergency Management Commission.



## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

The Special Revenue Funds account for financial resources that are restricted as to use by the Federal or State governments and special purpose funds established by the County Board of Supervisors.

**Rural Services** - Accounts for taxes levied to benefit the rural residents of the County. This fund is restricted in accordance with the Iowa Code Section 331.424 and 331.428.

**Sheriff Forfeited Property (State)** - Accounts for state proceeds of property forfeited through law enforcement activities. This fund is restricted in accordance with the Iowa Code Section 809A.

**Sheriff Forfeited Property (Federal)** - Accounts for federal proceeds of property forfeited through law enforcement activities. This fund is restricted in accordance with Federal Department of Justice guidelines.

**Attorney Forfeited Property** - Accounts for property forfeited through law enforcement activities. This fund is restricted in accordance with the Iowa Code Section 809A.

**County Attorney Collection Incentive** - Accounts for state incentives for participating in the collection of fines in accordance with the Iowa Code Section 602.8107. This fund is committed per Board resolution.

**Secondary Roads** - Accounts for the road use tax allocation from the State of Iowa, required transfers from the General and Rural Services funds, and other revenues to be used for secondary road construction and maintenance. This fund is restricted in accordance with the Iowa Code Section 331.429.

**County Recorder Records Management** - Accounts for recording fees which are earmarked for records management. This fund is restricted in accordance with the Iowa Code Section 331.604.2a.

**Township Fire Protection** - Accounts for the requirement of the County to levy taxes for township fire protection and then disburse money to municipalities or townships for various township fire protection contracts. This fund is restricted in accordance with the Iowa Code Section 331.424C.

**REAP** - Accounts for monies received under the State Resource Enhancement and Protection Act. This fund is restricted in accordance with the Iowa Code Section 455A.19.

**Contingency Reserve** - Accounts for transfers from Prairie Meadows Racetrack/Casino Enterprise Fund and wagering tax revenue earmarked for future contingencies. This fund serves as a stabilization arrangement and is committed per Board resolution. See Note 27 for further information.

**Automated Traffic Enforcement** - Accounts for activity relating to the Sheriff's speed camera program established by County Ordinance #293. This fund is committed per Board resolution.

**Mitigation Bank - Conservation** - Accounts for mitigation bank where developers can purchase credits to restore and assist in long-term protection of wetlands.

**Tax Increment Financing** - Accounts for urban renewal tax increment financing (TIF) activities. This fund is restricted in accordance with the Iowa Code Section 403.19.

**Drainage/Water Districts** - Accounts for drainage and water districts activities that are controlled by Polk County in accordance with the Iowa Code Section 468. This fund is restricted due to special assessment tax levies.

(continued)

## Capital Projects Funds

The Capital Projects Funds account for resources designated to construct or acquire general capital assets, major improvements, vehicles and equipment. Revenues are derived primarily from the sale of general obligation bonds and notes, intergovernmental revenues, transfers from other funds and earnings on investments.

**Conservation Water & Land Improvements** - Accounts for the assets held for County conservation in accordance with November 2012 bond referendum to issue \$50 million to fund park and trail improvements, land acquisitions and other conservation measures including the water quality of lakes and rivers.

**Justice Center** - Accounts for capital projects relating to the remodeling, reconstructing, historically rehabilitating, furnishing and equipping the buildings of the judicial system, including the Courthouse, the criminal Court Annex and the Justice Center. This fund is restricted in accordance with bond covenants.

**Capital Improvements Projects** - Accounts for various capital improvements projects, building repairs, vehicles and equipment expenditures. This fund is committed per Board resolution.

## Debt Service Funds

The Debt Service Funds account for the payment of interest and principal on general obligation bonds and notes. Debt service revenues are principally derived from property taxes, special assessments and other operating revenues. These funds are restricted in accordance with bond covenants.

**Hamilton Drain Debt Service** - Accounts for debt service for the Hamilton Drain bond issue supported by property taxes and special assessments. This fund is restricted in accordance with the Iowa Code Section 331.430.

**Debt Service** - Accounts for debt service for general obligation debt issues supported by County-wide tax levies. This fund is restricted in accordance with the Iowa Code Section 331.430.

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**POLK COUNTY, IOWA**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2022**

	<b>Rural Services</b>	<b>Sheriff Forfeited Property (State)</b>	<b>Sheriff Forfeited Property (Federal)</b>	<b>Attorney Forfeited Property</b>
<b>ASSETS</b>				
Cash and pooled investments	\$ 4,335,434	\$ 197,947	\$ 424,548	\$ 163,084
Restricted assets - cash and pooled investments	-	-	-	-
Receivables (net):				
Taxes	46,793	-	-	-
Succeeding year property taxes	11,787,854	-	-	-
Special assessments	6,231	-	-	-
Accounts	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	27,718	-	-	11,650
Inventories	-	-	-	-
Prepaid items	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 16,204,030</b>	<b>\$ 197,947</b>	<b>\$ 424,548</b>	<b>\$ 174,734</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 59,565	\$ -	\$ -	\$ -
Contract/retainage payable	-	-	-	-
Wages payable	9,521	-	-	2,645
Payroll taxes payable	30,090	-	-	443
Due to other governments	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>99,176</b>	<b>-</b>	<b>-</b>	<b>3,088</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>11,836,218</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	4,268,636	197,947	424,548	171,646
Committed	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>4,268,636</b>	<b>197,947</b>	<b>424,548</b>	<b>171,646</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 16,204,030</b>	<b>\$ 197,947</b>	<b>\$ 424,548</b>	<b>\$ 174,734</b>

Special Revenue							
County Attorney Collection Incentive	Secondary Roads	County Recorder Records Management	Township Fire Protection	REAP	Contingency Reserve	Mitigation Bank - Conservation	
\$ 552,100	\$ 2,150,081	\$ 356,316	\$ 4,299	\$ 303,573	\$ 12,261,753	\$ 420,614	
-	-	-	-	-	-	-	-
-	-	-	2,203	-	-	-	-
-	-	-	1,174,122	-	-	-	-
-	-	-	-	-	-	-	-
-	4,559	-	-	-	-	-	-
-	-	512	-	-	-	-	-
22,459	752,678	-	-	-	-	-	-
-	1,292,555	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>\$ 574,559</b>	<b>\$ 4,199,873</b>	<b>\$ 356,828</b>	<b>\$ 1,180,624</b>	<b>\$ 303,573</b>	<b>\$ 12,261,753</b>	<b>\$ 420,614</b>	
\$ -	\$ 1,729,077	\$ -	\$ -	\$ 5,705	\$ -	\$ -	
-	-	-	-	-	-	-	-
-	170,481	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,899,558	-	-	5,705	-	-	-
-	28,839	-	1,176,322	-	-	-	-
-	1,292,555	-	-	-	-	-	-
-	978,921	356,828	4,302	297,868	-	-	-
574,559	-	-	-	-	12,261,753	420,614	
-	-	-	-	-	-	-	-
<b>574,559</b>	<b>2,271,476</b>	<b>356,828</b>	<b>4,302</b>	<b>297,868</b>	<b>12,261,753</b>	<b>420,614</b>	
<b>\$ 574,559</b>	<b>\$ 4,199,873</b>	<b>\$ 356,828</b>	<b>\$ 1,180,624</b>	<b>\$ 303,573</b>	<b>\$ 12,261,753</b>	<b>\$ 420,614</b>	

(continued)

**POLK COUNTY, IOWA**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2022**

	Special Revenue			Conservation Water & Land Improvements
	Tax Increment Financing	Drainage/ Water Districts	Total Special Revenue	
<b>ASSETS</b>				
Cash and pooled investments	\$ 57,877	\$ 248,495	\$ 21,476,121	\$ 702,427
Restricted assets - cash and pooled investments	-	-	-	28,493,236
Receivables (net):				
Taxes	10,263	-	59,259	-
Succeeding year property taxes	-	-	12,961,976	-
Special assessments	-	-	6,231	-
Accounts	-	-	4,559	-
Due from other funds	-	-	512	-
Due from other governments	-	-	814,505	310,020
Inventories	-	-	1,292,555	-
Prepaid items	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 68,140</b>	<b>\$ 248,495</b>	<b>\$ 36,615,718</b>	<b>\$ 29,505,683</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 57,877	\$ -	\$ 1,852,224	\$ 827,919
Contract/retainage payable	-	-	-	-
Wages payable	-	-	182,647	-
Payroll taxes payable	-	-	30,533	-
Due to other governments	10,263	248,495	258,758	-
<b>TOTAL LIABILITIES</b>	<b>68,140</b>	<b>248,495</b>	<b>2,324,162</b>	<b>827,919</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>13,041,379</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	1,292,555	-
Restricted	-	-	6,700,696	28,677,764
Committed	-	-	13,256,926	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>21,250,177</b>	<b>28,677,764</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 68,140</b>	<b>\$ 248,495</b>	<b>\$ 36,615,718</b>	<b>\$ 29,505,683</b>

Capital Projects			Debt Service			Total Nonmajor Governmental Funds
Justice Center	Capital Improvements Projects	Total Capital Projects	Hamilton Drain Debt Service	Debt Service	Total Debt Service	
\$ 1,610,105	\$ 1,235,471	\$ 3,548,003	\$ -	\$ 2,709,267	\$ 2,709,267	\$ 27,733,391
-	-	28,493,236	-	-	-	28,493,236
-	-	-	-	84,843	84,843	144,102
-	-	-	-	22,734,265	22,734,265	35,696,241
-	-	-	4,700	-	4,700	10,931
-	-	-	-	-	-	4,559
-	-	-	-	67,097	67,097	67,609
208,275	9,796	528,091	-	-	-	1,342,596
-	-	-	-	-	-	1,292,555
-	250,229	250,229	-	-	-	250,229
<b>\$ 1,818,380</b>	<b>\$ 1,495,496</b>	<b>\$ 32,819,559</b>	<b>\$ 4,700</b>	<b>\$ 25,595,472</b>	<b>\$ 25,600,172</b>	<b>\$ 95,035,449</b>
\$ 132,222	\$ 851,196	\$ 1,811,337	\$ -	\$ 52,784	\$ 52,784	\$ 3,716,345
-	818,162	818,162	-	-	-	818,162
-	-	-	-	-	-	182,647
-	-	-	-	-	-	30,533
-	-	-	-	-	-	258,758
132,222	1,669,358	2,629,499	-	52,784	52,784	5,006,445
-	-	-	4,700	22,885,296	22,889,996	35,931,375
-	250,229	250,229	-	-	-	1,542,784
1,686,158	-	30,363,922	-	2,657,392	2,657,392	39,722,010
-	-	-	-	-	-	13,256,926
-	(424,091)	(424,091)	-	-	-	(424,091)
1,686,158	(173,862)	30,190,060	-	2,657,392	2,657,392	54,097,629
<b>\$ 1,818,380</b>	<b>\$ 1,495,496</b>	<b>\$ 32,819,559</b>	<b>\$ 4,700</b>	<b>\$ 25,595,472</b>	<b>\$ 25,600,172</b>	<b>\$ 95,035,449</b>

(concluded)

**POLK COUNTY, IOWA**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2022**

	<b>Rural Services</b>	<b>Sheriff Forfeited Property (State)</b>	<b>Sheriff Forfeited Property (Federal)</b>	<b>Attorney Forfeited Property</b>
<b>REVENUES:</b>				
Property taxes	\$ 9,920,721	\$ -	\$ -	\$ -
Other County taxes	296,674	-	-	-
Intergovernmental	669,194	20,000	-	-
Licenses and permits	-	-	-	-
Charges for services	422,078	-	-	-
Use of money and property	-	635	2,317	620
Miscellaneous	7,254	8,775	98,962	79,504
<b>TOTAL REVENUES</b>	<b>11,315,921</b>	<b>29,410</b>	<b>101,279</b>	<b>80,124</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety and legal services	432,468	4,340	26,999	106,761
County environment and education	1,271,592	-	-	-
Roads and transportation	1,746,681	-	-	-
Government services to residents	77,022	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital projects:				
Roadway construction	-	-	-	-
Conservation land acquisition and development	-	-	-	-
Other capital projects	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>3,527,763</b>	<b>4,340</b>	<b>26,999</b>	<b>106,761</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>7,788,158</b>	<b>25,070</b>	<b>74,280</b>	<b>(26,637)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	(6,985,110)	-	-	-
Issuance of bonds	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Premium/(discount) on bonds issued	-	-	-	-
Payment to refunding bond escrow	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(6,985,110)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>803,048</b>	<b>25,070</b>	<b>74,280</b>	<b>(26,637)</b>
<b>FUND BALANCE, BEGINNING</b>	<b>3,465,588</b>	<b>172,877</b>	<b>350,268</b>	<b>198,283</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 4,268,636</b>	<b>\$ 197,947</b>	<b>\$ 424,548</b>	<b>\$ 171,646</b>



Special Revenue						
County Attorney Collection Incentive	Secondary Roads	County Recorder Records Management	Township Fire Protection	REAP	Contingency Reserve	Automated Traffic Enforcement
\$ -	\$ -	\$ -	\$ 1,028,762	\$ -	\$ -	\$ -
-	-	-	32,251	-	372,007	-
243,541	8,340,763	-	38,980	114,934	-	-
-	189,022	-	-	-	-	-
-	571,534	106,205	-	-	-	-
-	-	1,194	-	1,345	-	-
-	95,836	-	-	-	-	3,330
243,541	9,197,155	107,399	1,099,993	116,279	372,007	3,330
15,827	-	-	1,101,678	-	-	-
-	-	-	-	-	-	-
-	9,952,153	-	-	-	-	-
-	-	76,309	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	6,172,048	-	-	-	-	-
-	-	-	-	157,410	-	-
-	-	-	-	-	-	-
15,827	16,124,201	76,309	1,101,678	157,410	-	-
227,714	(6,927,046)	31,090	(1,685)	(41,131)	372,007	3,330
-	6,862,623	-	-	-	-	-
(229,450)	-	-	-	-	-	(3,330)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(229,450)	6,862,623	-	-	-	-	(3,330)
(1,736)	(64,423)	31,090	(1,685)	(41,131)	372,007	-
576,295	2,335,899	325,738	5,987	338,999	11,889,746	-
\$ 574,559	\$ 2,271,476	\$ 356,828	\$ 4,302	\$ 297,868	\$ 12,261,753	\$ -

(continued)

**POLK COUNTY, IOWA**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2022**

	Special Revenue			Conservation Water & Land Improvements
	Mitigation Bank - Conservation	Tax Increment Financing	Total Special Revenues	
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ 10,949,483	\$ -
Other County taxes	-	1,119,707	1,820,639	-
Intergovernmental	-	-	9,427,412	344,436
Licenses and permits	-	-	189,022	-
Charges for services	-	-	1,099,817	-
Use of money and property	-	-	6,111	9,383
Miscellaneous	418,424	-	712,085	255,390
<b>TOTAL REVENUES</b>	<b>418,424</b>	<b>1,119,707</b>	<b>24,204,569</b>	<b>609,209</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety and legal services	-	-	1,688,073	-
County environment and education	10,730	1,119,707	2,402,029	-
Roads and transportation	-	-	11,698,834	-
Government services to residents	-	-	153,331	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital projects:				
Roadway construction	-	-	6,172,048	-
Conservation land acquisition and development	-	-	157,410	4,734,125
Other capital projects	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>10,730</b>	<b>1,119,707</b>	<b>22,271,725</b>	<b>4,734,125</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>407,694</b>	<b>-</b>	<b>1,932,844</b>	<b>(4,124,916)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	6,862,623	-
Transfers out	-	-	(7,217,890)	-
Issuance of bonds	-	-	-	27,935,000
Issuance of refunding bonds	-	-	-	-
Premium/(discount) on bonds issued	-	-	-	247,477
Payment to refunding bond escrow	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>(355,267)</b>	<b>28,182,477</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>407,694</b>	<b>-</b>	<b>1,577,577</b>	<b>24,057,561</b>
<b>FUND BALANCE, BEGINNING</b>	<b>12,920</b>	<b>-</b>	<b>19,672,600</b>	<b>4,620,203</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 420,614</b>	<b>\$ -</b>	<b>\$ 21,250,177</b>	<b>\$ 28,677,764</b>

Capital Projects			Debt Service			Total Nonmajor Governmental Funds
Justice Center	Capital Improvements Projects	Total Capital Projects	Hamilton Drain Debt Service	Debt Service	Total Debt Service	
\$ -	\$ -	\$ -	\$ -	\$ 19,507,406	\$ 19,507,406	\$ 30,456,889
-	-	-	-	466,359	466,359	2,286,998
-	22,061	366,497	-	1,349,994	1,349,994	11,143,903
-	-	-	-	-	-	189,022
-	-	-	-	-	-	1,099,817
-	-	9,383	-	3,335,005	3,335,005	3,350,499
135,267	67,585	458,242	-	-	-	1,170,327
135,267	89,646	834,122	-	24,658,764	24,658,764	49,697,455
-	-	-	-	-	-	1,688,073
-	-	-	-	-	-	2,402,029
-	-	-	-	-	-	11,698,834
-	-	-	-	-	-	153,331
-	-	-	-	17,435,000	17,435,000	17,435,000
-	-	-	-	5,792,667	5,792,667	5,792,667
-	-	-	-	-	-	6,172,048
-	-	4,734,125	-	-	-	4,891,535
5,291,238	10,315,235	15,606,473	-	-	-	15,606,473
5,291,238	10,315,235	20,340,598	-	23,227,667	23,227,667	65,839,990
(5,155,971)	(10,225,589)	(19,506,476)	-	1,431,097	1,431,097	(16,142,535)
-	11,102,245	11,102,245	-	1,247	1,247	17,966,115
-	-	-	(1,247)	-	(1,247)	(7,219,137)
-	-	27,935,000	-	-	-	27,935,000
-	-	-	-	3,411,866	3,411,866	3,411,866
-	-	247,477	-	24,979	24,979	272,456
-	-	-	-	(3,405,000)	(3,405,000)	(3,405,000)
-	11,102,245	39,284,722	(1,247)	33,092	31,845	38,961,300
(5,155,971)	876,656	19,778,246	(1,247)	1,464,189	1,462,942	22,818,765
6,842,129	(1,050,518)	10,411,814	1,247	1,193,203	1,194,450	31,278,864
\$ 1,686,158	\$ (173,862)	\$ 30,190,060	\$ -	\$ 2,657,392	\$ 2,657,392	\$ 54,097,629

(concluded)

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## NONMAJOR ENTERPRISE FUNDS

The Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the government's body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

**Air Quality** - Accounts for activity of the Air Quality Program in accordance with requirements imposed by the 1990 Federal Clean Air Act. The Air Quality Program is primarily financed through federal/state grant revenues and user charges (air quality control permits).

**Conservation Enterprises** - Accounts for the golf course activity under the conservation department. The golf course is operated by a private golf management company who has the ability to modify services and rates.

**Hamilton Urban Drainage District** - Accounts for storm water utility user fees and related operations and maintenance expenses of the Hamilton Drain Urban Drainage District.

**Urban Sewer** - Accounts for activity of the County's urban sewer economic development initiatives in conjunction with various municipalities.

**Iowa Tax & Tags** - Accounts for activity of the Treasurer's [www.iowataxandtags.gov](http://www.iowataxandtags.gov) program relating to online property tax and vehicle tag payments.

**POLK COUNTY, IOWA**

**Combining Statement of Net Position  
Nonmajor Enterprise Funds  
June 30, 2022**

	Air Quality	Conservation Enterprises	Hamilton Urban Drainage District	Urban Sewer
<b>ASSETS</b>				
Current assets:				
Cash and pooled investments	\$ 458,782	\$ 53,801	\$ 398,527	\$ 911,982
Receivables (net):				
Accounts	-	144,453	-	-
Notes	-	-	-	140,157
Due from other governments	197,256	-	-	-
Total current assets	<u>656,038</u>	<u>198,254</u>	<u>398,527</u>	<u>1,052,139</u>
Noncurrent assets:				
Special assessments	-	-	6,824	-
Notes	-	-	-	3,304,400
Capital assets not being depreciated	-	76,593	3,818,522	-
Capital assets being depreciated, net	257,735	4,274,261	6,780,365	-
Net pension asset	287,576	-	-	-
Total noncurrent assets	<u>545,311</u>	<u>4,350,854</u>	<u>10,605,711</u>	<u>3,304,400</u>
<b>TOTAL ASSETS</b>	<u>1,201,349</u>	<u>4,549,108</u>	<u>11,004,238</u>	<u>4,356,539</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>215,289</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	37,243	24,728	11,350	-
Wages payable	30,195	-	-	-
Payroll taxes payable	5,024	-	-	-
Interest payable	-	-	-	5,164
General obligation bonds payable	-	-	-	373,534
Advances from other funds	-	272,345	-	-
Compensated absences payable	16,107	-	-	-
Total current liabilities	<u>88,569</u>	<u>297,073</u>	<u>11,350</u>	<u>378,698</u>
Noncurrent liabilities:				
General obligation bonds payable	-	-	-	1,120,601
Advances from other funds	-	2,493,119	-	-
Compensated absences payable	218,242	-	-	-
Total noncurrent liabilities	<u>218,242</u>	<u>2,493,119</u>	<u>-</u>	<u>1,120,601</u>
<b>TOTAL LIABILITIES</b>	<u>306,811</u>	<u>2,790,192</u>	<u>11,350</u>	<u>1,499,299</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>933,446</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	257,735	4,350,854	10,598,887	-
Unrestricted (deficit)	(81,354)	(2,591,938)	394,001	2,857,240
<b>TOTAL NET POSITION</b>	<u>\$ 176,381</u>	<u>\$ 1,758,916</u>	<u>\$ 10,992,888</u>	<u>\$ 2,857,240</u>

<b>Iowa Tax &amp; Tags</b>	<b>Total Nonmajor Enterprise Funds</b>
\$ 147,001	\$ 1,970,093
-	144,453
-	140,157
-	197,256
<u>147,001</u>	<u>2,451,959</u>
-	6,824
-	3,304,400
-	3,895,115
-	11,312,361
274,153	561,729
<u>274,153</u>	<u>19,080,429</u>
<u>421,154</u>	<u>21,532,388</u>
<u>67,758</u>	<u>283,047</u>
-	73,321
13,927	44,122
2,310	7,334
-	5,164
-	373,534
-	272,345
3,043	19,150
<u>19,280</u>	<u>794,970</u>
-	1,120,601
-	2,493,119
41,239	259,481
<u>41,239</u>	<u>3,873,201</u>
<u>60,519</u>	<u>4,668,171</u>
<u>436,108</u>	<u>1,369,554</u>
-	15,207,476
<u>(7,715)</u>	<u>570,234</u>
<u>\$ (7,715)</u>	<u>\$ 15,777,710</u>

**POLK COUNTY, IOWA**

**Combining Statement of Revenues, Expenses, and Changes in Net Position  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2022**

	Air Quality	Conservation Enterprises	Hamilton Urban Drainage District	Urban Sewer
<b>OPERATING REVENUES:</b>				
Charges for goods and services:				
Charges for services	\$ 452,468	\$ -	\$ 192,297	\$ -
Intergovernmental revenues	847,292	-	-	-
Commissions income	-	370,172	-	-
Miscellaneous	10,702	-	4,671	-
Total operating revenues	<u>1,310,462</u>	<u>370,172</u>	<u>196,968</u>	<u>-</u>
<b>OPERATING EXPENSES:</b>				
Cost of goods and services:				
Personal services	857,982	-	11,683	-
Supplies	66,793	15,245	-	-
Professional services	-	-	2,513	-
Other services/charges	73,097	4,776	41,014	-
Miscellaneous	-	-	4,688	-
Amortization of discount (premium)	-	-	-	(48,534)
Depreciation	69,690	202,926	365,301	-
Total operating expenses	<u>1,067,562</u>	<u>222,947</u>	<u>425,199</u>	<u>(48,534)</u>
<b>OPERATING INCOME (LOSS)</b>	<u>242,900</u>	<u>147,225</u>	<u>(228,231)</u>	<u>48,534</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest revenue	1,444	951	1,082	3,944
Interest expense	-	(30,351)	-	(79,268)
Total nonoperating revenues (expenses)	<u>1,444</u>	<u>(29,400)</u>	<u>1,082</u>	<u>(75,324)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>244,344</u>	<u>117,825</u>	<u>(227,149)</u>	<u>(26,790)</u>
<b>TRANSFERS:</b>				
Transfers out	-	(100,000)	-	-
Total transfers	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	<u>244,344</u>	<u>17,825</u>	<u>(227,149)</u>	<u>(26,790)</u>
<b>TOTAL NET POSITION - BEGINNING</b>	<u>(67,963)</u>	<u>1,741,091</u>	<u>11,220,037</u>	<u>2,884,030</u>
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 176,381</u>	<u>\$ 1,758,916</u>	<u>\$ 10,992,888</u>	<u>\$ 2,857,240</u>



<b>Iowa Tax &amp; Tags</b>	<b>Total Nonmajor Enterprise Funds</b>
------------------------------------	--

\$ 276,763	\$ 921,528
-	847,292
-	370,172
-	15,373
<u>276,763</u>	<u>2,154,365</u>

402,628	1,272,293
5,668	87,706
-	2,513
57,987	176,874
-	4,688
-	(48,534)
-	637,917
<u>466,283</u>	<u>2,133,457</u>

(189,520)	20,908
-----------	--------

16,812	24,233
-	(109,619)
<u>16,812</u>	<u>(85,386)</u>

(172,708)	(64,478)
-----------	----------

-	(100,000)
-	(100,000)

(172,708)	(164,478)
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164,993	15,942,188
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\$ (7,715)	\$ 15,777,710
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**POLK COUNTY, IOWA**

**Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2022**

	<b>Air Quality</b>	<b>Conservation Enterprises</b>	<b>Hamilton Urban Drainage District</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 463,170	\$ 372,271	\$ 196,993
Cash received from operating grants	840,560	-	-
Cash paid to suppliers for goods and services	(102,647)	(32,793)	(48,217)
Cash paid to employees	(1,068,195)	-	(11,683)
Net cash flows from operating activities	<u>132,888</u>	<u>339,478</u>	<u>137,093</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Repayment on advance from other funds	-	(269,649)	-
Transfers out	-	(100,000)	-
Net cash flows from noncapital financing activities	<u>-</u>	<u>(369,649)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Principal paid on long-term debt	-	-	-
Interest paid on long-term debt	-	(30,351)	-
Purchase of capital assets	(102,076)	-	-
Repayments on capital note receivable	-	-	-
Net cash flows from capital and related financing activities	<u>(102,076)</u>	<u>(30,351)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	1,444	951	1,082
Net cash flows from investing activities	<u>1,444</u>	<u>951</u>	<u>1,082</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	32,256	(59,571)	138,175
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>426,526</u>	<u>113,372</u>	<u>260,352</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 458,782</u>	<u>\$ 53,801</u>	<u>\$ 398,527</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 242,900	\$ 147,225	\$ (228,231)
Components of operating income (loss) not included in operating activities			
Depreciation	69,690	202,926	365,301
Amortization	-	-	-
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
(Increase) decrease in special assessments receivable	-	-	25
(Increase) decrease in accounts receivable	-	2,099	-
(Increase) decrease in due from other governments	(6,732)	-	-
(Increase) decrease in deferred outflows of resources	81,251	-	-
Increase (decrease) in accounts payable	37,243	(12,772)	(2)
Increase (decrease) in wages payable	6,472	-	-
Increase (decrease) in payroll taxes payable	1,031	-	-
Increase (decrease) in compensated absences payable	7,746	-	-
Increase (decrease) in net pension liability	(1,181,277)	-	-
Increase (decrease) in deferred inflows of resources	874,564	-	-
Net cash flows from operating activities	<u>\$ 132,888</u>	<u>\$ 339,478</u>	<u>\$ 137,093</u>

Urban Sewer	Iowa Tax & Tags	Total Nonmajor Enterprise Funds
\$ -	\$ 276,763	\$ 1,309,197
-	-	840,560
-	(63,655)	(247,312)
-	(513,101)	(1,592,979)
-	(299,993)	309,466
-	-	(269,649)
-	-	(100,000)
-	-	(369,649)
(310,000)	-	(310,000)
(80,500)	-	(110,851)
-	-	(102,076)
133,350	-	133,350
(257,150)	-	(389,577)
3,944	16,812	24,233
3,944	16,812	24,233
(253,206)	(283,181)	(425,527)
1,165,188	430,182	2,395,620
\$ 911,982	\$ 147,001	\$ 1,970,093
\$ 48,534	\$ (189,520)	\$ 20,908
-	-	637,917
(48,534)	-	(48,534)
-	-	25
-	-	2,099
-	-	(6,732)
-	39,315	120,566
-	-	24,469
-	2,548	9,020
-	430	1,461
-	(4,356)	3,390
-	(571,586)	(1,752,863)
-	423,176	1,297,740
\$ -	\$ (299,993)	\$ 309,466

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## **INTERNAL SERVICE FUNDS**

The Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments of the County and to other governmental units on a cost reimbursement basis.

**Employee Insurance** - This fund is used to account for all self-insured health insurance claim payments and stop-loss premiums.

**Risk Management** - This fund is used to account for the financing of all insurance premiums and claim payments other than health benefits. The County's self-insured workers' compensation insurance is accounted for in this fund.

**POLK COUNTY, IOWA**

**Combining Statement of Net Position  
Internal Service Funds  
June 30, 2022**

	<b>Employee Insurance</b>	<b>Risk Management</b>	<b>Total</b>
<b>ASSETS:</b>			
Current assets:			
Cash and pooled investments	\$ 14,618,133	\$ 5,000,000	\$ 19,618,133
Accounts receivables	917,091	-	917,091
Prepaid items	12,391	-	12,391
<b>TOTAL ASSETS</b>	15,547,615	5,000,000	20,547,615
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	283,221	-	283,221
Payroll taxes payable	171,409	-	171,409
Estimated liability for claims and judgments	1,970,800	-	1,970,800
Total current liabilities	2,425,430	-	2,425,430
<b>TOTAL LIABILITIES</b>	2,425,430	-	2,425,430
<b>NET POSITION</b>			
Unrestricted	13,122,185	5,000,000	18,122,185
<b>TOTAL NET POSITION</b>	\$ 13,122,185	\$ 5,000,000	\$ 18,122,185

**POLK COUNTY, IOWA**

**Combining Statement of Revenues, Expenses, and  
Changes in Net Position  
Internal Service Funds  
For the Year Ended June 30, 2022**

	<b>Employee Insurance</b>	<b>Risk Management</b>	<b>Total</b>
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 24,694,651	\$ -	\$ 24,694,651
Total operating revenues	<u>24,694,651</u>	<u>-</u>	<u>24,694,651</u>
<b>OPERATING EXPENSES:</b>			
Other services/charges	50,035	-	50,035
Insurance	24,153,793	-	24,153,793
Total operating expenses	<u>24,203,828</u>	<u>-</u>	<u>24,203,828</u>
<b>OPERATING INCOME (LOSS)</b>	<u>490,823</u>	<u>-</u>	<u>490,823</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Interest revenue	48,953	-	48,953
Total nonoperating revenues (expenses)	<u>48,953</u>	<u>-</u>	<u>48,953</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>539,776</u>	<u>-</u>	<u>539,776</u>
<b>TRANSFERS:</b>			
Transfers in	-	4,434,070	4,434,070
Transfers out	(20,000)	(4,434,070)	(4,454,070)
Total transfers	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
<b>CHANGE IN NET POSITION</b>	<u>519,776</u>	<u>-</u>	<u>519,776</u>
<b>NET POSITION, BEGINNING</b>	<u>12,602,409</u>	<u>5,000,000</u>	<u>17,602,409</u>
<b>NET POSITION, ENDING</b>	<u>\$ 13,122,185</u>	<u>\$ 5,000,000</u>	<u>\$ 18,122,185</u>

**POLK COUNTY, IOWA**

**Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2022**

	<b>Employee Insurance</b>	<b>Risk Management</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from internal customers - other funds	\$ 24,472,903	\$ -	\$ 24,472,903
Cash paid to suppliers for goods and services	(24,736,986)	-	(24,736,986)
Cash paid to employees	9,749	-	9,749
Net cash flows from operating activities	<u>(254,334)</u>	-	<u>(254,334)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers in	-	4,434,070	4,434,070
Transfers out	(20,000)	(4,434,070)	(4,454,070)
Net cash flows from noncapital financing activities	<u>(20,000)</u>	-	<u>(20,000)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	48,953	-	48,953
Net cash flows from investing activities	<u>48,953</u>	-	<u>48,953</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(225,381)</b>	<b>-</b>	<b>(225,381)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>14,843,514</b>	<b>5,000,000</b>	<b>19,843,514</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$ 14,618,133</u></b>	<b><u>\$ 5,000,000</u></b>	<b><u>\$ 19,618,133</u></b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 490,823	\$ -	\$ 490,823
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
(Increase) decrease in accounts receivable	(221,748)	-	(221,748)
(Increase) decrease in prepaid items	96	-	96
Increase (decrease) in accounts payable	39,746	-	39,746
Increase (decrease) in payroll taxes payable	9,749	-	9,749
Increase (decrease) in estimated liability for claims and judgments	(573,000)	-	(573,000)
Net cash flows from operating activities	<u>\$ (254,334)</u>	<u>\$ -</u>	<u>\$ (254,334)</u>



## CUSTODIAL FUNDS

Custodial Funds are clearing accounts that account for funds collected by the County on the behalf of individuals and other governmental entities.

**Trust & Agency Treasurer** - Represents a clearing fund for partial property tax payments, tax sale redemptions and other taxing entities' tax collections and disbursements

**Trust & Agency Trust Funds Held** - Accounts for activity of drainage districts governed by external trustees and the Houseman Bequest.

**County Assessor Expense** - Accounts for general activity of County Assessor's Office as outlined in Chapter 441 of the Code of Iowa.

**911 Service** - Accounts for the activity of the Polk County 911 Service Board as outlined in Chapter 34A of the Code of Iowa.

**Emergency Management** - Accounts for the operations of Polk County Emergency Management Commission as outlined in Chapter 29C of the Code of Iowa.

**Seized Funds Unforfeited** - Represents a clearing fund for money seized by the Polk County Sheriff's office but not yet forfeited by court order. Monies are owed to various governments.

**Mine Task Force** - Accounts for activities of the Mid-Iowa Narcotics Enforcement Task Force for which the County Sheriff's office serves as fiscal agent.

**Iowa Workforce Development** – Accounts for activities of the Iowa Workforce Development – Central Iowa for which the County Auditor serves as fiscal agent.

**POLK COUNTY, IOWA**

**Combining Statement of Fiduciary Net Position  
Custodial Funds  
June 30, 2022**

	<b>Trust &amp; Agency Treasurer</b>	<b>Trust &amp; Agency Trust Funds Held</b>	<b>County Assessor Expense</b>	<b>911 Service</b>
<b>ASSETS:</b>				
Cash and pooled investments	\$ 19,582,149	\$ 116,234	\$ 2,490,872	\$ 4,310,006
Receivables (net):				
Taxes	4,310,762	-	23,190	-
Succeeding year property taxes	1,036,838,882	-	6,497,028	-
Special assessments	6,830,723	229,244	-	-
Accounts	-	-	-	341,132
Due from other governments	-	-	-	451,774
Prepays	-	-	-	-
<b>TOTAL ASSETS</b>	<b>1,067,562,516</b>	<b>345,478</b>	<b>9,011,090</b>	<b>5,102,912</b>
<b>LIABILITIES:</b>				
Accounts payable	-	20,500	54,128	44,342
Wages payable	-	-	126,810	-
Payroll taxes payable	-	-	21,317	-
Due to other governments	30,723,634	101,957	-	-
Trusts payable	-	4,829	-	-
Compensated absences payable	-	-	1,314,881	-
Termination benefits payable	-	-	94,000	-
Stamped warrants payable	-	218,192	-	-
Total OPEB liability	-	-	344,000	-
<b>TOTAL LIABILITIES</b>	<b>30,723,634</b>	<b>345,478</b>	<b>1,955,136</b>	<b>44,342</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>1,036,838,882</b>	<b>-</b>	<b>6,497,028</b>	<b>-</b>
<b>NET POSITION</b>				
Restricted for individuals, organizations, and other governments	\$ -	\$ -	\$ 558,926	\$ 5,058,570

<b>Emergency Management</b>	<b>Seized Funds Unforfeited</b>	<b>Mine Task Force</b>	<b>Iowa Workforce Development</b>	<b>Total Custodial Funds</b>
\$ 456,276	\$ 463,336	\$ 513,805	\$ 315,883	\$ 28,248,561
-	-	-	-	4,333,952
-	-	-	-	1,043,335,910
-	-	-	-	7,059,967
3,835	-	-	-	344,967
-	-	-	361,538	813,312
2,421,431	-	-	-	2,421,431
<b>2,881,542</b>	<b>463,336</b>	<b>513,805</b>	<b>677,421</b>	<b>1,086,558,100</b>
230,875	-	133,335	356,637	839,817
19,268	-	-	-	146,078
3,234	-	-	-	24,551
-	463,336	380,470	320,784	31,990,181
-	-	-	-	4,829
89,188	-	-	-	1,404,069
-	-	-	-	94,000
-	-	-	-	218,192
-	-	-	-	344,000
<b>342,565</b>	<b>463,336</b>	<b>513,805</b>	<b>677,421</b>	<b>35,065,717</b>
-	-	-	-	1,043,335,910
<b>\$ 2,538,977</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,156,473</b>

**POLK COUNTY, IOWA**

**Combining Schedule of Changes in Fiduciary Net Position  
Custodial Funds  
June 30, 2022**

	<b>Trust &amp; Agency Treasurer</b>	<b>Trust &amp; Agency Trust Funds Held</b>	<b>County Assessor Expense</b>	<b>911 Service</b>
<b>ADDITIONS:</b>				
Property and other county tax	\$ 945,289,741	\$ -	\$ 5,024,817	\$ -
State tax credits	64,080,718	-	354,636	-
Registration fee to Department of Transportation	105,872,856	-	-	-
Use tax to Department of Revenue	76,415,970	-	-	-
Special assessments	96,397	236,802	-	-
911 surcharge	-	-	-	3,081,707
Intergovernmental revenues	31,067	-	5	37,350
Charges for services	-	-	2,606	-
Fines and forfeitures	-	-	-	-
Interest income	-	650	-	14,656
Miscellaneous	-	-	37	-
<b>TOTAL ADDITIONS</b>	<b>1,191,786,749</b>	<b>237,452</b>	<b>5,382,101</b>	<b>3,133,713</b>
<b>DEDUCTIONS:</b>				
Agency remittances:				
Treasurer disbursement to other governments	1,191,786,749	197,019	-	-
Trusts paid out	-	40,433	-	-
Personal services	-	-	5,075,759	-
Supplies	-	-	45,402	-
Professional services	-	-	815,960	-
Other services/charges	-	-	208,513	2,473,989
Capital outlay	-	-	65,854	-
<b>TOTAL DEDUCTIONS</b>	<b>1,191,786,749</b>	<b>237,452</b>	<b>6,211,488</b>	<b>2,473,989</b>
<b>CHANGES IN NET POSITION</b>	<b>-</b>	<b>-</b>	<b>(829,387)</b>	<b>659,724</b>
<b>TOTAL NET POSITION - BEGINNING</b>	<b>-</b>	<b>-</b>	<b>1,388,313</b>	<b>4,398,846</b>
<b>TOTAL NET POSITION - ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 558,926</b>	<b>\$ 5,058,570</b>

<b>Emergency Management</b>	<b>Seized Funds Unforfeited</b>	<b>Mine Task Force</b>	<b>Iowa Workforce Development</b>	<b>Total Custodial Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ 950,314,558
-	-	-	-	64,435,354
-	-	-	-	105,872,856
-	-	-	-	76,415,970
-	-	-	-	333,199
-	-	-	-	3,081,707
5,897,003	-	-	2,167,655	8,133,080
21,919	-	-	-	24,525
-	518,632	215,905	-	734,537
-	-	2,667	-	17,973
400	-	55,792	-	56,229
<u>5,919,322</u>	<u>518,632</u>	<u>274,364</u>	<u>2,167,655</u>	<u>1,209,419,988</u>
-	-	-	-	1,191,983,768
-	-	-	-	40,433
679,557	-	-	-	5,755,316
6,225	-	9,332	-	60,959
447,966	-	-	-	1,263,926
303,805	518,632	265,032	2,167,655	5,937,626
2,041,731	-	-	-	2,107,585
<u>3,479,284</u>	<u>518,632</u>	<u>274,364</u>	<u>2,167,655</u>	<u>1,207,149,613</u>
2,440,038	-	-	-	2,270,375
98,939	-	-	-	5,886,098
<u>\$ 2,538,977</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,156,473</u>

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## STATISTICAL SECTION

The statistical section of the County's annual comprehensive financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the County's overall financial health.

**Financial Trends** - These schedules contain trend information to show how the County's financial performance and well being have changed over time.

**Revenue Capacity** - These schedules contain information to assess the County's most significant local revenue sources, the property tax.

**Debt Capacity** - These schedules present information to assess the affordability of the County's current level 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 to show the environment within which the County's financial activities take place.

**Operating Information** - These schedules contain service and infrastructure data to show how the information in the County's financial report relates to the services the County provides and the activities it performs.

**Source:** Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

# POLK COUNTY, IOWA

## Net Position by Component Last Ten Fiscal Years (*accrual basis of accounting*)

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities:				
Net investment in capital assets	\$ 75,133,663	\$ 75,766,185	\$ 79,649,467	\$ 95,782,354
Restricted	5,923,114	20,238,049	13,961,534	6,856,842
Unrestricted	22,900,184	18,315,610	(11,863,296)	(6,663,345)
<b>Total governmental activities net position</b>	<b>\$ 103,956,961</b>	<b>\$ 114,319,844</b>	<b>\$ 81,747,705</b>	<b>\$ 95,975,851</b>
Business-type activities:				
Net investment in capital assets	\$ 228,985,935	\$ 227,164,549	\$ 227,920,658	\$ 210,891,115
Restricted	362,825	398,723	683,568	892,818
Unrestricted	27,365,867	23,792,875	23,032,612	29,905,022
<b>Total business-type activities net position</b>	<b>\$ 256,714,627</b>	<b>\$ 251,356,147</b>	<b>\$ 251,636,838</b>	<b>\$ 241,688,955</b>
Primary government:				
Net investment in capital assets	\$ 304,119,598	\$ 302,930,734	\$ 307,570,125	\$ 306,673,469
Restricted	6,285,939	20,636,772	14,645,102	7,749,660
Unrestricted	50,266,051	42,108,485	11,169,316	23,241,677
<b>Total primary government net position</b>	<b>\$ 360,671,588</b>	<b>\$ 365,675,991</b>	<b>\$ 333,384,543</b>	<b>\$ 337,664,806</b>

Note: Net position was affected due to the implementation of GASB Statement 68 in fiscal year 2015.

Note: Net position was affected due to the implementation of GASB Statement 75 in fiscal year 2018.



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**Fiscal Year**

<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$ 112,687,170	\$ 126,040,376	\$ 141,619,244	\$ 153,716,269	\$ 178,840,583	\$ 199,148,310
6,845,261	5,186,531	8,649,668	7,881,994	16,158,117	9,472,452
6,624,617	19,475,079	31,904,684	50,714,327	48,954,091	108,260,555
<b>\$ 126,157,048</b>	<b>\$ 150,701,986</b>	<b>\$ 182,173,596</b>	<b>\$ 212,312,590</b>	<b>\$ 243,952,791</b>	<b>\$ 316,881,317</b>
\$ 195,501,228	\$ 187,999,398	\$ 261,586,814	\$ 255,720,433	\$ 250,962,456	\$ 245,395,416
862,445	895,917	619,985	637,860	373,389	915,341
40,943,677	45,181,140	48,925,819	46,018,192	51,048,987	63,459,905
<b>\$ 237,307,350</b>	<b>\$ 234,076,455</b>	<b>\$ 311,132,618</b>	<b>\$ 302,376,485</b>	<b>\$ 302,384,832</b>	<b>\$ 309,770,662</b>
\$ 308,188,398	\$ 314,039,774	\$ 403,206,058	\$ 409,436,702	\$ 429,803,039	\$ 444,543,726
7,707,706	6,082,448	9,269,653	8,519,854	16,531,506	10,387,793
47,568,294	64,656,219	80,830,503	96,732,519	100,003,078	171,720,460
<b>\$ 363,464,398</b>	<b>\$ 384,778,441</b>	<b>\$ 493,306,214</b>	<b>\$ 514,689,075</b>	<b>\$ 546,337,623</b>	<b>\$ 626,651,979</b>

**POLK COUNTY, IOWA**

**Changes in Net Position**

**Last Ten Fiscal Years**

*(accrual basis of accounting)*

	Fiscal Year			
	2013	2014	2015	2016
<b>Expenses:</b>				
Governmental activities:				
Public safety and legal services	\$ 68,677,335	\$ 71,564,875	\$ 69,683,428	\$ 72,778,579
Physical health and social services	34,703,552	35,070,940	35,364,307	37,352,964
Mental health	22,325,002	24,158,157	28,533,670	25,906,010
County environment and education	12,768,084	13,923,732	13,510,577	14,719,318
Roads and transportation	18,338,223	19,312,228	18,860,843	21,057,936
Governmental services to residents	7,077,482	7,129,232	7,344,942	7,974,904
Administration	28,625,011	28,335,206	32,774,134	32,949,752
Interest on long-term debt	5,313,966	5,846,733	3,882,745	5,286,682
<b>Total governmental activities expenses</b>	<b>197,828,655</b>	<b>205,341,103</b>	<b>209,954,646</b>	<b>218,026,145</b>
Business-type activities:				
Air Quality	1,218,911	1,154,638	1,219,921	1,180,789
Sanitary Sewer	788,708	726,280	1,365,289	6,450,974
Prairie Meadows Racetrack/Casino	11,052,660	10,167,216	11,602,938	10,602,938
Conservation Enterprises	47,968	40,327	170,279	191,492
Hamilton Urban Drainage District	263,778	270,242	294,484	400,587
Iowa Events Center	24,891,371	24,405,542	25,689,294	29,382,506
Urban Sewer	277,454	313,883	94,523	88,586
Community Based Case Management	-	-	-	1,592,258
Iowa Tax & Tags	211,165	295,583	350,977	349,629
<b>Total business-type activities expenses</b>	<b>38,752,015</b>	<b>37,373,711</b>	<b>40,787,705</b>	<b>50,239,759</b>
<b>Total government expenses</b>	<b>\$ 236,580,670</b>	<b>\$ 242,714,814</b>	<b>\$ 250,742,351</b>	<b>\$ 268,265,904</b>
<b>Program revenues:</b>				
Governmental activities:				
Charges for services:				
Public safety and legal services	\$ 14,325,269	\$ 13,781,722	\$ 13,176,295	\$ 14,045,975
Physical health and social services	1,236,642	1,042,590	1,036,902	1,078,182
Mental health	10,376,168	6,890,136	7,029,275	4,113,979
County environment and education	1,809,500	1,834,621	1,879,130	2,057,031
Roads and transportation	420,451	483,746	941,450	552,046
Governmental services to residents	7,488,249	7,285,121	7,273,173	8,058,455
Administration	1,900,040	1,932,024	1,794,169	1,748,225
Interest on long-term debt	54,200	49,843	51,062	49,385
Operating grants and contributions	23,227,618	29,067,248	26,488,420	21,941,825
Capital grants and contributions	1,902,755	262,332	2,919,497	6,129,377
<b>Total governmental activities program revenues</b>	<b>62,740,892</b>	<b>62,629,383</b>	<b>62,589,373</b>	<b>59,774,480</b>
Business-type activities:				
Charges for services:				
Air Quality	294,919	348,214	346,417	367,062
Sanitary Sewer	868,268	826,236	966,901	787,032
Prairie Meadows Racetrack/Casino	26,000,000	26,000,000	26,000,000	24,729,652
Conservation Enterprises	194,267	198,941	195,157	203,609
Hamilton Urban Drainage District	141,121	120,206	144,566	125,580
Iowa Events Center	10,990,697	12,459,738	15,072,784	16,167,111
Iowa Tax & Tags	337,895	367,059	386,463	414,508
Operating grants and contributions	963,837	1,465,466	5,505,719	2,592,193
Capital grants and contributions	128,250	128,250	128,250	1,644,344
<b>Total business-type activities program revenues</b>	<b>39,919,254</b>	<b>41,914,110</b>	<b>48,746,257</b>	<b>47,031,091</b>
<b>Total government program revenues</b>	<b>\$ 102,660,146</b>	<b>\$ 104,543,493</b>	<b>\$ 111,335,630</b>	<b>\$ 106,805,571</b>

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 73,081,038	\$ 78,520,169	\$ 83,348,793	\$ 90,042,251	\$ 98,320,747		91,517,994
38,587,870	40,425,914	42,640,579	42,236,354	43,090,352		39,360,602
20,756,146	21,978,560	24,067,294	23,791,649	26,413,988		29,121,148
15,252,013	16,879,257	18,610,621	21,273,906	22,687,489		28,681,708
17,130,748	19,694,797	18,066,871	20,012,591	20,399,665		19,904,738
8,053,559	8,411,110	8,489,741	9,753,363	10,604,040		8,482,345
37,599,287	38,473,412	44,075,188	38,746,860	60,486,836		139,026,689
5,192,766	5,760,430	5,053,602	7,631,720	6,165,281		5,500,496
215,653,427	230,143,649	244,352,689	253,488,694	288,168,398		361,595,720
1,275,213	1,345,230	1,222,773	1,516,296	1,193,109		1,067,562
1,609,984	1,772,545	1,712,523	2,470,020	1,663,793		1,789,710
10,602,938	10,602,938	12,154,762	15,679,920	13,706,637		14,957,183
98,970	488,317	460,606	446,968	355,316		253,298
598,185	496,291	481,026	696,238	426,611		425,199
27,350,775	27,469,180	28,041,271	25,818,408	17,238,103		24,362,991
68,475	85,705	72,663	59,374	45,544		30,734
6,759,608	3,994,485	-	-	-		-
389,877	453,119	464,909	537,065	581,598		466,283
48,754,025	46,707,810	44,610,533	47,224,289	35,210,711		43,352,960
\$ 264,407,452	\$ 276,851,459	\$ 288,963,222	\$ 300,712,983	\$ 323,379,109		404,948,680
\$ 16,245,042	\$ 18,787,052	\$ 20,313,908	\$ 21,157,832	\$ 21,615,174		21,266,708
1,272,939	1,216,522	1,427,520	1,277,481	990,085		1,619,371
2,249,219	5,957,472	5,692,061	5,470,234	5,042,859		15,807
2,299,210	2,148,206	2,009,876	2,674,304	2,830,595		2,784,438
566,585	630,431	796,889	820,541	816,196		853,244
8,381,909	8,636,445	8,488,177	9,399,389	10,541,549		10,331,781
1,678,242	2,527,924	1,746,943	1,784,795	2,414,003		26,438,164
38,474	53,444	54,503	55,509	37		18
22,040,570	21,811,485	21,242,714	21,302,676	50,357,676		135,748,723
10,987,863	9,969,031	12,493,459	8,072,602	4,758,778		6,276,248
65,760,053	71,738,012	74,266,050	72,015,363	99,366,952		205,334,502
376,783	380,689	392,685	409,362	431,545		452,468
1,051,006	984,610	1,252,629	995,879	1,172,263		1,265,659
24,947,712	25,334,064	26,077,019	26,314,372	23,385,086		25,987,677
196,126	205,482	287,451	287,731	348,871		370,172
115,451	118,447	118,114	113,905	113,071		192,297
15,192,487	15,581,819	17,133,251	12,949,284	5,621,085		17,119,475
440,354	468,029	248,045	259,920	282,030		276,763
8,076,897	5,108,887	1,000,639	869,298	839,664		2,482,400
498,250	928,250	77,719,463	231,682	32,000		32,000
50,895,066	49,110,277	124,229,296	42,431,433	32,225,615		48,178,911
\$ 116,655,119	\$ 120,848,289	\$ 198,495,346	\$ 114,446,796	\$ 131,592,567		253,513,413

(continued)

**POLK COUNTY, IOWA**

**Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year			
	2013	2014	2015	2016
Net (expense)/revenue:				
Governmental activities	\$ (135,087,763)	\$ (142,711,720)	\$ (147,365,273)	\$ (158,251,665)
Business-type activities	1,167,239	4,540,399	7,958,552	(3,208,668)
<b>Total government net expense</b>	<b>\$ (133,920,524)</b>	<b>\$ (138,171,321)</b>	<b>\$ (139,406,721)</b>	<b>\$ (161,460,333)</b>
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes	\$ 126,597,379	\$ 131,914,045	\$ 136,363,181	\$ 140,709,005
Other county taxes	5,471,136	5,476,275	5,705,541	5,735,911
Interest on property taxes	1,264,536	1,381,536	1,412,664	1,174,445
State replacements	3,042,129	3,860,426	8,034,434	12,873,398
Use of money and property	379,474	255,759	309,077	709,823
Miscellaneous	1,261,848	2,068,364	1,734,376	3,082,645
Gain on sale of capital assets	-	-	-	-
Capital transfers	425,367	-	-	-
Transfers	7,380,210	9,761,697	7,429,240	8,194,584
<b>Total governmental activities</b>	<b>145,822,079</b>	<b>154,718,102</b>	<b>160,988,513</b>	<b>172,479,811</b>
Business-type activities:				
Use of money and property	178,934	54,995	74,169	637,627
Miscellaneous	460,369	860,639	572,344	817,742
Capital transfers - Loss on transfer of capital assets	(425,367)	-	-	-
Transfers	(7,380,210)	(9,761,697)	(7,429,240)	(8,194,584)
<b>Total business-type activities</b>	<b>(7,166,274)</b>	<b>(8,846,063)</b>	<b>(6,782,727)</b>	<b>(6,739,215)</b>
<b>Total government</b>	<b>\$ 138,655,805</b>	<b>\$ 145,872,039</b>	<b>\$ 154,205,786</b>	<b>\$ 165,740,596</b>
Change in net position:				
Governmental activities	\$ 10,734,316	\$ 12,006,382	\$ 13,623,240	\$ 14,228,146
Business-type activities	(5,999,035)	(4,305,664)	1,175,825	(9,947,883)
<b>Total primary government</b>	<b>\$ 4,735,281</b>	<b>\$ 7,700,718</b>	<b>\$ 14,799,065</b>	<b>\$ 4,280,263</b>

**Fiscal Year**

2017	2018	2019	2020	2021	2022
\$ (149,893,374)	\$ (158,405,637)	\$ (170,086,639)	\$ (181,473,331)	\$ (188,801,446)	\$ (156,261,218)
2,141,041	2,402,467	79,618,763	(4,792,856)	(2,985,096)	4,825,951
\$ (147,752,333)	\$ (156,003,170)	\$ (90,467,876)	\$ (186,266,187)	\$ (191,786,542)	\$ (151,435,267)

\$ 149,208,819	\$ 154,947,225	\$ 170,244,856	\$ 178,520,086	\$ 192,812,266	\$ 195,064,719
5,768,801	5,726,777	5,831,727	6,177,617	6,268,316	8,041,247
1,199,698	1,131,465	1,258,286	638,379	2,173,963	1,392,693
13,342,460	13,456,415	13,744,982	13,859,458	14,056,107	13,969,069
1,233,182	3,231,716	4,597,174	3,957,120	1,719,432	2,637,236
1,227,068	1,097,395	777,263	2,105,056	3,848,416	5,419,525
259,350	-	-	-	-	-
-	-	-	-	-	-
7,835,193	7,403,582	5,103,961	6,354,609	(436,853)	2,665,255
180,074,571	186,994,575	201,558,249	211,612,325	220,441,647	229,189,744

725,529	992,382	1,946,088	1,969,165	1,608,950	3,925,045
587,018	777,838	595,273	422,167	947,640	1,300,089
-	-	-	-	-	-
(7,835,193)	(7,403,582)	(5,103,961)	(6,354,609)	436,853	(2,665,255)
(6,522,646)	(5,633,362)	(2,562,600)	(3,963,277)	2,993,443	2,559,879
\$ 173,551,925	\$ 181,361,213	\$ 198,995,649	\$ 207,649,048	\$ 223,435,090	\$ 231,749,623

\$ 30,181,197	\$ 28,588,938	\$ 31,471,610	\$ 30,138,994	\$ 31,640,201	\$ 72,928,526
(4,381,605)	(3,230,895)	77,056,163	(8,756,133)	8,347	7,385,830
\$ 25,799,592	\$ 25,358,043	\$ 108,527,773	\$ 21,382,861	\$ 31,648,548	\$ 80,314,356

(concluded)

**POLK COUNTY, IOWA**

**Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	Fiscal Year			
	2013	2014	2015	2016
General Fund:				
Nonspendable	\$ 1,431,512	\$ 1,317,221	\$ 1,199,934	\$ 970,787
Committed	3,753,815	3,585,015	3,265,208	3,764,477
Unassigned	35,680,321	37,877,628	43,089,740	47,725,904
<b>Total General Fund</b>	<b>\$ 40,865,648</b>	<b>\$ 42,779,864</b>	<b>\$ 47,554,882</b>	<b>\$ 52,461,168</b>
Mental Health Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	2,030,563	6,837,252	7,867,880	2,657,177
Unassigned	-	-	-	-
<b>Total Mental Health Fund</b>	<b>\$ 2,030,563</b>	<b>\$ 6,837,252</b>	<b>\$ 7,867,880</b>	<b>\$ 2,657,177</b>
American Rescue Plan Act Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
<b>Total American Rescue Plan Act Fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Justice Center Fund:				
Restricted	\$ **	\$ **	\$ 59,277,232	\$ 47,204,845
<b>Total Justice Center Fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 59,277,232</b>	<b>\$ 47,204,845</b>
Debt Service Fund:				
Restricted	\$ 68,561,227	\$ 216,764	\$ 2,892,100	\$ 986,277
<b>Total Debt Service Fund</b>	<b>\$ 68,561,227</b>	<b>\$ 216,764</b>	<b>\$ 2,892,100</b>	<b>\$ 986,277</b>
All other governmental funds:				
Nonspendable	\$ 712,871	\$ 943,020	\$ 1,202,909	\$ 1,304,996
Restricted	3,273,535	13,184,033	18,971,785	14,736,599
Committed	10,254,039	10,993,740	13,979,456	11,826,022
Unassigned	(4,642,695)	(2,138,711)	(1,503,644)	(4,459,848)
<b>Total all other governmental funds</b>	<b>\$ 9,597,750</b>	<b>\$ 22,982,082</b>	<b>\$ 32,650,506</b>	<b>\$ 23,407,769</b>

**Note:** Only major funds are identified on this schedule

\*\* - Fund is a nonmajor fund during the respective year

**Fiscal Year**

<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$ 1,057,617	\$ 1,166,044	\$ 4,646,907	\$ 4,642,422	\$ 5,049,581	\$ 4,163,553
4,053,969	3,878,749	3,602,523	5,539,649	5,584,052	14,759,793
48,872,607	64,151,132	73,735,438	83,543,134	94,707,468	126,387,600
<u>\$ 53,984,193</u>	<u>\$ 69,195,925</u>	<u>\$ 81,984,868</u>	<u>\$ 93,725,205</u>	<u>\$ 105,341,101</u>	<u>\$ 145,310,946</u>
\$ -	\$ -	\$ -	\$ 754,803	\$ 580,390	\$ 576,943
1,874,559	1,182,742	3,484,129	3,053,968	8,872,530	114,364
-	-	-	-	-	-
<u>\$ 1,874,559</u>	<u>\$ 1,182,742</u>	<u>\$ 3,484,129</u>	<u>\$ 3,808,771</u>	<u>\$ 9,452,920</u>	<u>\$ 691,307</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,903,296
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,903,296
\$ 49,375,218	\$ **	\$ **	\$ **	\$ **	\$ **
\$ 49,375,218	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,641,237	\$ **	\$ **	\$ 370,404	\$ **	\$ **
\$ 1,641,237	\$ -	\$ -	\$ 370,404	\$ -	\$ -
\$ 1,351,278	\$ 1,271,431	\$ 1,094,583	\$ 1,241,346	\$ 1,265,589	\$ 1,542,784
11,853,501	30,005,817	41,904,349	28,626,348	18,747,919	39,722,010
12,353,201	13,063,392	12,874,590	13,217,277	12,478,961	13,256,926
(2,707,165)	(4,721,524)	(1,611,672)	(225,407)	(1,213,605)	(424,091)
<u>\$ 22,850,815</u>	<u>\$ 39,619,116</u>	<u>\$ 54,261,850</u>	<u>\$ 42,859,564</u>	<u>\$ 31,278,864</u>	<u>\$ 54,097,629</u>

**POLK COUNTY, IOWA**

**Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	Fiscal Year			
	2013	2014	2015	2016
<b>Revenues:</b>				
Property taxes	\$ 126,477,853	\$ 132,115,444	\$ 136,555,746	\$ 140,654,190
Other County taxes	5,471,136	5,476,275	5,705,541	5,735,911
Interest and penalties on delinquent taxes	1,264,536	1,381,536	1,412,664	1,174,445
Intergovernmental	46,892,346	48,896,738	52,671,977	48,896,981
Licenses and permits	943,393	913,075	1,073,810	1,308,798
Charges for service	13,685,542	13,215,481	13,753,759	14,232,809
Use of money and property	2,525,369	2,641,287	2,880,975	3,246,337
Miscellaneous	1,539,340	2,679,952	2,787,165	3,112,327
<b>Total revenues</b>	<b>198,799,515</b>	<b>207,319,788</b>	<b>216,841,637</b>	<b>218,361,798</b>
<b>Expenditures:</b>				
Public safety and legal services	64,362,370	67,550,790	67,742,641	70,630,110
Physical health and social services	33,295,027	33,590,597	33,988,406	35,624,786
Mental health	22,325,002	24,158,157	28,533,670	25,906,010
County environment and education	11,135,437	11,426,422	12,320,129	12,318,325
Roads and transportation	9,271,079	9,937,351	10,217,643	10,207,439
Governmental services to residents	7,048,801	7,066,217	7,086,477	7,508,917
Administration	28,112,537	29,091,437	31,075,332	32,415,833
Debt service:				
Principal	8,428,000	10,904,000	14,249,647	17,185,384
Interest and fiscal charges	6,093,333	6,015,812	3,718,837	5,320,313
Capital Projects:				
Roadway construction	4,834,470	5,684,678	5,650,385	8,744,120
Conservation land acquisition and development	2,679,744	10,850,138	6,895,682	5,260,650
Other capital projects	5,057,647	8,455,989	11,171,287	19,118,230
<b>Total expenditures</b>	<b>202,643,447</b>	<b>224,731,588</b>	<b>232,650,136</b>	<b>250,240,117</b>
<b>Excess of revenues over expenditures</b>	<b>(3,843,932)</b>	<b>(17,411,800)</b>	<b>(15,808,499)</b>	<b>(31,878,319)</b>
<b>Other financing sources (uses):</b>				
Transfers in	18,034,274	22,707,352	20,447,563	23,753,588
Transfers out	(10,639,985)	(12,925,655)	(12,998,323)	(15,539,004)
Payment to refunded bond escrow agent	-	(66,570,000)	(640,000)	-
Issuance of notes receivable	-	-	-	-
Issuance of capital leases	692,111	-	-	-
Issuance of bonds	76,114,616	25,335,000	84,207,560	-
Issuance of refunding bonds	-	-	-	-
Premium (discount) on bonds issued	1,019,219	270,129	2,003,138	-
Proceeds from sale of capital assets	311,766	-	59,100	50,000
<b>Total other financing sources (uses)</b>	<b>85,532,001</b>	<b>(31,183,174)</b>	<b>93,079,038</b>	<b>8,264,584</b>
Net change in fund balances	<b>\$ 81,688,069</b>	<b>\$ (48,594,974)</b>	<b>\$ 77,270,539</b>	<b>\$ (23,613,735)</b>
Total expenditures	\$ 202,643,447	\$ 224,731,588	\$ 232,650,136	\$ 250,240,117
Less: capital expenditures	(6,885,814)	(18,623,440)	(17,279,105)	(22,908,037)
Total non capital expenditures	<b>\$ 195,757,633</b>	<b>\$ 206,108,148</b>	<b>\$ 215,371,031</b>	<b>\$ 227,332,080</b>
Debt service as % of noncapital expenditures	7.42%	8.21%	8.34%	9.90%



Fiscal Year											
2017		2018		2019		2020		2021		2022	
\$	149,192,233	\$	154,907,645	\$	170,236,493	\$	177,466,490	\$	193,547,018	\$	195,043,379
	5,768,801		5,726,777		5,831,727		6,177,617		6,268,316		8,041,247
	1,199,698		1,131,465		1,258,286		638,379		2,173,963		1,392,693
	53,391,833		54,684,871		60,047,045		55,918,397		86,279,080		189,660,462
	1,342,246		1,412,582		1,184,341		1,494,380		1,849,167		1,241,014
	15,457,944		16,532,428		17,204,963		17,357,972		18,731,765		20,120,983
	4,175,894		5,819,127		7,714,424		7,554,364		7,371,014		7,998,768
	3,565,298		3,244,957		2,341,663		2,748,881		4,522,855		5,132,257
	234,093,947		243,459,852		265,818,942		269,356,480		320,743,178		428,630,803
	71,194,297		73,982,865		79,376,445		85,122,459		88,555,413		90,166,716
	36,130,845		37,924,736		40,193,882		39,468,371		40,858,478		40,171,093
	20,756,146		21,978,560		24,067,294		23,791,649		26,413,988		28,940,071
	13,533,835		14,049,618		15,779,209		18,168,176		18,365,693		25,385,599
	13,251,960		10,458,021		12,198,866		14,047,438		12,944,865		12,744,293
	7,586,381		7,760,563		7,970,669		9,104,059		10,121,448		9,364,233
	33,015,233		34,397,839		39,245,415		37,650,125		53,174,305		143,442,441
	14,309,378		13,181,000		14,223,000		15,095,000		17,345,000		17,478,232
	5,152,889		5,689,646		5,088,006		6,350,862		6,326,279		5,799,928
	5,451,872		6,530,818		4,147,518		3,811,751		5,503,688		6,172,048
	7,807,817		12,949,544		14,754,893		5,107,993		3,234,675		6,328,960
	13,743,491		29,300,855		21,253,993		18,596,029		32,173,552		15,606,473
	241,934,144		268,204,065		278,299,190		276,313,912		315,017,384		401,600,087
	(7,840,197)		(24,744,213)		(12,480,248)		(6,957,432)		5,725,794		27,030,716
	34,201,466		24,562,657		27,188,510		33,093,904		40,453,740		49,050,075
	(26,346,273)		(17,340,379)		(22,664,549)		(26,719,295)		(40,870,593)		(46,364,820)
	(64,819,767)		(14,630,000)		-		(52,745,000)		-		(3,405,000)
	-		-		-		(30,515,000)		-		-
	2,326,428		-		161,127		1,200,808		-		-
	-		-		33,925,000		30,515,000		-		27,935,000
	56,730,000		12,235,000		-		48,070,000		-		3,411,866
	8,351,001		248,178		3,813,421		5,090,112		-		272,456
	359,350		50,000		-		-		-		-
	10,802,205		5,125,456		42,423,509		7,990,529		(416,853)		30,899,577
\$	2,962,008	\$	(19,618,757)	\$	29,943,261	\$	1,033,097		5,308,941	\$	57,930,293
\$	241,934,144	\$	268,204,065	\$	278,299,190	\$	276,313,912	\$	315,017,384	\$	401,600,087
	(23,033,094)		(38,092,157)		(34,439,663)		(22,356,535)		(31,467,003)		(20,381,119)
\$	218,901,050	\$	230,111,908	\$	243,859,527	\$	253,957,377	\$	283,550,381	\$	381,218,968
	8.89%		8.20%		7.92%		8.44%		8.35%		6.11%

## POLK COUNTY, IOWA

### Assessed Value and Actual Value of Taxable Property (a) Last Ten Fiscal Years

Assessment Date Jan 1	Payable Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Multiresidential Property (e)
2013	2015	\$ 21,727,868,379	\$ 6,485,814,914	\$ 384,770,345	\$ -
2014	2016	22,274,713,859	6,628,446,236	409,511,937	-
2015	2017	23,746,691,193	6,157,667,562	451,341,637	932,100,555
2016	2018	24,322,053,157	6,338,462,185	454,639,393	932,877,464
2017	2019	26,923,930,435	7,137,508,819	516,044,590	1,088,460,290
2018	2020	27,624,292,685	7,385,180,659	662,507,721	1,103,803,326
2019	2021	30,557,110,589	8,035,519,062	758,215,891	1,296,164,889
2020	(b) 2022	31,076,819,642	8,308,707,596	814,160,995	1,324,100,770
2021	2023	34,120,044,691	8,710,642,064	967,530,434	1,629,955,271
<b>2022</b>	2024	N/A (c)	N/A (c)	N/A (c)	N/A (c)

**Source:** 2021 Valuation workpaper from Polk County Tax/GIS Department.

- Notes:**
- (a) Property is assessed at actual value; therefore, the assessed values are equal to the actual value.
  - (b) 2020 Calendar Year Assessment is for taxes due in fiscal year 2021/2022
  - (c) 2022 Calendar Year Assessment is for taxes due in fiscal year 2023/2024 and is not yet available
  - (d) Tax rates are per \$1,000 of assessed value.
  - (e) 2013 Iowa Acts Senate File 295 created a new property classification, multiresidential, for property valuations established on or after January 1, 2015.

<b>Agricultural Property &amp; Building</b>	<b>Reimb / Non-Reimb M&amp;E/Comp &amp; Railroads</b>	<b>Utilities W/O Gas &amp; Electric</b>	<b>Less: Military Tax-Exempt Property</b>	<b>Total Taxable Assessed Property</b>	<b>Total Direct Tax Rate (d)</b>
\$ 313,930,120	\$ 48,123,584	\$ 172,181,780	\$ (32,737,662)	\$ 29,099,951,460	6.81
311,004,300	47,993,133	172,579,843	(31,844,999)	29,812,404,309	6.94
300,971,073	53,959,901	173,036,987	(30,796,208)	31,784,972,700	7.17
300,394,143	61,679,562	162,919,014	(29,872,540)	32,543,152,378	7.30
293,446,680	60,232,520	172,830,293	(28,980,600)	36,163,473,027	7.30
290,425,534	65,649,402	198,658,025	(27,970,192)	37,302,547,160	7.30
218,057,759	71,510,126	197,843,928	(27,010,912)	41,107,411,332	7.30
216,486,738	75,012,603	203,878,444	(25,862,794)	41,993,303,994	7.30
223,171,186	78,983,945	193,494,461	(24,554,617)	45,899,267,435	7.13
N/A (c)	N/A (c)	N/A (c)	N/A (c)	N/A (c)	-

POLK COUNTY , IOWA

Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	2022			2013		
	2020 Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	2011 Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Mid American Energy	\$ 644,039,599	1	2.4%	\$ 570,261,911	1	3.1%
Microsoft Corporation	220,086,432	2	0.8%	-	-	-
Prairie Meadows	162,607,320	3	0.6%	102,909,000	7	0.6%
Principal Life Insurance Co	162,607,320	4	0.6%	194,700,950	2	1.1%
Nationwide Mutual Insurance Co	158,979,240	5	0.6%	171,376,280	3	0.9%
Principal Mutual Life Insurance Co	133,787,394	6	0.5%	-	-	-
Wellmark Inc	119,748,600	7	0.5%	132,797,300	5	0.7%
Wells Fargo Financial Inc	109,629,900	8	0.4%	117,288,290	6	0.6%
Employers Mutual Life Insurance Co	91,449,900	9	0.3%	-	-	-
Magellan Pipeline Co	84,733,287	10	0.3%	-	-	-
R & R Investors	-	-	-	154,605,060	4	0.8%
Mercy Hospital	-	-	-	74,082,460	8	0.4%
Pioneer Hi-Bred	-	-	-	73,785,590	9	0.4%
Hubbell Interests	-	-	-	71,019,790	10	0.4%
<b>Total</b>	<b>\$ 1,887,668,992</b>		<b>7.1%</b>	<b>\$ 1,662,826,631</b>		<b>9.1%</b>

Source: Polk County Tax/GIS Department

# POLK COUNTY, IOWA

## Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year Ended June 30	Property Taxes Levied for the Fiscal Year	Property Taxes Collected Within the Fiscal Year of the Levy (a)		Property Tax Collections In Subsequent Years (b)	Property Tax Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 129,857,326	\$ 129,476,254	99.7%	\$ 3,421	129,479,675	99.7%
2014	136,692,801	136,130,097	99.6%	(194,522) (c)	135,935,575	99.4%
2015	141,955,798	141,520,930	99.7%	(60,732) (c)	141,460,198	99.7%
2016	147,131,853	146,902,505	99.8%	147,089	147,049,594	99.9%
2017	156,347,407	156,198,568	99.9%	83,612	156,282,180	100.0%
2018	162,436,919	162,120,968	99.8%	18,862	162,139,830	99.8%
2019	177,823,246	177,494,432	99.8%	35,360	177,529,792	99.8%
2020	186,270,558	183,547,007	98.5%	(6,385) (c)	183,540,622	98.5%
2021	200,572,804	200,037,273	99.7%	2,183,427 (d)	202,220,700	100.8%
<b>2022</b>	<b>203,264,228</b>	<b>202,695,118</b>	<b>99.7%</b>	<b>(251,592) (c)</b>	<b>202,443,526</b>	<b>99.6%</b>

**Source:** County Property Tax Rates per Iowa Department of Management and Cash Receipt Status Report

**Notes:** (a) Property taxes collected within the fiscal year of levy include current tax collections and state replacements of credits against property taxes/levied tax credits (Homestead, Elderly & Disabled Homestead, Agricultural Land, Business Property, Mobile Home, and Family Farm).

(b) Property tax collections in subsequent years include delinquent tax collections and TIF reimbursements. All collections are on cash basis.

(c) Negative property taxes resulted from large repayments due to revaluation settlements

(d) Due to COVID-19, FY19-20 property taxes payments could be late without interest through July 2020. In addition, no tax sale was held in June 2020

**POLK COUNTY, IOWA**

**Direct and Overlapping Property Tax Rates  
Last Ten Years  
(rate per \$1,000 of assessed value)**

	Year Taxes are Payable				
	2013	2014	2015	2016	2017
Countywide service rates:					
General Basic	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50
General Supplemental	1.92	1.97	2.00	2.18	2.28
MH/DD Service	0.79	0.76	0.75	0.71	0.70
Debt Service	0.60	0.71	0.92	0.91	0.82
<b>Total Countywide Rate</b>	<b>6.81</b>	<b>6.94</b>	<b>7.17</b>	<b>7.30</b>	<b>7.30</b>
Rural service rates	4.55	4.55	4.55	4.55	4.55
<b>Total Rural Rate</b>	<b>11.36</b>	<b>11.49</b>	<b>11.72</b>	<b>11.85</b>	<b>11.85</b>
City rates:					
Alleman	10.45	10.05	11.03	10.79	9.69
Altoona	9.14	9.14	9.94	9.94	9.94
Ankeny	12.03	12.03	11.90	11.85	11.75
Bondurant	14.08	14.04	13.99	13.94	13.88
Carlisle	13.80	13.80	14.14	14.64	14.65
Clive	9.99	9.99	9.99	9.99	10.14
Des Moines	16.92	16.92	16.92	16.92	16.92
Elkhart	9.77	8.83	8.78	8.98	8.37
Granger	15.76	15.68	14.91	14.62	15.87
Grimes	12.91	12.91	12.91	12.91	12.91
Johnston	11.29	11.15	11.34	11.50	11.40
Mitchellville	14.80	14.40	14.00	14.00	13.88
Norwalk	15.69	15.69	15.69	15.69	15.69
Pleasant Hill	11.66	11.65	11.65	11.65	11.65
Polk City	7.90	7.90	7.90	7.90	7.90
Runnells	10.92	10.84	11.16	11.26	11.77
Sheldahl	2.99	2.68	2.82	2.82	2.81
Urbandale	9.62	9.57	9.72	9.82	9.92
Windsor Heights	13.31	13.90	15.35	15.08	15.66
West Des Moines	12.05	12.05	12.05	12.00	12.00
School District Rates:					
North Polk	19.99	20.00	19.99	19.94	19.30
Southeast Polk	21.66	21.66	21.66	20.66	20.31
Bondurant-Farrar	19.24	18.33	18.49	18.33	19.10
Ankeny	20.59	20.33	20.18	19.77	19.36
Carlisle	18.58	17.91	17.91	17.91	17.91
West Des Moines	13.30	13.26	13.27	13.24	13.26
Des Moines Independent	18.35	18.35	18.15	18.43	18.50
Saydel	13.48	12.88	12.88	12.76	12.76
Johnston	17.35	17.35	18.36	18.35	11.40
Woodward-Granger	19.49	19.11	19.07	19.06	18.97
Dallas	17.51	17.84	17.85	17.95	12.91
Urbandale	18.35	18.35	18.15	18.43	18.50
Urbandale	17.64	17.67	17.55	17.75	17.74
Other:					
Area XI Community College	0.58	0.69	0.66	0.68	0.72
Broadlawns County Hospital	2.98	3.00	3.12	3.21	2.77
Ag. Extension	0.04	0.04	0.04	0.04	0.04
Assessor	0.24	0.28	0.28	0.28	0.27

Source: 2021/2022 Tax Rates Payable Fiscal Year Ended June 30, 2022 obtained from Polk County Tax/GIS Department

**Year Taxes are Payable**

2018		2019		2020		2021		2022	
\$	3.50	\$	3.50	\$	3.50	\$	3.50	\$	3.50
	2.34		2.44		2.50		2.54		2.56
	0.67		0.63		0.60		0.57		0.38
	0.79		0.73		0.70		0.69		0.69
	7.30		7.30		7.30		7.30		7.13
	4.55		4.55		4.55		4.55		4.55
	11.85		11.85		11.85		11.85		11.68

9.63	9.54	9.49	9.33	9.40
9.94	9.94	9.94	10.75	10.75
11.65	10.75	10.35	10.00	9.95
13.83	13.78	13.73	11.78	11.62
14.89	14.89	14.89	14.89	14.89
10.14	10.14	10.14	10.14	10.14
17.04	17.24	16.64	16.61	16.61
10.09	10.10	10.10	10.10	10.50
16.87	15.80	15.42	15.33	15.59
12.91	12.91	12.81	11.71	11.41
11.38	11.52	11.64	10.63	10.63
13.85	13.83	9.45	9.53	9.50
15.42	15.40	15.40	15.20	15.14
11.65	11.65	11.50	11.50	11.50
7.90	9.91	9.91	10.39	10.39
11.78	11.77	11.72	10.48	10.49
2.99	6.07	6.27	6.27	6.27
10.02	10.02	10.52	10.16	10.11
16.96	16.58	16.52	14.47	14.47
12.00	11.79	10.99	10.99	10.95

19.16	19.07	18.99	18.54	15.58
19.48	16.50	15.58	15.44	15.44
19.10	19.10	19.00	19.00	18.90
18.51	17.95	17.52	17.41	17.31
17.85	17.85	17.85	17.81	17.81
13.26	13.27	13.16	13.15	13.15
18.56	18.60	18.60	18.61	16.05
12.89	12.89	12.89	12.89	12.89
18.32	18.35	18.35	17.75	17.76
18.97	18.97	18.95	18.50	18.03
19.99	19.97	17.68	17.60	17.86
18.56	18.60	18.60	18.61	16.05
17.75	17.99	17.98	17.94	17.98

0.67	0.69	0.65	0.63	0.67
2.77	2.77	2.77	2.67	2.57
0.04	0.04	0.04	0.03	0.03
0.27	0.25	0.25	0.24	0.19

**POLK COUNTY, IOWA**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-Type Activities			Total Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds Payable	Notes Payable	Capital Lease Payable/ Lease Agreements	General Obligation Bonds Payable	Notes Payable				
2013	\$ 166,213,860	\$ 345,000	\$ 1,323,713	\$ 125,139,328	\$ 26,814,566	\$ 319,836,467	1.53%	\$ 720.82	
2014	114,230,485	2,826,000	894,500	111,553,904	27,373,572	256,878,461	1.18%	568.72	
2015	185,801,079	2,450,000	436,964	100,774,185	27,130,825	316,593,053	1.42%	688.45	
2016	168,758,562	2,068,000	298,916	100,409,970	26,357,000	297,892,448	1.32%	636.92	
2017	154,057,954	1,679,000	1,883,804	97,958,000	25,495,000	281,073,758	1.20%	592.93	
2018	137,869,387	1,273,000	1,179,580	97,059,319	24,605,000	261,986,286	1.06%	543.73	
2019	160,757,203	835,000	729,268	85,950,638	23,686,000	271,958,109	1.06%	558.20	
2020	174,203,773	395,000	1,056,235	74,416,957	22,736,000	272,807,965	0.97%	556.57	
2021	155,550,040	-	708,673	62,453,276	21,756,000	240,467,989	0.85%	556.57	
<b>2022</b>	164,344,372	-	218,473	47,795,717	20,744,000	233,102,562	0.83%	469.17	

\* Calculation made using population and personal income figures from Demographics and Economic Statistics Table.

**Note:** 2021 and 2022 percentages calculated using 2020 personal income data, which is the most recent available.

Per GASB 44, paragraph 23, page 8: Governments should present each type of outstanding debt individually - i.e. general obligation bonds, revenue-backed bonds, loans, certificates of participation, capital leases - and divided between debt related to governmental activities and debt related to business-type activities.

**Note:** Per GASB 87 effective July 1, 2021, capital lease payable and lease agreements were restated for the fiscal year ending June 30, 2022.



# POLK COUNTY, IOWA

## Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage Actual Taxable Value of Property	Per Capita*
	General Obligation Bonds	Less Amounts Restricted to Repaying Principal	Total		
2013	\$ 291,353,188	\$ 68,561,227	\$ 222,791,961	0.77%	\$ 502.11
2014	225,784,389	216,764	225,567,625	0.76%	499.40
2015	286,575,264	2,892,100	283,683,164	0.89%	616.89
2016	269,168,532	1,001,353	268,167,179	0.82%	573.36
2017	252,015,954	1,642,484	250,373,470	0.69%	528.16
2018	234,928,706	428,943	234,499,763	0.63%	486.69
2019	246,707,841	1,407,860	245,299,981	0.60%	503.49
2020	248,620,730	371,651	248,249,079	0.59%	506.46
2021	218,003,316	1,194,450	216,808,866	0.47%	442.32
<b>2022</b>	212,140,089	2,657,392	209,482,697	N/A (a)	421.63

\* Calculated using population figure from Demographics and Economic Statistics Table.

**Note:** (a) 2022 Calendar Year Assessment is for taxes due in fiscal year 2023/2024 and is not yet available.

# POLK COUNTY, IOWA

## Direct and Overlapping Governmental Activities Debt As of June 30, 2022

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<b>Governmental Unit</b>	<b>Taxable Valuation</b>	<b>Debt Outstanding</b>	<b>Totals</b>
--------------------------	------------------------------	-----------------------------	---------------

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Note: Per GASB 44, Counties are encouraged but not required to present this schedule. The County has chosen not to present the overlapping debt of the various cities, schools, sewers, etc. as this requires the collection and combination of tax bases and debt amounts from outside of the county, which is not necessarily required, making the assessment of debt affordability burdensome and less meaningful.

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**POLK COUNTY, IOWA**

**Legal Debt Margin Information  
Last Ten Fiscal Years**

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	<b>Fiscal Year</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Debt limit	\$ 1,424,117,541	\$ 1,438,524,316	\$ 1,454,997,573	\$ 1,490,620,215
Less: Total net debt applicable to limit	(505,676,659)	(301,626,160)	(316,593,053)	(297,892,448)
Legal debt margin	\$ 918,440,882	\$ 1,136,898,156	\$ 1,138,404,520	\$ 1,192,727,767
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	35.51%	20.97%	21.76%	19.98%

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**Notes:** (a) Calendar year 2020 assessed value is paid in fiscal year 2022

(b) Represents general obligation bonds payable, notes payable and capital leases

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Legal debt margin Calculation for Calendar Year 2020 Assessed Value (a)	\$ 41,993,303,994
Debt limit (5% of assessed value)	2,099,665,200
Less: Debt applicable to debt limit (b)	<u>(233,102,562)</u>
Legal debt margin	<u>\$ 1,866,562,638</u>

**Fiscal Year**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$	1,589,248,635	\$ 1,627,157,619	\$ 1,808,173,651	\$ 1,865,127,358	\$ 2,055,370,567	\$ 2,099,665,200
	(281,073,758)	(261,986,286)	(271,958,109)	(272,807,965)	(240,467,989)	(233,102,562)
\$	<u>1,308,174,877</u>	<u>\$ 1,365,171,333</u>	<u>\$ 1,536,215,542</u>	<u>\$ 1,592,319,393</u>	<u>\$ 1,814,902,578</u>	<u>\$ 1,866,562,638</u>
	17.69%	16.10%	15.04%	14.63%	11.70%	11.10%

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# POLK COUNTY, IOWA

## Demographic and Economic Statistics Last Ten Calendar Years

Year	(a) Estimated Population	(b) Personal Income (000's)	(b) Per Capita Personal Income	Unemployment Statistics (c)		
				Polk County		State of Iowa
				Labor Force	Rate	
2013	443,710	21,733,610	48,118	242,200	4.8%	4.6%
2014	451,677	22,296,178	48,484	253,000	4.3%	4.4%
2015	459,862	22,593,398	48,306	259,600	3.5%	3.7%
2016	467,711	23,501,624	49,577	261,100	4.0%	4.0%
2017	474,045	24,639,696	51,138	266,500	3.2%	3.2%
2018	481,830	25,637,394	52,770	271,700	2.5%	2.7%
2019	487,204	26,399,366	53,859	279,900	2.7%	2.4%
2020	490,161	28,213,575	57,080	263,100	10.0%	8.4%
2021	490,161 (d)	*	*	271,400	5.1%	4.0%
<b>2022</b>	496,844	*	*	277,100	2.7%	2.6%

**Source:** (a) U.S. Census Bureau  
 (b) U.S. Bureau of Economic Analysis  
 (c) Iowa Workforce Development LMI Division website  
 (d) Estimated population not available for 2021

**Note:** Population increased from 2013-2022 by 12%

\* Information not available

**POLK COUNTY, IOWA**

**Principal Employers  
Current Year and Nine Years Ago**

<b>Employer</b>	<b>2022</b>			<b>2013</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Wells Fargo & Co.	13,500	1	4.95%	13,500	1	5.55%
Hy-Vee Food Corp.	6,800	2	2.49%	2,100	8	0.86%
Principal Financial Group	6,500	3	2.38%	6,131	3	2.52%
Mercy Hospital Medical Center	5,843	4	2.14%	7,100	2	2.92%
Unity Point Health (Iowa Health Des Moines)	5,580	5	2.05%	5,505	4	2.27%
Amazon	3,500	6	1.28%	-	-	-
Nationwide/Allied Insurance	3,300	7	1.21%	5,000	5	2.06%
John Deere	3,280	8	1.20%	3,100	6	-
Vermeer Corporation	2,900	9	1.06%	-	-	-
Corteva Agriscience	2,500	10	0.92%	-	-	-
Pioneer Hi-Bred International Inc.	-	-	-	2,849	7	1.17%
YMCA of Greater Des Moines	-	-	-	1,868	9	0.77%
Kum & Go	-	-	-	1,820	10	0.75%
<b>Total</b>	<b>53,703</b>		<b>19.69%</b>	<b>48,973</b>		<b>20.15%</b>

**Source:** The Greater Des Moines Partnership

## POLK COUNTY, IOWA

### Full-Time Equivalent County Government Employees by Function /Program Last Ten Fiscal Years

Function / Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety	462	468	476	482	507	507	523	527	647	660
Human services	155	154	154	154	158	159	161	162	201	228
Roads and engineering	61	61	61	62	61	62	63	62	62	62
Administration	149	149	148	147	149	152	157	159	160	169
Other	363	372	377	384	395	399	408	408	245	253
<b>Total</b>	<b>1,190</b>	<b>1,204</b>	<b>1,216</b>	<b>1,229</b>	<b>1,270</b>	<b>1,279</b>	<b>1,312</b>	<b>1,318</b>	<b>1,315</b>	<b>1,372</b>

Source: County Budget Office



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POLK COUNTY, IOWA

Operating Indicators by Function/Program  
Last Ten Fiscal Years

Function / Program	Fiscal Year			
	2013	2014	2015	2016
Public safety and legal services:				
Sheriff:				
# of E911 calls	53,674	48,289	50,392	49,146
# of civil papers served	40,661	40,387	52,211	48,747
# of average daily jail population	922	943	925	919
# of bookings	19,329	18,706	17,678	17,765
Medical Examiner:				
# of death investigations	1,215	1,285	1,285	1,287
# of autopsies	242	252	275	286
Physical health and social services:				
Health Department:				
# of patient visits to STD clinic	6,128	2,932	2,969	3,056
Public Works:				
# of septic/well permits	134	275	69	71
Veteran Affairs:				
# of clients interviewed	4,388	5,076	6,344	6,351
# of vouchers issued	2,557	1,373	1,105	765
Mental Health:				
# of individuals served	10,947	6,205	7,895	7,163
# of individuals receiving ongoing/intensive svc	4,085	3,689	3,901	4,010
County environment and education:				
Public Works:				
# of requests of service for weed eradication	4,358	1,859	1,940	1,956
# of lots cleaned up	4	26	11	13
Roads and transportation:				
Public Works:				
# of gravel miles maintained	169	169	169	167
# of paved miles maintained	539	540	540	543
Governmental services to residents:				
Treasurer:				
# of titles	153,606	164,532	172,535	174,398
# of registrations	657,739	680,155	699,249	709,083
Auditor / Elections:				
# of registered voters	277,940	287,268	286,793	300,054

Source: County records

Fiscal Year					
2017	2018	2019	2020	2021	2022
45,943	58,324	63,953	69,227	73,317	73,477
40,328	47,538	50,233	48,564	53,957	63,525
987	978	1,027	939	902	972
17,912	18,858	17,887	15,779	14,599	15,605
1,470	1,560	1,720	2,007	2,443	2,365
305	244	302	275	301	325
3,010	3,344	2,531	2,359	2,174	2,494
153	81	93	60	96	114
5,261	4,395	4,039	5,163	9,480	10,650
870	864	923	890	793	696
5,146	4,551	5,155	4,305	3,491	3,431
3,855	3,761	2,360	2,425	2,301	1,972
1,863	1,576	2,127	1,588	1,288	1,691
12	6	6	2	10	2
163	163	162	162	164	164
539	539	540	540	552	552
178,259	180,222	189,362	156,009	159,638	164,071
723,098	732,917	739,184	720,217	761,246	742,560
300,545	306,599	309,387	334,056	326,981	330,366

# POLK COUNTY, IOWA

## Capital Asset Statistics by Function/Program Last Ten Fiscal Years

Function / Program	Fiscal Year			
	2013	2014	2015	2016
Public safety and legal services:				
Sheriff:				
# of vehicles	87	87	95	95
# of buildings	3	3	3	3
Correctional facility capacities	1,500	1,500	1,500	1,500
County Attorney				
# of vehicles	14	14	14	14
Medical Examiner				
# of vehicles	2	2	2	2
Physical health and social services:				
Health Department:				
# of vehicles	1	1	1	1
CF&Y Svcs				
# of vehicles	5	5	6	6
# of senior centers/meal sites	7	7	7	7
County environment and education:				
Conservation				
# of parks managed	7	7	7	7
# of vehicles	52	53	55	59
# of buildings	5	7	8	8
Planning and Development				
# of vehicles	13	12	12	10
Roads and transportation:				
Secondary Roads				
# of vehicles	60	61	65	63
# of buildings	7	6	6	6
# of secondary roads miles managed (a)	731	741	742	741
# of bridges	137	137	137	137
Administration				
General Services				
# of vehicles	29	28	29	30
# of buildings maintained	24	25	24	24

**Source:** County records

(a) Iowa Department of Transportation's Office of Research and Analytics

\* Information not available yet

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Fiscal Year					
2017	2018	2019	2020	2021	2022

102	104	103	114	121	142
3	4	4	4	4	5
1,500	1,500	1,500	1,500	1,500	1,500
14	15	16	18	17	17
2	3	3	3	3	3
1	1	1	1	1	1
6	6	6	7	7	7
8	8	8	8	8	8
7	7	7	7	9	9
56	57	60	67	67	69
8	8	9	10	13	14
10	12	12	12	12	12
65	64	68	70	68	71
6	6	6	7	7	7
728	727	726	724	722	*
137	136	136	136	135	136
31	31	32	32	32	33
25	25	25	25	25	26

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POLK COUNTY, IOWA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022

Grantor/Program	CFDA Number	Contract Number	Total Federal Expenditures For Fiscal Year 2022	
<b>DEPARTMENT OF AGRICULTURE</b>				
Direct Program - Commodity Supplemental Food Distribution	A	10.565	N/A	\$ 1,002,516
Direct Program - WFPO Watershed Plan		10.904	NR206114XXXXC055	279,638
Passed through Iowa Department of Education:				
National School Breakfast Program	B	10.553	77-8810	16,932
National School Lunch Program	B	10.555	77-8810	37,026
COVID-19 National School Lunch Program	B	10.555	77-8810	1,492
Child Care Food Program		10.558	77-8050	1,795,124
Passed through Iowa Department of Human Services:				
Local Administration Expense Reimbursement	C	10.561	N/A	430,360
Commodity Supplemental Food Program		10.565	ACFS 20-109	252,209
Total Department of Agriculture				<u>3,815,297</u>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Direct Program - Lead Hazard Control Grant Program		14.900	IALHB0621-16	152,665
Total Department of Housing and Urban Development				<u>152,665</u>
<b>DEPARTMENT OF INTERIOR</b>				
Passed through Iowa Department of Natural Resources:				
South Skunk & DM River Migratory Corridor Project		15.623	21CRDWBKSMIT-002	-
Total Department of Interior				<u>-</u>
<b>DEPARTMENT OF JUSTICE</b>				
Direct Program - Equitable Sharing Program		16.922	N/A	98,962
Passed through Iowa Department of Justice:				
Crime Victim Assistance (VOCA)		16.575	VS-21-37-HP	42,613
Crime Victim Assistance (VOCA)		16.575	SOH/OVC-2022-PC&A S-00094	122,525
Crime Victim Assistance (VOCA)		16.575	VS-21-65-SAC	48,959
Crime Victim Assistance (VOCA)		16.575	SAC-2022-PCCAS-00092	32,366
Crime Victim Assistance (VOCA)		16.575	VP-21-137-VWC	9,501
Crime Victim Assistance (VOCA)		16.575	VWC-2022-POLK	45,776
Passed through Governor's Office of Drug Control Policy:				
Iowa Coronavirus Emergency Supplemental Funding (CESF)		16.034	JAG 2020-VD-BX-1142	35,773
Residential Substance Abuse Treatment for State Prisoners		16.593	19-RSAT-01	13,747
Residential Substance Abuse Treatment for State Prisoners		16.593	20-RSAT-01	171,477
Methamphetamine Drug Hot Spots Grant Program	(1)	16.710	19-CAMP-12	22,788
Methamphetamine Drug Hot Spots Grant Program	(2)	16.710	19-HEROIN-1	11,715
Edward Byrne Justice Assistance Grant (JAG)	(3)	16.738	19-JAG-393882	314,071
Edward Byrne Justice Assistance Grant (JAG) LLEBG '20		16.738	JAG20 BJA FY20	11,000
Edward Byrne Justice Assistance Grant (JAG) LLEBG '21		16.738	JAG21 BJA FY21	14,448
Total Department of Justice				<u>995,721</u>
<b>DEPARTMENT OF LABOR</b>				
Passed through Iowa Workforce Development:				
WIOA Adult Program	D	17.258	20-N-CI-WI-OA	432,368
WIOA Youth Activities	D	17.259	20-N-CI-WI-OA	838,344
COVID-19 - WIOA National Dislocated Worker Grants	D	17.277	20-N-CI-WI-OA	95,470
WIOA Dislocated Worker Formula Grants	D	17.278	20-N-CI-WI-OA	346,020
Total Department of Labor				<u>1,712,202</u>
<b>DEPARTMENT OF TRANSPORTATION</b>				
Passed through Iowa Department of Transportation:				
Highway Planning and Construction - BR#6066A	E	20.205	1-17-HBP-S-4	-
Highway Planning and Construction - BR#649	E	20.205	1-20-HBP-SWAP-28	543,884
Highway Planning and Construction - T2T	E	20.205	21-TAP-157	400,000
Passed through Iowa Department of Public Safety/Governor's Traffic Safety Bureau:				
Alcohol Incentive Grant	F	20.600	PAP 20-402-M0PT Task 40	2,312
Alcohol Incentive Grant	F	20.600	PAP 22-402-M0PT Task 59	12,874
Alcohol Incentive Grant	F	20.616	PAP 22-402-M0PT Task 59	6,000
Passed through Iowa Department of Public Defense:				
2021 HMEP		20.703	HMEP-21-12-15	1,200
Total Department of Transportation				<u>966,270</u>

(continued)

POLK COUNTY, IOWA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022

Grantor/Program	CFDA Number	Contract Number	Total Federal Expenditures For Fiscal Year 2022
<b>DEPARTMENT OF TREASURY</b>			
Direct Program - Equitable Sharing Program	21.016	N/A	\$ -
Direct Program - Emergency Rental Assistance Program	(4) 21.023	N/A	71,537,950
Direct Program - Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027	N/A	32,807,444
Passed through Iowa Department of Public Defense:			
Coronavirus Relief Funds	21.019	N/A	4,911,129
Passed through Iowa Finance Authority:			
Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027	WIF 22-02	239,340
Total Department of Treasury			<u>109,495,863</u>
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES (NEH)</b>			
Direct Program - Shoreline Signals	45.024	1863096-42-20	29,550
Total National Endowment for the Humanities			<u>29,550</u>
<b>Department of Veterans Affairs</b>			
Direct Program - Adaptive Sports Program for Disabled Veterans	64.034	SPORTS-21-091	14,354
Direct Program - Adaptive Sports Program for Disabled Veterans	64.034	SPORTS-20-108	-
Total Department of Veterans Affairs			<u>14,354</u>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>			
Passed through Iowa Department of Natural Resources:			
Air Quality Control Implementation Plan Agreement	66.034	22ESDAQBCPaul-0002	20,000
Rain Campaign - 2019	66.460	19ESDWQBSKORN-0002	20,608
Rain Campaign - 2021	66.460	21ESDWQBSKORN-0007	-
Air Quality Control Implementation Plan Agreement	66.605	22ESDAQBCPaul-0002	164,194
Total Environmental Protection Agency			<u>204,802</u>
<b>DEPARTMENT OF ENERGY</b>			
Passed through Iowa Department of Human Rights:			
Weatherization Assistance for Low-Income Persons	81.042	DOE-21-20S	441,153
Weatherization Assistance for Low-Income Persons	81.042	DOE-22-20S	369,133
Total Department of Energy			<u>810,286</u>
<b>ELECTION ASSISTANCE COMMISSION</b>			
Passed through Iowa Secretary of State:			
COVID-19 - Vote Safe Iowa Initiative	90.404	N/A	10,000
Total Election Assistance Commission			<u>10,000</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through Aging Resource of Central Iowa:			
Title IIIB - Transportation	G 93.044	N/A	70,000
Title IIIB - Assisted Transportation	G 93.044	N/A	8,500
Title IIIB - Well Elderly Clinic	G 93.044	N/A	16,500
Title IIIB - Advocacy/Counseling	G 93.044	N/A	28,086
Title IIIC-1 - Nutrition	G 93.045	N/A	258,801
Nutrition Services Incentive Program - USDA Cash	G 93.053	N/A	144,724
Passed through Iowa Department of Human Rights:			
ARPA - Family Development and Self Sufficiency	H 93.558	FaDSS-22-20	360,275
Family Development and Self Sufficiency - PEAFF	H 93.558	FaDSS-PEAF-22-20	92,689
Low-Income Home Energy Assistance	93.568	HEAP-21-20S	606,093
Low-Income Home Energy Assistance	93.568	HEAP-22-20S	358,113
Passed through Iowa Department of Human Services:			
Local Administration Expense Reimbursement	93.090	N/A	
Local Administration Expense Reimbursement	93.472	N/A	15,282
Local Administration Expense Reimbursement	93.566	N/A	501
Local Administration Expense Reimbursement	I 93.596	N/A	112,260
Local Administration Expense Reimbursement	93.658	N/A	114,793
Local Administration Expense Reimbursement	93.659	N/A	62,814
Local Administration Expense Reimbursement	93.667	N/A	117,184
Local Administration Expense Reimbursement	93.767	N/A	8,889
Local Administration Expense Reimbursement-Medical Assistance Program	J 93.778	N/A	507,936

(continued)



POLK COUNTY, IOWA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022

Grantor/Program	CFDA Number	Contract Number	Total Federal Expenditures For Fiscal Year 2022
Passed through Iowa Department of Public Health:			
All-Hazard Emergency Preparedness and Response System Development	93.069	5881BT08	\$ 533,490
Tuberculosis Elimination	93.116	MOU-2022-TB77	-
Tuberculosis Elimination	93.116	MOU-2021-TB01	3,300
Emergency Response Multi-Year Program	93.243	5885BT477	70,199
I-4 Project	93.268	5881I473	34,320
COVID-19 - Emergency Response Multi-Year Program	93.268	5885BT477	685,422
COVID-19 - Emergency Response Multi-Year Program	93.354	5885BT477	33,742
Care for Yourself Program - Wise Woman	93.436	5881NB20WWE	71,050
Care for Yourself Program - Wise Woman	93.436	5880NB20WW	10,700
Family Violence Prevention an Services (VOCA ARP)	93.497	ARP-SA-2022-PCCAS-00011	1,292
Care for Yourself Program	93.898	5881NB20E	148,375
HIV-CTR & Hepatitis	93.917	5881AP10	82,862
HIV-CTR & Hepatitis	93.917	5882AP10	86,200
HIV-CTR & Hepatitis	93.940	5881AP10	18,710
HIV-CTR & Hepatitis	93.940	5882AP10	29,859
DIS and Partner Servies for STI	93.977	5883ST11	71,647
Total Department of Health and Human Services			<u>4,764,608</u>
<b>SOCIAL SECURITY ADMINISTRATION</b>			
Ticket to Work	96.008	N/A	146,000
Total Social Security Administration			<u>146,000</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
Passed through Iowa Department of Public Defense:			
FEMA - COVID 19	97.036	FEMA-4483-DR-IA	944,594
FEMA 2020 Derecho - Conservation	97.036	FEMA-4557-DR-IA	237,931
FEMA 2020 Derecho - Public Works	97.036	FEMA-4557-DR-IA	108,873
Emergency Management Performance Grant (EMPG)	97.042	EMPG-20-PT-77	39,000
Total Department of Homeland Security			<u>1,330,398</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 124,448,016</u>

A - Total Food Distribution Cluster	\$ 1,002,516
B - Total Child Nutrition Cluster	55,450
C - Total SNAP Cluster	430,360
D - Total WIOA Cluster	1,712,202
E - Total Highway Planning and Construction Cluster	943,884
F - Total Highway Safety Cluster	21,186
G - Total Aging Cluster	526,611
H - Total 477 Cluster	452,964
I - Total CCDF Cluster	112,260
J - Total Medicaid Cluster	507,936

- (1) - The amount reported on the schedule includes \$17,117 passed through to subrecipients.
- (2) - The amount reported on the schedule includes \$7,643 passed through to subrecipients.
- (3) - The amount reported on the schedule includes \$97,155 passed through to subrecipients.
- (4) - The amount reported on the schedule includes \$71,537,950 passed through to subrecipients.

See notes to schedule of expenditures of federal awards.

(concluded)

## POLK COUNTY, IOWA

### Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

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#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Polk County, Iowa for the year ended June 30, 2022. All federal financial awards received directly from federal agencies, as well as federal financial awards passed through other government agencies expended during the year, is included in the schedule. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance). Because the schedule presents only a select portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

#### **Note 2. Significant Accounting Policies**

Revenue from federal awards is recognized when the County has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures allowable in accordance with the grant agreement are recognized when they are incurred and become a demand on current available financial resources. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowed or are limited as to reimbursement.

#### **Note 3. Indirect Cost Rate**

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

#### **Note 4. Noncash Assistance**

The Commodity Supplemental Food Distribution Program - Direct – CFDA# 10.565 does not involve cash awards. This award is received in donated commodities. The value of the commodities distributed during the fiscal year ended June 30, 2022, was \$1,002,516. As of June 30, 2022, the County had commodities on hand with a value of \$227,905.

**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**

**Independent Auditor's Report**

Board of Supervisors  
Polk County, Iowa

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Polk County Iowa (the County), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 21, 2022. Our report includes an emphasis of matter paragraph for the adoption of GASB 87, *Leases*. Our opinions are not modified with respect to those matters.

**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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 or significant deficiencies may exist that have not been identified.

**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*.

Comments involving statutory or other legal matters about the County's operations for the year ended June 30, 2022, are based exclusively on knowledge obtained from procedures during our audit of the basic financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretation of those statutes.

**Purpose of This Report**

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

*RSM US LLP*

Des Moines, Iowa  
December 21, 2022



**Report on Compliance for Each Major Federal Program and  
Report on Internal Control Over Compliance  
Required by the Uniform Guidance**

RSM US LLP

**Independent Auditor's Report**

Board of Supervisors  
Polk County, Iowa

***Opinion on Each Major Federal Program***

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

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

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

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

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

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

*RSM US LLP*

Des Moines, Iowa  
December 21, 2022

**Polk County, Iowa**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022**

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**I. Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes  No

Significant deficiencies identified?

Yes  None Reported

Noncompliance material to financial statements noted?

Yes  No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?

Yes  No

Significant deficiencies?

Yes  None Reported

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

Any audit findings disclosed that are required to be reported in accordance with  
2 CFR 200.516(a)?

Yes  No

**Identification of major programs:**

<u>ALN Number</u>	<u>Name of Federal Program or Cluster</u>
21.023	COVID-19 - Emergency Rental Assistance Program
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (ARPA)

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee?

Yes  No

(Continued)



Polk County, Iowa

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2022

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II. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

A. Internal Controls

None reported

B. Compliance Findings

None reported

III. Findings and Questioned Costs for Federal Awards

A. Internal Controls

None reported

B. Compliance Findings

**Finding 2022-001; COVID-19—Coronavirus State and Local Fiscal Recovery Funds (ARPA) ALN 21.027**

Criteria: Controls should be in place to ensure that all reports are submitted by required deadlines.

Condition: Our test work indicated noted instances where the County did not submit various quarterly and monthly reports by required deadlines.

Questioned costs: \$0

Cause: The program director was aware of deadline, however, he did not meet deadline for certain reports due to staffing constraints.

Effect or potential effect: The County is not in compliance with federal grant reporting requirements. Noncompliance with these requirements can result in actions taken by oversight agencies which could impact future funding.

Identification as a repeat finding, if applicable: This is not a repeat finding.

Context: The County had two monthly and four quarterly required reports, for a total population of 40. RSM tested a sample of 8 quarterly required reports and a sample of 6 for required monthly report, for a total of 14 reports tested, Of the 14 reports submitted, 10 of these reports were not submitted timely.

Recommendation: We recommend that the County implement procedures to ensure that individuals involved with the grant are aware of reporting deadlines and implement procedures to ensure that all reports are submitted timely.

Views of responsible officials of the auditee: The County will review all controls around submission of reports and implement new controls in order for future reports to be submitted timely.

Corrective action taken: The County will review all controls around submission of reports and implement new controls in order for future reports to be submitted timely.

Polk County, Iowa

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2022

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**IV. Other Findings Related to Required Statutory Reporting**

**IV-A-22**

Certified budget: Disbursements during the year ended June 30, 2022 did not exceed the amounts budgeted.

**IV-B-22**

Questionable expenditures: We noted no expenditures for parties, banquets or other entertainment for employees that we believe may constitute an unlawful expenditure from public funds as this is defined in the Attorney General's opinion dated April 25, 1979.

**IV-C-22**

Travel expense: No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

**IV-D-22**

Business transactions: The County represents there are no business transactions between the County and County officials or employees in accordance with Chapter 362.5(10) of the Code of Iowa and none were noted in performing the audit.

**IV-E-22**

Bond coverage: Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

**IV-F-22**

Board minutes: No transactions were found that we believe should have been approved in the Board minutes but were not.

**IV-G-22**

Deposits and investments: No instances of noncompliance with the deposit and investments provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.

**IV-H-22**

Resource enhancement and protection certification: The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

**IV-I-22**

County extension office: The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the state of Iowa. This office is administered by an extension council separate and distinct from the County operations and, consequently, is not included in the financial statements.

Total expenditures during the year ended June 30, 2022 for the County Extension Office did not exceed the total amount budgeted.

**IV-J-22**

Tax increment financing (TIF): For the year ended June 30, 2022, the County Auditor prepared a reconciliation for each City reconciling TIF receipts with total outstanding TIF debt.

**Polk County, Iowa**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2022**

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The prior year Single Audit disclosed no findings in the schedule of findings and questioned costs and no uncorrected or unresolved findings exist from the prior audit's summary of prior audit findings.



COUNTY OF POLK  
OFFICE OF POLK COUNTY AUDITOR  
DES MOINES, IOWA 50309

JAMIE FITZGERALD  
COUNTY AUDITOR  
COMMISSIONER OF ELECTIONS

ADMINISTRATION BUILDING  
111 COURT AVENUE  
(515) 286-3079

## **CORRECTIVE ACTION PLAN YEAR ENDED JUNE 30, 2022**

### **Findings and Question Costs for Federal Awards**

Identifying Number: 2022-001

Corrective Actions Taken or Planned:

*Finding:* 2022-001

*Agency:* internal

*Name of contact person and title:* Eric Kool, director of Polk County Community, Family and Youth Services

*Anticipated completion date:* Effective immediately / December 2022

*Agency's response:* Concur: We agree with this finding. The Community Family and Youth Services (CFYS) team will try to submit reports 5 days earlier than deadline in case there are portal problems. In addition, CFYS will have other personnel and Central Accounting assist in reviewing the data to ensure timeliness

**POLK COUNTY, IOWA**

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Mental Health - Polk County Region  
For the Year Ended June 30, 2022**

		<b>Mental Health</b>
<b>REVENUES:</b>		
Property taxes	\$	9,703,975
Other county taxes		258,290
Intergovernmental revenues:		
State tax replacement credits	\$	702,492
State regional service payments		7,773,953
Other intergovernmental revenues		15,816
Miscellaneous		1,723,932
<b>TOTAL REVENUES</b>		<b>20,178,458</b>
<b>EXPENDITURES:</b>		
Services to persons with:		
Mental illness		22,909,487
Intellectual disabilities		642,983
Other developmental disabilities		3,467,221
General administration:		
Direct administration		1,920,380
<b>TOTAL EXPENDITURES</b>		<b>28,940,071</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>		<b>(8,761,613)</b>
<b>FUND BALANCE, BEGINNING</b>		<b>9,452,920</b>
<b>FUND BALANCE, ENDING</b>	<b>\$</b>	<b>691,307</b>

**Note:** Report required by Iowa Department of Human Services

# POLK COUNTY, IOWA

## RETAIL SALES Last Six Fiscal Years

<b>Fiscal Year Ended June 30</b>	<b>Taxable Retail Sales</b>	<b>Number of Businesses</b>
2016	8,073,528,763	10,651
2017	8,312,033,937	10,812
2018	8,555,068,066	12,113
2019	8,762,758,561	14,156
2020	8,691,849,463	14,537
2021	9,442,904,368	12,121
2022	*	*

**Source:** Iowa Department of Management/Piper Jeffray

**Note:** Report required by Continuing Disclosure Statement

\* Information not available

**POLK COUNTY, IOWA**

**Overlapping and Underlying Debt**

	<b>Outstanding Debt Fiscal Year 2022</b>	<b>Year 2021 Taxable Valuation</b>	<b>Taxable Value Within Issuer</b>	<b>Percentage Applicable</b>	<b>Amount Applicable</b>
<b>City rates:</b>					
Alleman	\$ -	\$ 28,266,764	\$ 28,266,764	100.00%	\$ 720
Altoona	96,325,000	1,496,487,433	1,496,487,433	100.00%	96,325,000
Ankeny	109,450,000	4,832,018,603	4,832,018,603	100.00%	109,450,000
Bondurant	36,125,000	423,055,724	423,055,724	100.00%	36,125,000
Carlisle	10,365,000	201,735,795	42,111,412	20.87%	2,163,646
Clive	38,925,000	1,774,874,306	1,199,303,968	67.57%	26,302,092
Des Moines	487,260,000	10,119,090,866	10,101,875,830	99.83%	486,431,052
Elkhart	5,548,000	47,134,088	47,134,088	100.00%	5,548,000
Granger	1,648,000	100,077,843	26,163,703	26.14%	430,842
Grimes	51,660,000	1,292,237,234	1,289,185,051	99.76%	51,537,982
Johnston	134,156,114	1,898,964,160	1,898,964,160	100.00%	134,156,114
Mitchellville	1,077,000	64,548,307	62,823,339	97.33%	1,048,219
Norwalk	47,930,000	745,349,213	3,615	0.00%	232
Pleasant Hill	23,130,000	778,023,460	778,023,460	100.00%	23,130,000
Polk City	11,220,000	346,564,489	346,564,489	100.00%	11,220,000
Runnells	-	17,868,601	17,868,601	100.00%	-
Sheldahl	-	12,377,616	6,588,160	53.23%	-
Urbandale	76,995,000	3,851,737,160	2,957,679,635	76.79%	59,123,075
West Des Moines	239,455,000	6,739,975,956	3,742,480,968	55.53%	132,961,273
Windsor Heights	13,485,000	312,801,170	312,801,170	100.00%	13,485,000
<b>School District Rates:</b>					
Ankeny	52,555,000	5,054,961,196	5,054,961,196	100.00%	52,555,000
Ballard	23,095,000	590,185,358	2,573,963	0.44%	100,724
Bondurant-Farrar	40,550,000	809,337,049	805,264,133	99.50%	40,345,936
Carlisle	17,335,000	445,220,650	157,251,245	35.32%	6,122,695
Collins-Maxwell	7,435,000	211,646,478	32,877,093	15.53%	1,154,950
Dallas Center-Grimes	61,251,011	1,498,405,684	1,270,615,603	84.80%	51,939,532
Des Moines	-	10,035,985,964	9,956,423,353	99.21%	-
Johnston	14,520,000	3,070,278,484	3,070,278,484	100.00%	14,520,000
Madrid	6,045,000	174,610,502	20,295,914	11.62%	702,643
North Polk	24,220,000	619,634,059	613,785,846	99.06%	23,991,407
PCM	7,165,000	361,918,425	1,073,702	0.30%	21,256
Saydel	23,065,000	1,321,093,935	1,321,093,935	100.00%	23,065,000
Southeast Polk	83,180,000	2,703,813,160	2,692,217,285	99.57%	82,823,265
Urbandale	81,895,000	1,626,359,296	1,626,359,296	100.00%	81,895,000
West Des Moines	45,605,000	5,658,323,130	5,603,047,012	99.02%	45,159,485
Woodward Granger	10,475,000	369,440,790	94,715,872	25.64%	2,685,542
<b>Other:</b>					
Area XI Community College	98,685,000	60,138,654,475	32,322,833,932	53.75%	53,040,410
Heartland AEA #11	-	60,138,654,472	32,322,833,932	53.75%	-
			<b>Total</b>	<b>\$</b>	<b><u><u>1,669,561,093</u></u></b>

**Source:** Iowa Department of Revenue/Piper Jeffray

**Note:** Report required by Continuing Disclosure Statement

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