

Polk County, Iowa

Comprehensive Annual Financial Report

Fiscal Year Ending June 30, 2021



Leading the Way

POLK COUNTY, IOWA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2021

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

Comprehensive Annual Financial Report For the Year Ended June 30, 2021 Table of Contents

	Page
INTRODUCTORY SECTION	
Table of Contents	1
Letter of Transmittal	3
Officials	9
Organizational Chart	10
Certificate of Achievement for Excellence in Financial Reporting	11
FINANCIAL SECTION	
Independent Auditors' Report	13
Management's Discussion and Analysis	16
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	26
Statement of Activities	27
Fund Financial Statements	
Balance Sheet - Governmental Funds	30
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position	31
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Statement of Net Position - Proprietary Funds	34
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	36
Statement of Cash Flows - Proprietary Funds	38
Statement of Fiduciary Net Position - Custodial Funds	42
Statement of Changes in Fiduciary Net Position - Custodial Funds	43
Notes to the Financial Statements	45
Required Supplementary Information	
Schedule of Changes in the County's Total OPEB Liability and Related Ratios	83
Schedule of County's Proportionate Share of the Net Pension Liability - Iowa Public Employees' Retirement System	84
Schedule of County Contributions - Iowa Public Employees' Retirement System	86
Notes to the Required Supplementary Information - Pension Liability	88
Budgetary Comparison Schedule - All Governmental Funds	89
Notes to the Required Supplementary Information - Budgetary Reporting	90
Supplementary Information	
Nonmajor Governmental Funds	
Combining Balance Sheet	94
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	98
Nonmajor Enterprise Funds	
Combining Statement of Net Position	104
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	106
Combining Statement of Cash Flows	108
Internal Service Funds	
Combining Statement of Net Position	112
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	113
Combining Statement of Cash Flows	114
Custodial Funds	
Combining Statement of Fiduciary Net Position	116
Combining Schedule of Changes in Fiduciary Net Position	118
Component Units	
Statement of Net Position - Component Units	121
Statement of Activities - Component Units	122

(continued)

POLK COUNTY, IOWA

Comprehensive Annual Financial Report For the Year Ended June 30, 2021 Table of Contents

	Page
STATISTICAL SECTION	
Net Position by Component	124
Changes in Net Position	126
Fund Balances, Governmental Funds	130
Changes in Fund Balances, Governmental Funds	132
Assessed Value and Actual Value of Taxable Property	134
Principal Property Taxpayers	136
Property Tax Levies and Collections	137
Direct and Overlapping Property Tax Rates	138
Ratios of Outstanding Debt by Type	140
Ratios of General Bonded Debt Outstanding	141
Direct and Overlapping Governmental Activities Debt	142
Legal Debt Margin Information	144
Demographic and Economic Statistics	146
Principal Employers	147
Full-Time Equivalent County Government Employees by Function/Program	148
Operating Indicators by Function/Program	150
Capital Asset Statistics by Function/Program	152
OTHER REGULATORY REPORTS	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Mental Health - Polk County Region	155
Retail Sales	156
Overlapping and Underlying Debt	157

(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 22, 2021

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 Comprehensive Annual Financial Report of Polk County (the "County") for the fiscal year ended June 30, 2021.

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, 2021, 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, 2021, 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 490,161. 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 mental health planning agency, Polk County Health Services, Inc. ("PCHS") and for a legally separate convention center hotel entity, Iowa Event Center Hotel Corporation ("IEC Hotel Corp"). Both of these are reported separately within Polk County's financial statements as discretely presented component units. Additional information on these legally separate entities 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 15th, 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 31st 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, down approximately 12% since 2011, to 490,161 in 2021. Unemployment is approximately 5%, which is higher than the state level of 4% and lower than the national level of 6.1%. 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 nearing completion. The entire project should be finished by January 2022.

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 of 2020 began.

Both the Iowa Events Center and the Hilton hotel have made drastic changes to their operations to reflect the lack of events and travel due to COVID-19. Polk County continues to financially support both venues throughout the downturn in the hospitality and tourism industry to ensure the long-term viability of these assets.

American Rescue Plan Act

Polk County has been allocated approximately \$96 million to aid in COVID-19 recovery through November 2021 and has received \$48 million through June 2021. Approximately \$30 million will be used to capture lost revenue and implement county projects, such as new technology in the Emergency Operations Center. A public planning process is underway to determine how to invest the remaining funds in addressing four major areas – affordable housing, mental health, water quality and economic well-being. Polk County will be looking for collaborative and sustainable ways to create systemic changes.

Polk County Water and Land Legacy Projects

In November 2012, voters supported the \$50 million Polk County Water and Land Legacy (PCWLL) Bond, passing the measure by 72%. Conservation projects to be addressed include improved water quality, wildlife habitat protection, connected communities by means of trails and greenways, revitalized parks, outdoor recreation and education opportunities. Of \$50 million authorized debt, \$50 million has been issued as of June 30, 2019. In addition to bond proceeds, Conservation has also received \$17.2 million in grants and other contributions.

The Polk County Conservation Board completed nearly \$47.5 million of conservation projects by November 2021, and an additional \$2.5 million are underway for fiscal year 2021/2022. Conservation plans to have all projects completed by 2022.

Additionally, in November 2021, voters supported a new \$65 million Polk County Water and Land Legacy (PCWLL) Bond. Conservation projects to be addressed include protecting drinking water sources, water quality, and wildlife habitat as well as increasing outdoor recreational opportunities. A timeline for implementation of these projects and issuance of bonds is in the planning stage.

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 is working with the City of Des Moines, Des Moines Area MPO, Iowa Department of Transportation, Union Pacific Railroad, and our business partners to secure the project funding which is estimated to cost \$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 going forward with a planned project letting in September of 2022 with construction to be completed in 2025.

NW 66th Avenue/NW 26th Street Corridor Improvement Project

In 2008, Polk County identified the NW 66 Ave./NW 26 St. as the most significant corridor within our jurisdiction that is experiencing exponential growth in traffic due to daily commuting from the rapidly developing cities of Ankeny, Johnston, Grimes and Urbandale. This corridor is critical due to NW 66 Ave. having the only crossing of the Des Moines River between I-80 and the Mile Long Bridge. Work on replacing the 60-year-old 2-lane bridge began in 2015. The widening of NW 66 Ave. to a 5-lane facility was completed in 2019 with a total cost of \$26 million. Polk County, in cooperation with the cities of Johnston and Ankeny, finished the corridor improvement project in 2021 with the widening of NW 26 St. from NW 66 Ave. to Hwy 415 to a 5-lane roadway with an estimated cost of \$6.7 million. This corridor and bridge are critical to economic development of the northern metro area.

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.

Polk County recently received a grant from the NRCS to complete a \$600,000 Watershed Plan and Environmental Document known as the Eastern Polk County Watershed Improvement Project. This encompasses Fourmile Creek, Mud Creek, Camp Creek, and Spring Creek watersheds and addresses concerns with stream degradation, flooding, and increased flow due to urban development.

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 has 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. Nonetheless, the Board of Supervisors is prepared and financially positioned to draw on fund reserves, if necessary, to assist Polk County residents throughout this pandemic.

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

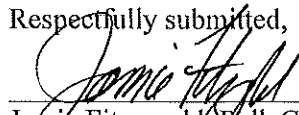
The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Polk County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. The Certificate of Achievement is a prestigious 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 Comprehensive Annual Financial Report, whose contents conform to program standards. A Comprehensive Annual 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-seven 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.

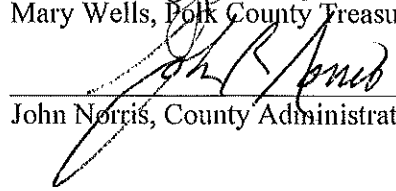
Respectfully submitted,



Jamie Fitzgerald, Polk County Auditor



Mary Wells, Polk County Treasurer



John Norris, County Administrator

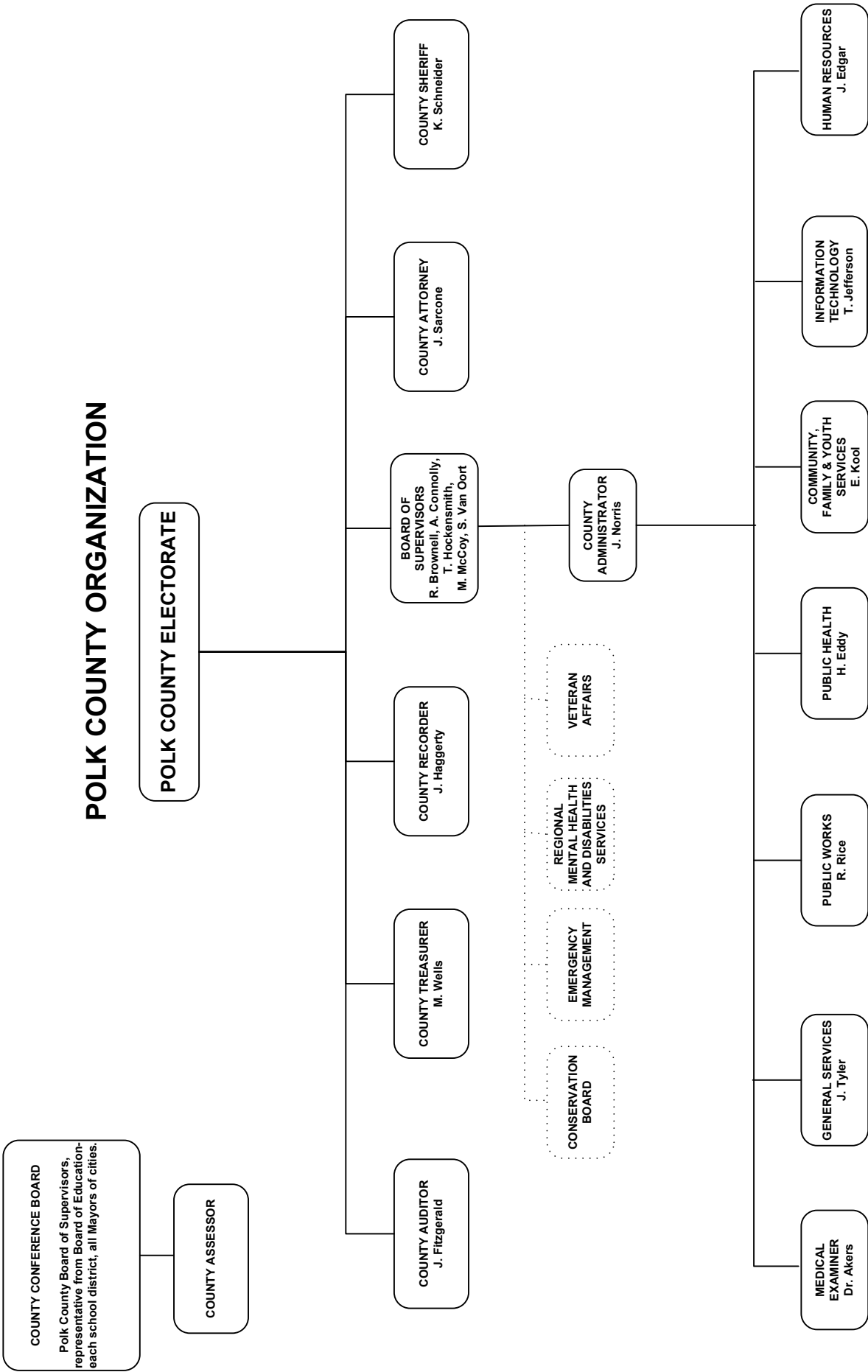
POLK COUNTY, IOWA

OFFICIALS

Name	Title	Term Expires
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	2021*
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



Note: Dotted line indicates Quasi-County agency with strong budgetary relationship to the Board of Supervisors; Department Heads report to their respective Boards/Commissions; budgets/plans are submitted to the Board of Supervisors.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Polk
Iowa**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

(This page was left blank intentionally)

Independent Auditor's Report

Board of Supervisors
Polk County, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of Polk County, Iowa, (the County) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the County, as of June 30, 2021, 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.

Emphasis of Matter

As described in Note 29, effective July 1, 2020, the County adopted Statement No. 84 of the Governmental Accounting Standards Board, *Fiduciary Activities*. The adoption of this pronouncement required the presentation and reporting of a statement of fiduciary net position and statement of changes in fiduciary net position. The impact to the financial statements, as a result of the adoption of the pronouncement, is disclosed on Note 29. Our opinions are not modified with respect to this matter.

Other Matters

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 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, 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.

Other 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 and other schedules listed in the table of contents as supplementary information 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory, statistical, and other regulatory reports sections as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021 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 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 22, 2021

(This page was left blank intentionally)

POLK COUNTY, IOWA

Management's Discussion and Analysis For the Year Ended June 30, 2021

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, 2021. 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's total net position increased by \$31.6 million (6%) to \$546.3 million. Net position of governmental activities increased \$31.6 million (15%) to \$244 million primarily due to an increase in revenues and lower than anticipated expenses during the year. Net position of business-type activities remained relatively the same as the prior fiscal year.
- In the County's governmental activities, total revenues increased \$43 million (16%) primarily due to receiving approximately \$23 million of CARES Act and Emergency Rental Assistance funding, a \$5 million mental health tax subsidy, and a \$14.3 million increase in property tax revenues. Total expenses increased \$34.7 million (14%) primarily due to an increase in administration (pandemic expenses), public safety and legal services, and mental health expenses of \$21.7, \$8.3, and \$2.6 million respectively.
- In the County's business-type activities, total revenues decreased \$10 million (22%) and total expenses decreased \$12 million (25%). The decrease in revenues is primarily due to a decrease in charges for services (gambling revenue) from Prairie Meadows Racetrack/Casino and due to holding fewer events at the Iowa Events Center during the year because of COVID-19. Expenses at both venues decreased due to the pandemic as well.
- The County's actual expenditures were \$34.5 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 mental health services, community development grant expenditures, and COVID-19 related expense.

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 Units** – The County includes Polk County Health Services, Inc ("PCHS") and the Iowa Events Center Hotel Corporation ("IEC Hotel Corp") in its report. Although legally separate, these "component units" are included as the County is financially accountable for them.

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 units 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, 2021 with comparison totals as of June 30, 2020. The County’s *combined* net position increased \$31.6 (6%) million primarily due to increase in net investment in capital assets and restricted net position.

Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 479,956,177	\$ 416,054,130	\$ 76,398,822	\$ 72,698,269	\$ 556,354,999	\$ 488,752,399
Capital assets, net	295,991,872	278,914,561	320,928,870	337,797,819	616,920,742	616,712,380
Total assets	<u>775,948,049</u>	<u>694,968,691</u>	<u>397,327,692</u>	<u>410,496,088</u>	<u>1,173,275,741</u>	<u>1,105,464,779</u>
Deferred outflows of resources	23,059,226	21,191,979	437,840	395,313	23,497,066	21,587,292
Long-term liabilities	271,472,920	268,793,348	85,767,618	98,513,512	357,240,538	367,306,860
Other liabilities	69,096,396	13,324,235	8,473,992	8,441,028	77,570,388	21,765,263
Total liabilities	<u>340,569,316</u>	<u>282,117,583</u>	<u>94,241,610</u>	<u>106,954,540</u>	<u>434,810,926</u>	<u>389,072,123</u>
Deferred inflows of resources	214,485,168	221,730,497	1,139,090	1,560,376	215,624,258	223,290,873
Net position						
Net investment in capital assets	178,840,583	153,716,269	250,962,456	255,720,433	429,803,039	409,436,702
Restricted	16,158,117	7,881,994	373,389	637,860	16,531,506	8,519,854
Unrestricted	48,954,091	50,714,327	51,048,987	46,018,192	100,003,078	96,732,519
Total net position	<u>\$ 243,952,791</u>	<u>\$ 212,312,590</u>	<u>\$ 302,384,832</u>	<u>\$ 302,376,485</u>	<u>\$ 546,337,623</u>	<u>\$ 514,689,075</u>

Net position of the County’s governmental activities increased 15% to \$244 million at June 30, 2021. The largest portion of the County’s net position (73%) 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 increase relating to net investment in capital assets is primarily due to completion of Polk County Water and Land Legacy improvements, Lauridsen Skate Park and NW 66th Avenue/Kempton Bridge Phase III project. The County also continued construction on the Sheriff’s Administration/Law Enforcement Facility.

Restricted net position of governmental activities increased \$8.3 million (105%) to \$16.2 million primarily due to unspent County funding in the Mental Health Special Revenue Fund since CARES Act resources were used instead of County revenues. The net position of business-type activities remained relatively the same as the prior fiscal year.

Approximately 83% 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.

Other liabilities of governmental activities increased \$55.8 million primarily due to reporting \$47.5 million in unearned revenue from American Rescue Plan Act funding at the end of the fiscal year.

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 44,250,498	\$ 42,640,085	\$ 31,353,951	\$ 41,330,453	\$ 75,604,449	\$ 83,970,538
Operating grants and contributions	50,357,676	21,302,676	839,664	869,298	51,197,340	22,171,974
Capital grants and contributions	4,758,778	8,072,602	32,000	231,682	4,790,778	8,304,284
General revenues:						
Property taxes	192,812,266	178,520,086	-	-	192,812,266	178,520,086
Other County taxes	6,268,316	6,177,617	-	-	6,268,316	6,177,617
Interest on property taxes	2,173,963	638,379	-	-	2,173,963	638,379
State replacements	14,056,107	13,859,458	-	-	14,056,107	13,859,458
Use of money and property	1,719,432	3,957,120	1,608,950	1,969,165	3,328,382	5,926,285
Miscellaneous	3,848,416	2,105,056	947,640	422,167	4,796,056	2,527,223
Total revenues	320,245,452	277,273,079	34,782,205	44,822,765	355,027,657	322,095,844
Expenses:						
Public safety and legal services	98,320,747	90,042,251	-	-	98,320,747	90,042,251
Physical health and social services	43,090,352	42,236,354	-	-	43,090,352	42,236,354
Mental health	26,413,988	23,791,649	-	-	26,413,988	23,791,649
County environment and education	22,687,489	21,273,906	-	-	22,687,489	21,273,906
Roads and transportation	20,399,665	20,012,591	-	-	20,399,665	20,012,591
Government services to residents	10,604,040	9,753,363	-	-	10,604,040	9,753,363
Administration	60,486,836	38,746,860	-	-	60,486,836	38,746,860
Interest on long-term debt	6,165,281	7,631,720	-	-	6,165,281	7,631,720
Air Quality	-	-	1,193,109	1,516,296	1,193,109	1,516,296
Sanitary Sewer	-	-	1,663,793	2,470,020	1,663,793	2,470,020
Prairie Meadows Racetrack/Casino	-	-	13,706,637	15,679,920	13,706,637	15,679,920
Conservation Enterprises	-	-	355,316	446,968	355,316	446,968
Hamilton Urban Drainage District	-	-	426,611	696,238	426,611	696,238
Iowa Events Center	-	-	17,238,103	25,818,408	17,238,103	25,818,408
Urban Sewer	-	-	45,544	59,374	45,544	59,374
Iowa Tax & Tags	-	-	581,598	537,065	581,598	537,065
Total expenses	288,168,398	253,488,694	35,210,711	47,224,289	323,379,109	300,712,983
Excess (deficiency) before transfers	32,077,054	23,784,385	(428,506)	(2,401,524)	31,648,548	21,382,861
Transfers	(436,853)	6,354,609	436,853	(6,354,609)	-	-
Increase (decrease) in net position	31,640,201	30,138,994	8,347	(8,756,133)	31,648,548	21,382,861
Net position - beginning	212,312,590	182,173,596	302,376,485	311,132,618	514,689,075	493,306,214
Net position- ending	\$ 243,952,791	\$ 212,312,590	\$ 302,384,832	\$ 302,376,485	\$ 546,337,623	\$ 514,689,075

Statement of Activities - Changes in Net Position

Polk County's governmental activities net position increased \$31.6 million during the year. The County reported an excess of revenues over expenses for the year of \$32.1 million. Revenues for governmental activities increased \$43 million primarily due to an increase of \$29.1 million in operating grants and contributions primarily due to funding received under the CARES Act, Emergency Rental Assistance Program and mental health tax subsidy. In addition, the County's taxable valuations increased 7.4%, resulting in an increase of \$14.3 million in current property tax revenue. The business-type activities net position remained relatively the same as the prior fiscal year due to reporting decreases in revenues and expenses as a result of holding fewer events due to the pandemic.

Interest on property taxes increased \$1.5 million due to collection of delinquent property taxes after the July 31, 2020 payment deadline for taxes that were due in March 2020 that was allowed under the governor's proclamation of disaster emergency relating to the COVID-19 pandemic.

The fact that 60% 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 16% and charges for services represent 14% of total governmental revenues.

Governmental activities expenses increased 14%, including a 56% increase in administration due to the pass-through of Emergency Rental Assistance funding (pandemic expenses) to IMPACT Community Action Partnership and early retirement incentive payouts during the year. Mental Health expenses increased 11% primarily due to utilization changes and spending CARES Act resources. Public safety and legal services expenses increased 9% due to increased costs of staffing and housing inmates and providing patrol service as well as the addition of several staff positions for criminal prosecution.

The County's expenses cover a range of services, with the largest expenses relating to public safety and legal services (34%), administration (pandemic expenses) (21%), and physical health and social services (15%).

Governmental Activities Revenues for the County's governmental activities increased \$43 million (16%), while expenses increased \$34.7 million (14%). Key elements of these changes include the following:

- \$29.1 million (136%) increase in operating grants and contributions due to receipt of CARES Act and Emergency Rental Assistance funding to mitigate the financial impact of COVID-19.
- \$1.6 million (4%) increase in charges for services revenue due to an increase in recording fees and documentary stamps.
- \$3.3 million (-41%) decrease in capital grants and contributions revenue due to capitalization of several developer projects that the County accepted into the Secondary Road system in the prior year.
- \$14.3 million (8%) increase in property tax revenue due to a 7.4% increase in taxable valuations.
- \$1.7 million (83%) increase in miscellaneous revenue due to receipt of a Center for Technology & Life contribution to assist with the election process.
- \$8.3 million (9%) increase in public safety and legal services expense primarily due to increased costs of staffing (including an increase of \$1.5 million in overtime, accrued leave and early retirement incentives paid to retirees), housing inmates and providing patrol service as well as the addition of several staff positions for criminal prosecution. In addition, pension and OPEB costs (relating to GASB 68/75) increased \$3 million over the prior year. The county also increased spending of \$1.8 million on several noncapitalized building repairs, equipment upgrades and information technology upgrades at the jail, Justice Center and juvenile detention center for those facilities to operate more efficiently.
- \$2.6 million (11%) increase in mental health expense primarily due to utilization changes.
- \$1.4 million (7%) increase in county environment and education primarily due to a contribution to economic development of a mall facility.
- \$21.7 million (56%) increase in administration expense primarily due to pass-through of Emergency Rental Assistance funding and payouts for an early retirement incentive program. In addition, the County contributed \$2.6 million to the City of Ankeny for a new meal site that will be owned and operated by the city.

Business-type Activities Revenues for the County's business-type activities decreased \$10 million (22%) and expenses decreased \$12 million (25%). Key elements of these changes include the following:

- Charges for services decreased \$10 million primarily due to a decrease in gambling revenue at Prairie Meadows Racetrack/Casino and holding fewer conventions and other events at the Iowa Events Center because of COVID-19.
- Iowa Events Center expenses decreased \$8.6 million primarily due to holding fewer events because of COVID-19 and Prairie Meadows Racetrack/Casino expenses decreased \$2 million primarily due to economic developments costs that were paid to Iowa Events Center Hotel Corp in the prior year but none 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 \$146.1 million at June 30, 2021, which is \$5.3 million more than the prior year. Key elements of these changes include the following:

- The General Fund increased \$11.6 million primarily due to the result of a \$14.3 million increase in property tax revenue due to a 7.4% increase in taxable valuations.
- The Mental Health Special Revenue Fund increased \$5.6 million primarily due to spending CARES Act funding received during the year instead of appropriated funds.
- The County created the American Rescue Plan Act Special Revenue Fund to account for the receipt of \$47.6 million at the end of the year, of which \$47.5 million was unspent.

Proprietary Funds

Sanitary Sewer net position increased \$2.1 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 \$.6 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 \$9 million primarily due to \$3.0 million decrease in payments from adjusted gross receipts and \$21 million transfers out for funding of community betterment projects in excess over \$10.8 million net income.

Iowa Events Center net position increased \$7.6 million primarily due to \$18.9 million transfers in over \$11.3 million net loss due to fewer 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, 2021, amount to \$616.9 million (net of accumulated depreciation). These capital assets include land, buildings, improvements other than buildings, leasehold improvements, infrastructure, equipment, vehicles, intangibles and construction in progress. Polk County's capital assets increased \$.2 million during the year. The primary reason for the increase is due to continuous renovations under the Historic Courthouse interior project, construction of a new Sheriff's Administration/Law Enforcement Facility and completion of the Lauridsen Skate Park project.

Major capital asset events for the year ended June 30, 2021, are as follows:

- Sheriff's Administration/Law Enforcement Facility - \$13.3 million
- Historic Courthouse Phase IV - \$10.6 million
- Lauridsen Skate Park project - \$3.6 million

Capital assets for the governmental and business-type activities at June 30, 2021 are as follows:

Capital Assets

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 28,457,667	\$ 27,152,307	\$ 18,215,559	\$ 18,215,559	\$ 46,673,226	\$ 45,367,866
Intangibles - permanent easements	-	-	3,322,580	3,322,580	3,322,580	3,322,580
Buildings	227,868,110	224,601,260	327,335,535	327,335,535	555,203,645	551,936,795
Improvements other than buildings	18,938,571	7,300,243	11,571,591	11,571,591	30,510,162	18,871,834
Leasehold improvements	-	-	191,536,328	191,536,328	191,536,328	191,536,328
Infrastructure	152,831,494	139,369,158	36,646,485	36,646,485	189,477,979	176,015,643
Equipment	17,002,873	15,847,226	5,645,496	5,555,874	22,648,369	21,403,100
Vehicles	13,252,548	12,948,100	194,140	247,351	13,446,688	13,195,451
Intangibles - computer software	2,598,063	6,455,002	-	-	2,598,063	6,455,002
Intangible in progress	285,584	1,029,067	-	-	285,584	1,029,067
Construction in progress	51,284,052	50,147,380	4,721,280	1,343,883	56,005,332	51,491,263
Total	<u>512,518,962</u>	<u>484,849,743</u>	<u>599,188,994</u>	<u>595,775,186</u>	<u>1,111,707,956</u>	<u>1,080,624,929</u>
Less: accumulated depreciation	<u>(216,527,090)</u>	<u>(205,935,182)</u>	<u>(278,260,124)</u>	<u>(257,977,367)</u>	<u>(494,787,214)</u>	<u>(463,912,549)</u>
Total	<u>\$ 295,991,872</u>	<u>\$ 278,914,561</u>	<u>\$ 320,928,870</u>	<u>\$ 337,797,819</u>	<u>\$ 616,920,742</u>	<u>\$ 616,712,380</u>

Additional information on Polk County’s capital assets can be found in Note 6 in the notes to the financial statements.

The County’s FY 21/22 capital budget includes spending an estimated \$8 million for the Polk County Historic Courthouse, \$2.5 million for Polk County Water & Land Legacy projects, \$6.7 million for the Sheriff’s administration/law enforcement facility, \$3.7 million for capital improvement projects at various County facilities, \$1.8 million for a new senior center, \$1.4 million for technology upgrades and \$2 million for the first phase of a county morgue construction. Planned capital outlays for proprietary funds include \$3 million for improvements to the Iowa Events Center and \$1 million for sanitary sewer improvements.

Long-Term Debt

At June 30, 2021, the County had \$239.8 million in bonds and notes outstanding, a decrease of \$32 million compared to FY 19/20. The reason for the decrease in bonds and notes outstanding is the scheduled payment of principal on existing bonds and the absence of any new money debt issuances. 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 Credit Union Convention Center. The fund reported outstanding obligations of \$57.6 million at the end of FY20/21.

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 \$1.8 billion as of June 30, 2021. 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	2020	2021	2020	2021	2020	2020-2021
G.O. bonds	\$ 155,550,040	\$ 174,203,773	\$ 62,453,276	\$ 74,416,957	\$ 218,003,316	\$ 248,620,730	-12%
Notes payable	-	395,000	21,756,000	22,736,000	21,756,000	23,131,000	-6%
Total	<u>\$ 155,550,040</u>	<u>\$ 174,598,773</u>	<u>\$ 84,209,276</u>	<u>\$ 97,152,957</u>	<u>\$ 239,759,316</u>	<u>\$ 271,751,730</u>	-12%

Additional information on Polk County’s outstanding debt can be found in Note 8 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 \$34.5 million below final budget amounts. Significant variances include:

- Capital projects, primarily construction of a new Sheriff’s administration/law enforcement facility and renovation of the historic courthouse, were \$14.7 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.
- Mental health service expense was \$4.6 million less than budget due to delayed implementation of new services and changes in utilization.
- Physical health and social service expense was \$4.3 million less than budget. Appropriations were budgeted to provide increased COVID-related medical and welfare services, but service utilization did not increase to the level budgeted.
- Public safety and legal services were \$3.2 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.
- Community development grant expenditures were \$1.6 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.
- COVID-19 related expenditures were \$1.1 million less than budget. Given the evolving nature of the pandemic, actual expenditures are difficult to estimate and contingency appropriations are added to enhance flexibility in responding to COVID-19.

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 21/22, certified taxable valuations increased 3.8%, resulting in a budgeted increase of \$7.9 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. For FY 21/22, the County estimates state replacement funding of \$6.6 million.

Polk County's current budget for FY 21/22 indicates General fund balances will increase \$20 million due receipt of federal American Rescue Plan Act dollars that have not yet been appropriated to be expended. Community forums are underway to engage citizens in the decision-making process, and federal dollars are being held in reserve pending results of the forums. 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.

The County anticipates that it will manage the economic impacts of COVID-19 through relief funds appropriated by the state and federal government and by drawing on the County's healthy reserves. Partial FEMA reimbursement for expenditure of County reserves has been submitted and additional reimbursement is expected. Operational losses at the County's Iowa Events Center due to COVID-19 cancellations are being funded through state and federal relief funds and County reserves. Operational losses at the adjacent hotel are being funded by drawing down gaming reserves previously set aside from ownership of Prairie Meadows casino as well as by using state/federal relief funds.

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.

(This page was left blank intentionally)

POLK COUNTY, IOWA

Statement of Net Position

June 30, 2021

	Primary Government			Component Units Total
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and pooled investments	\$ 215,112,794	\$ 25,708,476	\$ 240,821,270	\$ 6,525,057
Receivables (net)	44,147,123	19,449,179	63,596,302	649,451
Due from component units	118,799	343,764	462,563	-
Advances to component units	-	33,874,249	33,874,249	-
Internal balances	3,598,843	(3,598,843)	-	-
Inventories	1,760,437	75,489	1,835,926	27,898
Prepaid items	2,329,378	173,119	2,502,497	210,582
Restricted assets - cash and pooled investments	4,653,060	373,389	5,026,449	7,055,914
Succeeding year property taxes receivable	208,235,743	-	208,235,743	-
Capital assets not being depreciated	80,027,303	26,259,419	106,286,722	1,338,040
Capital assets being depreciated, net	215,964,569	294,669,451	510,634,020	97,435,165
TOTAL ASSETS	775,948,049	397,327,692	1,173,275,741	113,242,107
DEFERRED OUTFLOWS OF RESOURCES	23,059,226	437,840	23,497,066	-
LIABILITIES				
Accounts payable and other current liabilities	18,305,443	6,703,185	25,008,628	1,704,710
Due to primary government	-	-	-	4,445,962
Interest payable	424,631	187,947	612,578	1,418,573
Unearned revenues	50,366,322	874,760	51,241,082	506,621
Advance deposits and ticket sales	-	708,100	708,100	-
Due within one year:				
General obligation bonds payable	19,138,733	12,428,681	31,567,414	-
Notes payable	-	1,012,000	1,012,000	-
Capital leases payable	346,999	-	346,999	-
Compensated absences payable	3,654,182	21,866	3,676,048	83,463
Termination benefits payable	525,154	-	525,154	-
Estimated liability for claims and judgments	6,621,800	-	6,621,800	-
Certificate of participation	-	-	-	1,213,199
Due in more than one year:				
General obligation bonds payable	136,411,307	50,024,595	186,435,902	-
Notes payable	-	20,744,000	20,744,000	1,192,955
Capital leases payable	361,674	-	361,674	-
Compensated absences payable	15,809,274	261,321	16,070,595	27,688
Estimated liability for claims and judgments	8,648,000	-	8,648,000	-
Termination benefits payable	19,000	-	19,000	-
Total OPEB liability	15,599,000	-	15,599,000	-
Net pension liability	64,337,797	1,275,155	65,612,952	-
Certificate of participation	-	-	-	58,358,494
Certificate of participation - due to primary government	-	-	-	27,750,000
Derivative instruments - interest rate swaps	-	-	-	4,827,903
Due to manager - Hilton Management, LLC	-	-	-	2,450,000
TOTAL LIABILITIES	340,569,316	94,241,610	434,810,926	103,979,568
DEFERRED INFLOWS OF RESOURCES	214,485,168	1,139,090	215,624,258	-
NET POSITION				
Net investment in capital assets	178,840,583	250,962,456	429,803,039	11,451,512
Restricted for:				
Capital improvements	-	373,389	373,389	-
Debt service	1,194,450	-	1,194,450	-
Enabling legislation - State Statutes	14,963,667	-	14,963,667	-
PCHS/Foundation	-	-	-	2,256,889
IEC Hotel Corporation	-	-	-	495,000
Unrestricted	48,954,091	51,048,987	100,003,078	(4,940,862)
TOTAL NET POSITION	\$ 243,952,791	\$ 302,384,832	\$ 546,337,623	\$ 9,262,539

POLK COUNTY, IOWA

Statement of Activities
For the Year Ended June 30, 2021

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 Units	
						Governmental Activities	Business-type Activities	Total	Total
Primary government:									
Governmental activities:									
Public safety and legal services	\$ 98,320,747	\$ 21,615,174	\$ 1,758,561	\$ -	\$ (74,947,012)	\$ -	\$ (74,947,012)	\$ -	\$ -
Physical health and social services	43,090,352	990,085	10,880,812	-	(31,219,455)	-	(31,219,455)	-	-
Mental health	26,413,988	5,042,859	11,431,004	-	(9,940,125)	-	(9,940,125)	-	-
County environment and education	22,687,489	2,830,595	607,919	3,932,713	(15,316,262)	-	(15,316,262)	-	-
Roads and transportation	20,399,665	816,196	8,669,427	826,065	(10,087,977)	-	(10,087,977)	-	-
Government services to residents	10,604,040	10,541,549	116,800	-	54,309	-	54,309	-	-
Administration	60,486,836	2,414,003	16,893,153	-	(41,179,680)	-	(41,179,680)	-	-
Interest on long-term debt	6,165,281	37	-	-	(6,165,244)	-	(6,165,244)	-	-
Total governmental activities	288,168,398	44,250,498	50,357,676	4,758,778	(188,801,446)	-	(188,801,446)	-	-
Business-type activities:									
Air Quality	1,193,109	431,545	839,664	-	-	78,100	78,100	-	-
Sanitary Sewer	1,663,793	1,172,263	-	-	-	(491,530)	(491,530)	-	-
Prairie Meadows Racetrack/Casino	13,706,637	23,385,086	-	-	-	9,678,449	9,678,449	-	-
Conservation Enterprises	355,316	348,871	-	-	-	(6,445)	(6,445)	-	-
Hamilton Urban Drainage District	426,611	113,071	-	-	-	(313,540)	(313,540)	-	-
Iowa Events Center	17,238,103	5,621,085	-	32,000	-	(11,585,018)	(11,585,018)	-	-
Urban Sewer	45,544	-	-	-	-	(45,544)	(45,544)	-	-
Iowa Tax & Tags	581,598	282,030	-	-	-	(299,568)	(299,568)	-	-
Total business-type activities	35,210,711	31,353,951	839,664	32,000	-	(2,985,096)	(2,985,096)	-	-
Total primary government	\$ 323,379,109	\$ 75,604,449	\$ 51,197,340	\$ 4,790,778	(188,801,446)	(2,985,096)	(191,786,542)	-	-

Component units:

PCHS	\$ 3,387,301	\$ 1,378,534	\$ 2,520,512	\$ 1,341,545					1,853,290
IEC Hotel Corp	19,221,147	6,432,187	790,095	755,000					(11,243,865)
Total	\$ 22,608,448	\$ 7,810,721	\$ 3,310,607	\$ 2,096,545					(9,390,575)
General revenues:									
Property taxes					192,812,266	-	192,812,266	-	-
Other county taxes					6,268,316	-	6,268,316	-	-
Interest and penalties on property taxes					2,173,963	-	2,173,963	-	-
State tax credits and replacements against levied property taxes					14,056,107	-	14,056,107	-	-
Interest income					1,719,432	1,608,950	3,328,382	76,011	76,011
Miscellaneous					3,848,416	947,640	4,796,056	205,022	205,022
Transfers					(436,853)	436,853	-	-	-
Total general revenues and transfers					220,441,647	2,993,443	223,435,090	281,033	281,033
Change in net position					31,640,201	8,347	31,648,548	(9,109,542)	(9,109,542)
Net position - beginning					212,312,590	302,376,485	514,689,075	18,372,081	18,372,081
Net position - ending					\$ 243,952,791	\$ 302,384,832	\$ 546,337,623	\$ 9,262,539	\$ 9,262,539

See Notes to Basic Financial Statements

(This page was left blank intentionally)

(This page was left blank intentionally)

POLK COUNTY, IOWA

**Balance Sheet
Governmental Funds
June 30, 2021**

	General	Mental Health	American Rescue Plan Act	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and pooled investments	\$ 108,400,770	\$ 9,509,488	\$ 47,576,261	\$ 29,782,761	\$ 195,269,280
Restricted assets - cash and pooled investments	-	-	-	4,653,060	4,653,060
Receivables (net):					
Taxes	673,209	63,794	-	128,109	865,112
Succeeding year property taxes	165,383,117	10,362,004	-	32,490,622	208,235,743
Special assessments	193,361	-	-	10,841	204,202
Accounts	272,714	-	-	14,738	287,452
Notes	4,679,514	-	-	-	4,679,514
Accrued interest	276,231	-	-	-	276,231
Due from other funds	445,497	27,913	-	90,937	564,347
Due from other governments	5,727,570	29,550	-	3,007,080	8,764,200
Due from component units	-	118,799	-	-	118,799
Advances to other funds	3,035,113	-	-	-	3,035,113
Inventories	657,935	-	-	1,102,502	1,760,437
Prepaid items	1,573,414	580,390	-	163,087	2,316,891
TOTAL ASSETS	\$ 291,318,445	\$ 20,691,938	\$ 47,576,261	\$ 71,443,737	\$ 431,030,381
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,111,545	\$ 784,173	\$ 42,000	\$ 5,150,195	\$ 8,087,913
Contract/retainage payable	-	-	-	1,871,453	1,871,453
Wages payable	2,901,573	-	-	148,675	3,050,248
Payroll taxes payable	478,763	-	-	24,877	503,640
Compensated absences payable	4,533,628	-	-	-	4,533,628
Termination benefit payable	544,154	-	-	-	544,154
Estimated liability for claims and judgments	300,000	-	-	-	300,000
Due to other funds	617	-	-	-	617
Due to other governments	3,963,690	-	-	255,965	4,219,655
Trust payable	167,399	-	-	-	167,399
Unearned revenues	2,832,061	-	47,534,261	-	50,366,322
TOTAL LIABILITIES	17,833,430	784,173	47,576,261	7,451,165	73,645,029
DEFERRED INFLOWS OF RESOURCES	168,143,914	10,454,845	-	32,713,708	211,312,467
Fund balances:					
Nonspendable	5,049,581	580,390	-	1,265,589	6,895,560
Restricted	-	8,872,530	-	18,747,919	27,620,449
Committed	5,584,052	-	-	12,478,961	18,063,013
Unassigned	94,707,468	-	-	(1,213,605)	93,493,863
TOTAL FUND BALANCES	105,341,101	9,452,920	-	31,278,864	146,072,885
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 291,318,445	\$ 20,691,938	\$ 47,576,261	\$ 71,443,737	\$ 431,030,381

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, 2021**

Fund balances - total governmental funds	\$	146,072,885
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	\$	512,518,962
Accumulated depreciation		<u>(216,527,090)</u>
		295,991,872
Interest payable on long-term obligations that does not require current financial resources and therefore is not reported in the funds.		
		(424,631)
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.		
		17,602,409
Revenues and other financing sources that are not available to pay for current period expenditures in the funds.		
Property taxes		856,525
Special assessments		203,000
Accounts receivable		32,541
Due from other governments		1,420,928
Due from other funds (Prairie Meadows property taxes)		<u>563,730</u>
		3,076,724
Long-term receivables are not available to pay for current period expenditures and therefore are not reported in the funds:		
Notes receivable (Metro Waste Authority)		28,305,000
Interest receivable (Metro Waste Authority)		70,069
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental fund, as follows:		
Deferred outflows of resources (Pension)		21,298,126
Deferred outflows of resources (OPEB)		1,761,100
Deferred inflows of resources (Pension)		(3,362,945)
Deferred inflows of resources (OPEB)		(915,002)
Deferred inflows of resources (Gain on refunding)		(1,971,478)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds payable		(155,550,040)
Capital leases payable		(708,673)
Compensated absences payable		(14,929,828)
Estimated liability for claims and judgments		(12,426,000)
Total OPEB liability		(15,599,000)
Net pension liability		<u>(64,337,797)</u>
Net position of governmental activities	\$	<u><u>243,952,791</u></u>

POLK COUNTY, IOWA

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021**

	General	Mental Health	American Rescue Plan Act	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Property taxes	\$ 149,618,635	\$ 14,177,926	\$ -	\$ 29,750,457	\$ 193,547,018
Other County taxes	4,812,333	362,494	-	1,093,489	6,268,316
Interest and penalties on delinquent taxes	2,173,963	-	-	-	2,173,963
Intergovernmental	56,763,169	17,515,647	69,753	11,930,511	86,279,080
Licenses and permits	1,663,059	-	-	186,108	1,849,167
Charges for services	17,702,053	-	-	1,029,712	18,731,765
Use of money and property	3,804,378	-	-	3,566,636	7,371,014
Miscellaneous	4,175,267	2,070	-	345,518	4,522,855
TOTAL REVENUES	240,712,857	32,058,137	69,753	47,902,431	320,743,178
EXPENDITURES:					
Current:					
Public safety and legal services	86,966,060	-	-	1,589,353	88,555,413
Physical health and social services	40,858,478	-	-	-	40,858,478
Mental health	-	26,413,988	-	-	26,413,988
County environment and education	16,971,818	-	-	1,393,875	18,365,693
Roads and transportation	964,646	-	-	11,980,219	12,944,865
Government services to residents	9,995,752	-	-	125,696	10,121,448
Administration	53,104,552	-	69,753	-	53,174,305
Debt service:					
Principal	-	-	-	17,345,000	17,345,000
Interest and fiscal charges	-	-	-	6,326,279	6,326,279
Capital projects:					
Roadway construction	-	-	-	5,503,688	5,503,688
Conservation land acquisition and development	388,849	-	-	2,845,826	3,234,675
Other capital projects	-	-	-	32,173,552	32,173,552
TOTAL EXPENDITURES	209,250,155	26,413,988	69,753	79,283,488	315,017,384
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	31,462,702	5,644,149	-	(31,381,057)	5,725,794
OTHER FINANCING SOURCES (USES):					
Transfers in	13,972,729	-	-	26,481,011	40,453,740
Transfers out	(33,819,535)	-	-	(7,051,058)	(40,870,593)
TOTAL OTHER FINANCING SOURCES (USES)	(19,846,806)	-	-	19,429,953	(416,853)
NET CHANGE IN FUND BALANCES	11,615,896	5,644,149	-	(11,951,104)	5,308,941
FUND BALANCE, BEGINNING	93,725,205	3,808,771	-	43,229,968	140,763,944
FUND BALANCE, ENDING	\$ 105,341,101	\$ 9,452,920	\$ -	\$ 31,278,864	\$ 146,072,885

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, 2021**

Net change in fund balances - total governmental funds	\$	5,308,941
Amounts reported for governmental activities in the statement of net position are different because:		
<p>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:</p>		
Capital outlays		31,467,003
Capital contribution		2,952,353
Depreciation/amortization expense		(14,107,597)
<p>The net effect of various transactions involving capital assets is to increase/(decrease) net position.</p>		
Net (loss) gain on disposal/sale of capital assets		(3,234,448)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
Change in deferred inflows of resources		(895,266)
Collection of long-term receivable (Metro Waste Authority) recognized as revenue in the governmental funds		(2,210,000)
Change in interest receivable (Metro Waste Authority)		4,696
Collection of long-term receivable (Aviation Authority) recognized as revenue in the governmental funds		(395,000)
<p>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.</p>		
		9,516,044
<p>Expenses in the statement of activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.</p>		
Change in estimated liabilities for claims and judgments		(3,789,000)
Change in compensated absences		656,314
Pension expense		(13,081,612)
OPEB expense		(936,638)
<p>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.</p>		
Change in capital leases		347,562
Payments on long-term bonds		16,950,000
Payments on long-term notes		395,000
Amortization of bond premium/(discount)		1,703,733
Amortization of gain on refunding of debt		107,242
<p>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.</p>		
Change in interest payable on debt		53,756
<p>Internal service funds are used by management to charge the costs of insurance. The change in net position is reported with governmental activities.</p>		
		827,118
Change in net position of governmental activities	\$	31,640,201

POLK COUNTY, IOWA

Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities - Enterprise Funds			
	Sanitary Sewer	Prairie Meadows Racetrack/ Casino	Iowa Events Center	Nonmajor Enterprise Funds
ASSETS				
Current assets:				
Cash and pooled investments	\$ 8,721,507	\$ 7,567,701	\$ 7,023,648	\$ 2,395,620
Restricted assets - cash and pooled investments	-	-	373,389	-
Receivables (net):				
Accounts	110,258	-	1,449,893	146,552
Notes	755,278	-	-	133,351
Accrued interest	-	5,212	-	-
Due from other governments	49,540	441,852	8,000	190,524
Due from component units	-	-	343,764	-
Inventories	-	-	75,489	-
Prepaid items	-	-	173,119	-
Total current assets	9,636,583	8,014,765	9,447,302	2,866,047
Noncurrent assets:				
Receivables (net):				
Special assessments	5,123	-	-	6,849
Notes	12,702,191	-	-	3,444,556
Advances to component units	-	28,860,000	5,014,249	-
Capital assets not being depreciated	3,564,283	3,129,000	15,671,021	3,895,115
Capital assets being depreciated, net	14,409,874	127,810,015	140,601,360	11,848,202
Total noncurrent assets	30,681,471	159,799,015	161,286,630	19,194,722
TOTAL ASSETS	40,318,054	167,813,780	170,733,932	22,060,769
DEFERRED OUTFLOW OF RESOURCES	-	-	34,227	403,613
LIABILITIES				
Current liabilities:				
Accounts payable	54,181	-	2,104,203	48,852
Wages payable	-	-	71,203	35,102
Payroll taxes payable	-	-	5,649	5,873
Interest payable	34,956	-	146,595	6,396
Estimated liability for claims and judgments	-	-	-	-
Due to other funds	-	563,730	-	-
Due to other governments	-	4,378,122	-	-
Advance deposits and ticket sales	-	-	708,100	-
Unearned revenues	-	-	874,760	-
General obligation bonds payable	-	-	12,070,147	358,534
Notes payable	1,012,000	-	-	-
Advances from other funds	-	-	-	269,649
Compensated absences payable	-	-	7,946	13,920
Total current liabilities	1,101,137	4,941,852	15,988,603	738,326
Noncurrent liabilities:				
General obligation bonds payable	-	-	48,530,460	1,494,135
Notes payable	20,744,000	-	-	-
Advances from other funds	-	-	-	2,765,464
Compensated absences payable	-	-	-	261,321
Net pension liability	-	-	84,021	1,191,134
Total noncurrent liabilities	20,744,000	-	48,614,481	5,712,054
TOTAL LIABILITIES	21,845,137	4,941,852	64,603,084	6,450,380
DEFERRED INFLOWS OF RESOURCES	-	-	1,067,276	71,814
NET POSITION				
Net investment in capital assets	9,675,626	130,939,015	94,604,498	15,743,317
Restricted for capital improvements	-	-	373,389	-
Unrestricted	8,797,291	31,932,913	10,119,912	198,871
TOTAL NET POSITION	\$ 18,472,917	\$ 162,871,928	\$ 105,097,799	\$ 15,942,188

See Notes to Basic Financial Statements

Total	Governmental Activities- Internal Service Funds
\$ 25,708,476	\$ 19,843,514
373,389	-
1,706,703	695,343
888,629	-
5,212	-
689,916	-
343,764	-
75,489	-
173,119	12,487
<u>29,964,697</u>	<u>20,551,344</u>
11,972	-
16,146,747	-
33,874,249	-
26,259,419	-
294,669,451	-
<u>370,961,838</u>	<u>-</u>
400,926,535	20,551,344
437,840	-
2,207,236	243,475
106,305	-
11,522	161,660
187,947	-
-	2,543,800
563,730	-
4,378,122	-
708,100	-
874,760	-
12,428,681	-
1,012,000	-
269,649	-
21,866	-
<u>22,769,918</u>	<u>2,948,935</u>
50,024,595	-
20,744,000	-
2,765,464	-
261,321	-
1,275,155	-
<u>75,070,535</u>	<u>-</u>
97,840,453	2,948,935
1,139,090	-
250,962,456	-
373,389	-
<u>51,048,987</u>	<u>17,602,409</u>
<u>\$ 302,384,832</u>	<u>\$ 17,602,409</u>

POLK COUNTY, IOWA

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds			
	Sanitary Sewer	Prairie Meadows Racetrack/ Casino	Iowa Events Center	Nonmajor Enterprise Funds
OPERATING REVENUES:				
Charges for goods and services:				
Charges for services	\$ 1,172,263	\$ 15,900,000	\$ 1,384,512	\$ 826,646
Intergovernmental revenues	-	-	-	839,664
Project income	-	7,485,086	872,500	-
Parking income	-	-	810,834	-
Concession sales	-	-	1,952,556	-
Commissions income	-	-	448,081	348,871
PFMS user fee on ticket sales	-	-	152,602	-
Miscellaneous	608,133	-	307,745	31,762
Total operating revenues	1,780,396	23,385,086	5,928,830	2,046,943
OPERATING EXPENSES:				
Cost of goods and services:				
Personal services	75,512	-	1,700,568	1,515,529
Supplies	-	-	277,942	70,145
Professional services	128,451	-	144,110	67,865
Other services/charges	281,399	4,500,050	679,886	208,161
Insurance	-	-	158,233	-
Direct event expense	-	-	695,258	-
Cost of goods sold - concession	-	-	1,931,062	-
Management expense	-	-	266,215	-
Miscellaneous	126,731	-	-	4,399
Amortization of discount (premium)	-	-	(595,147)	(48,534)
Depreciation	554,489	9,206,587	9,948,194	657,762
Total operating expenses	1,166,582	13,706,637	15,206,321	2,475,327
OPERATING INCOME (LOSS)	613,814	9,678,449	(9,277,491)	(428,384)
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	407,030	1,171,219	14,161	16,540
Interest expense	(497,211)	-	(2,031,782)	(126,851)
Total nonoperating revenues (expenses)	(90,181)	1,171,219	(2,017,621)	(110,311)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	523,633	10,849,668	(11,295,112)	(538,695)
CAPITAL CONTRIBUTIONS AND TRANSFERS:				
Capital contributions from others	-	-	32,000	-
Transfers in	1,604,701	1,162,916	18,872,337	-
Transfers out	-	(20,980,100)	-	(223,001)
Total capital contributions and transfers	1,604,701	(19,817,184)	18,904,337	(223,001)
CHANGE IN NET POSITION	2,128,334	(8,967,516)	7,609,225	(761,696)
NET POSITION - BEGINNING	16,344,583	171,839,444	97,488,574	16,703,884
NET POSITION - ENDING	\$ 18,472,917	\$ 162,871,928	\$ 105,097,799	\$ 15,942,188

See Notes to Basic Financial Statements

Total	Governmental Activities- Internal Service Funds
\$ 19,283,421	\$ 23,775,470
839,664	-
8,357,586	-
810,834	-
1,952,556	-
796,952	-
152,602	-
947,640	-
<u>33,141,255</u>	<u>23,775,470</u>
3,291,609	-
348,087	-
340,426	-
5,669,496	29,820
158,233	22,944,023
695,258	-
1,931,062	-
266,215	-
131,130	-
(643,681)	-
20,367,032	-
<u>32,554,867</u>	<u>22,973,843</u>
586,388	801,627
1,608,950	45,491
(2,655,844)	-
<u>(1,046,894)</u>	<u>45,491</u>
(460,506)	847,118
32,000	-
21,639,954	5,071,945
(21,203,101)	(5,091,945)
<u>468,853</u>	<u>(20,000)</u>
8,347	827,118
<u>302,376,485</u>	<u>16,775,291</u>
\$ 302,384,832	\$ 17,602,409

POLK COUNTY, IOWA

**Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021**

	Business-type Activities-Enterprise Funds		
	Sanitary Sewer	Prairie Meadows Racetrack/ Casino	Iowa Events Center
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,865,201	\$ -	\$ 8,027,365
Cash received from internal customers - other funds	-	-	-
Cash received from operating grants	-	-	-
Cash received from racetrack/casino	-	23,425,614	-
Cash paid to suppliers for goods and services	(491,721)	(4,526,810)	(4,226,806)
Cash paid to employees	(75,512)	-	(1,898,789)
Net cash flows from operating activities	<u>1,297,968</u>	<u>18,898,804</u>	<u>1,901,770</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Repayment on due from other funds	-	(13,768)	-
Disbursements for due to component unit	-	-	(152,528)
Repayment on advance from other funds	-	(1,110,000)	(5,014,249)
Transfers in	1,604,701	1,162,916	18,872,337
Transfers out	-	(20,980,100)	-
Net cash flows from noncapital financing activities	<u>1,604,701</u>	<u>(20,940,952)</u>	<u>13,705,560</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal paid on long-term debt	(980,000)	-	(11,025,000)
Interest paid on long-term debt	(506,367)	-	(2,066,820)
Capital grants received	-	-	-
Capital contributions from others	-	-	32,000
Purchase of capital assets	(1,835,915)	-	(1,598,314)
Repayments on capital note receivable	708,427	-	-
Net cash flows from capital and related financing activities	<u>(2,613,855)</u>	<u>-</u>	<u>(14,658,134)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	407,030	1,166,007	14,161
Net cash flows from investing activities	<u>407,030</u>	<u>1,166,007</u>	<u>14,161</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	695,844	(876,141)	963,357
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	8,025,663	8,443,842	6,433,680
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 8,721,507	\$ 7,567,701	\$ 7,397,037

				Governmental Activities- Internal Service Funds
Nonmajor Enterprise Funds	Total			
\$ 1,200,381	\$ 11,092,947	\$	-	-
-	-		23,713,138	
1,057,338	1,057,338		-	
-	23,425,614		-	
(341,265)	(9,586,602)		(22,563,858)	
(1,534,719)	(3,509,020)		161,660	
381,735	22,480,277		1,310,940	
-	(13,768)		-	
-	(152,528)		-	
(242,227)	(6,366,476)		-	
-	21,639,954		5,071,945	
(223,001)	(21,203,101)		(5,091,945)	
(465,228)	(6,095,919)		(20,000)	
(295,000)	(12,300,000)		-	
(128,023)	(2,701,210)		-	
199,682	199,682		-	
-	32,000		-	
(49,205)	(3,483,434)		-	
205,962	914,389		-	
(66,584)	(17,338,573)		-	
16,540	1,603,738		45,491	
16,540	1,603,738		45,491	
(133,537)	649,523		1,336,431	
2,529,157	25,432,342		18,507,083	
\$ 2,395,620	\$ 26,081,865	\$	19,843,514	

(continued)

POLK COUNTY, IOWA

**Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021**

	Business-type Activities-Enterprise Funds		
	Sanitary Sewer	Prairie Meadows Racetrack/ Casino	Iowa Events Center
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET			
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (loss)	\$ 613,814	\$ 9,678,449	\$ (9,277,491)
Components of operating income (loss) not included in operating activities:			
Depreciation	554,489	9,206,587	9,948,194
Amortization	-	-	(595,147)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
(Increase) decrease in special assessments receivable	396	-	-
(Increase) decrease in accounts receivable	83,498	-	2,098,774
(Increase) decrease in due from other governments	911	40,528	(8,000)
(Increase) decrease in inventories	-	-	21,820
(Increase) decrease in prepaid items	-	-	(75,820)
(Increase) decrease in deferred outflows of resources	-	-	(4,756)
Increase (decrease) in accounts payable	44,860	-	(20,100)
Increase (decrease) in wages payable	-	-	40,328
Increase (decrease) in payroll taxes payable	-	-	3,439
Increase (decrease) in due to other governments	-	(26,760)	-
Increase (decrease) in advance deposits and ticket sales	-	-	7,950
Increase (decrease) in unearned revenue	-	-	(189)
Increase (decrease) in compensated absences payable	-	-	(25,647)
Increase (decrease) in estimated liability for claims and judgments	-	-	-
Increase (decrease) in net pension liability	-	-	12,693
Increase (decrease) in deferred inflows of resources	-	-	(224,278)
Net cash flows from operating activities	<u>\$ 1,297,968</u>	<u>\$ 18,898,804</u>	<u>\$ 1,901,770</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Disposal of fully depreciated capital assets	\$ -	\$ -	\$ -
Acquisition of capital assets through accounts payable	(215,126)	-	229,775
Acquisition of notes receivable through disposal of capital assets	(708,427)	-	-

See Notes to Basic Financial Statements

Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
\$ (428,384)	\$ 586,388	\$ 801,627
657,762	20,367,032	-
(48,534)	(643,681)	-
(1,039)	(643)	-
(5,859)	2,176,413	(62,332)
217,674	251,113	-
-	21,820	-
-	(75,820)	(5,071)
(37,771)	(42,527)	-
9,305	34,065	45,856
4,143	44,471	-
705	4,144	161,660
-	(26,760)	-
-	7,950	-
-	(189)	-
(93,893)	(119,540)	-
-	-	369,200
304,634	317,327	-
(197,008)	(421,286)	-
<u>\$ 381,735</u>	<u>\$ 22,480,277</u>	<u>\$ 1,310,940</u>

\$ (84,275)	\$ (84,275)	\$ -
-	14,649	-
-	(708,427)	-

(concluded)

POLK COUNTY, IOWA

Statement of Fiduciary Net Position

Custodial Funds

June 30, 2021

	Total Custodial Funds
ASSETS	
Cash and pooled investments	\$ 33,555,552
Receivables (net):	
Taxes	4,255,026
Succeeding year property taxes	954,574,752
Special assessments	7,812,762
Accounts	316,601
Due from other governments	638,988
TOTAL ASSETS	\$ 1,001,153,681
LIABILITIES	
Accounts payable	\$ 923,677
Wages payable	115,211
Payroll taxes payable	19,332
Due to other governments	37,688,975
Trusts payable	45,262
Compensated absences payable	1,286,618
Termination benefits payable	226,756
Total OPEB liability	387,000
TOTAL LIABILITIES	40,692,831
DEFERRED INFLOWS OF RESOURCES	954,574,752
NET POSITION	
Restricted for individuals, organizations, and other governments	\$ 5,886,098

POLK COUNTY, IOWA

**Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2021**

	Total Custodial Funds
ADDITIONS:	
Property and other county tax	\$ 944,295,809
State tax credits	65,547,332
Registration fee to Department of Transportation	103,493,545
Use tax to Department of Revenue	72,740,409
Special assessments	1,579,396
911 surcharge	3,176,785
Intergovernmental revenues	1,639,630
Charges for services	14,111
Fines and forfeitures	503,011
Interest income	21,371
Miscellaneous	142
TOTAL ADDITIONS	1,193,011,541
DEDUCTIONS:	
Agency remittances:	
Treasurer disbursement to other governments	1,180,927,682
Trusts paid out	32,082
Personal services	5,347,097
Supplies	65,790
Professional services	980,457
Other services/charges	5,974,726
Capital outlay	81,031
TOTAL DEDUCTIONS	1,193,408,865
CHANGES IN NET POSITION	(397,324)
TOTAL NET POSITION - BEGINNING, AS RESTATED	6,283,422
TOTAL NET POSITION - ENDING	\$ 5,886,098

(This page was left blank intentionally)

POLK COUNTY, IOWA

Notes to the Financial Statements For the Year Ended June 30, 2021

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 Units - The financial data of the County’s component units are discretely presented in a separate column in the County's government-wide financial statements to emphasize that the component units are legally separate from the County. Both of the component units are considered nonmajor component units with combining information presented in the supplementary section of this report. The following are the County’s component units:

Polk County Health Services - The combined financial data of Polk County Health Services, Inc. and Polk County Health Services Foundation, collectively referred to as "PCHS" as of and for the year ended June 30, 2021, is included in the County's financial statements. PCHS has been designated by the Polk County Board of Supervisors to serve as the Code of Iowa mandated regional planning council and single point of entry for services to persons with mental illness, mental retardation or developmental disabilities. PCHS administers approximately \$26.4 million each year for mental health services for the County. Although PCHS is a separate legal entity and appoints its own Board of Directors, it is fiscally dependent on the County. The County provides a significant portion of PCHS’s financial support.

Complete financial statements of PCHS can be obtained from their administrative offices at 2309 Euclid Avenue, Des Moines, IA 50313 or telephone (515) 243-4545.

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.

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 (including the amortization of intangible assets) 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 financial statements are reported using the “economic resources measurement focus” and the accrual basis of accounting, as are the proprietary funds. Fiduciary fund financial statements are also reported using the accrual basis of accounting; however, they do not have a measurement focus. 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 2020 on the assessed valuation of property located in the County as of January 1, 2019, 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, 2020. Taxes were receivable in two installments on September 30, 2020, and March 31, 2021. 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 or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. 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. Interest costs incurred during the construction phase of capital assets of business-type activities are included as part of the capitalized value of the assets constructed.

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
Equipment	15,000	10,000
Vehicles	15,000	15,000
Intangibles	300,000	300,000

Assets are depreciated (including the amortization of intangible assets) 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

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

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, 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.

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 position 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 four 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.

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, 2021. 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, 2021 are as follows:

Nonmajor Governmental	
Capital Projects: Capital Improvement Projects	\$ (1,050,518)
Nonmajor Enterprise	
Air Quality	\$ (67,963)

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, 2021, the cash and pooled investments of the County consist of:

Cash and cash items in vault	\$ 123,666
Cash on hand not yet deposited	50,225
Bank account deposits	7,614,734
Money market mutual funds	69,655,270
Money market mutual funds - restricted	5,026,449
U.S. government securities	161,963,030
Commercial paper	<u>34,969,897</u>
Total cash and pooled investments	<u>\$ 279,403,271</u>
Cash and pooled investments, statement of net position	\$ 240,821,270
Cash and pooled investments, fiduciary funds	33,555,552
Restricted assets - Note 4	<u>5,026,449</u>
Total cash and pooled investments	<u>\$ 279,403,271</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, \$50,982,256 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, 2021, 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, 2021.

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, Federal Farm Credit Bank, Federal Home Loan Mortgage Corp, and US Treasuries which represent 22.1%, 15.7%, 8.8%, and 8.8% 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, 2021, 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, 2021, 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 \$50,982,256 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, 2021, the County held \$110,980,774 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, 2021:

	PFMS User Fee	Concession Upkeep	Unspent Bond Proceeds	Total
Iowa Events Center	\$ 311,197	\$ 62,192	\$ -	\$ 373,389
Conservation Water & Land Improvements	<u>-</u>	<u>-</u>	<u>4,653,060</u>	<u>4,653,060</u>
Total	<u>\$ 311,197</u>	<u>\$ 62,192</u>	<u>\$ 4,653,060</u>	<u>\$ 5,026,449</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, 2021, are as follows:

	Due To			
	General Fund	Mental Health	Nonmajor Governmental	Total
Due from				
General Fund	\$ -	\$ -	\$ 617	\$ 617
Prairie Meadows Racetrack/Casino	<u>445,497</u>	<u>27,913</u>	<u>90,320</u>	<u>563,730</u>
Total	<u>\$ 445,497</u>	<u>\$ 27,913</u>	<u>\$ 90,937</u>	<u>\$ 564,347</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	\$ 563,730
-----------------------------------------------------------------------------------------------	------------

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, 2021 is as follows:

Advance From	Advance To	
	Nonmajor Enterprise Conservation Enterprises	
General Fund	\$	3,035,113

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, is as follows:

	Balance 7/1/2020	Additions	Disposals	Balance 6/30/2021
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 27,152,307	\$ 1,305,360	\$ -	\$ 28,457,667
Construction in progress	50,147,380	28,515,207	(27,378,535)	51,284,052
Intangibles-computer software in progress	1,029,067	1,088,839	(1,832,322)	285,584
Total capital assets, not being depreciated	<u>78,328,754</u>	<u>30,909,406</u>	<u>(29,210,857)</u>	<u>80,027,303</u>
Capital assets, being depreciated:				
Buildings	224,601,260	3,266,850	-	227,868,110
Improvements other than buildings	7,300,243	11,638,328	-	18,938,571
Equipment	15,847,226	1,819,468	(663,821)	17,002,873
Vehicles	12,948,100	701,503	(397,055)	13,252,548
Infrastructure	139,369,158	13,462,336	-	152,831,494
Intangibles-computer software	6,455,002	1,832,322	(5,689,261)	2,598,063
Total capital assets being depreciated	<u>406,520,989</u>	<u>32,720,807</u>	<u>(6,750,137)</u>	<u>432,491,659</u>
Less accumulated depreciation for:				
Buildings	(89,794,107)	(6,603,647)	-	(96,397,754)
Improvements other than buildings	(2,701,676)	(927,256)	-	(3,628,932)
Equipment	(12,516,434)	(1,392,255)	663,821	(13,244,868)
Vehicles	(8,306,902)	(1,395,580)	397,055	(9,305,427)
Infrastructure	(89,942,500)	(3,426,013)	-	(93,368,513)
Intangibles-computer software	(2,673,563)	(362,846)	2,454,813	(581,596)
Total accumulated depreciation	<u>(205,935,182)</u>	<u>(14,107,597)</u>	<u>3,515,689</u>	<u>(216,527,090)</u>
Total capital assets being depreciated, net	<u>200,585,807</u>	<u>18,613,210</u>	<u>(3,234,448)</u>	<u>215,964,569</u>
Governmental activities capital assets, net	<u>\$ 278,914,561</u>	<u>\$ 49,522,616</u>	<u>\$ (32,445,305)</u>	<u>\$ 295,991,872</u>

Governmental Activities

The Polk County Conservation Board purchased several parcels of land for the Polk County Water and Land Legacy project for \$1.3 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 IV, 3) Lauridsen Skate Park, 4) Bridge replacement projects, and 5) Water and Land Legacy improvements. The County completed construction of \$14.2 million in Polk County Water and Land Legacy improvements which included \$11.6 million for the Easter Lake Restoration project and \$2.2 million for the Natural Resources Shop. The County also completed infrastructure of \$6.6 million for the Lauridsen Skate Park, \$5.4 million for the NW 66th Avenue/Kempton Bridge Reconstruction Phase III, two bridge replacements for \$1.1 million, and accepted a new \$.3 million subdivision roadway into the Secondary Roads system.

Equipment additions primarily consist of new secondary roads equipment, jail equipment, conservation and computer equipment. Equipment disposals primarily consist of the disposal of secondary roads equipment. Vehicle additions consist primarily of the purchase of 19 vehicles for various county departments. Vehicle disposals consist of the disposal of 14 vehicles for various county departments. The \$5.7 million disposal for Intangible-computer software represents discontinued use of the old real estate system as it was replaced with a \$1.8 million real estate system during the year.

	Balance 7/1/2020	Additions	Disposals	Balance 6/30/2021
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 18,215,559	\$ -	\$ -	\$ 18,215,559
Construction in progress	1,343,883	3,377,397	-	4,721,280
Intangibles-permanent easements	3,322,580	-	-	3,322,580
Total capital assets, not being depreciated	<u>22,882,022</u>	<u>3,377,397</u>	<u>-</u>	<u>26,259,419</u>
Capital assets, being depreciated:				
Buildings	327,335,535	-	-	327,335,535
Improvements other than buildings	11,571,591	-	-	11,571,591
Leasehold improvements	191,536,328	-	-	191,536,328
Equipment	5,555,874	89,622	-	5,645,496
Vehicles	247,351	31,064	(84,275)	194,140
Infrastructure	36,646,485	-	-	36,646,485
Total capital assets being depreciated	<u>572,893,164</u>	<u>120,686</u>	<u>(84,275)</u>	<u>572,929,575</u>
Less accumulated depreciation for:				
Buildings	(171,874,687)	(10,932,542)	-	(182,807,229)
Improvements other than buildings	(8,853,933)	(119,872)	-	(8,973,805)
Leasehold improvements	(59,726,653)	(7,661,454)	-	(67,388,107)
Equipment	(3,076,015)	(716,430)	-	(3,792,445)
Vehicles	(209,700)	(20,568)	84,275	(145,993)
Infrastructure	(14,236,379)	(916,166)	-	(15,152,545)
Total accumulated depreciation	<u>(257,977,367)</u>	<u>(20,367,032)</u>	<u>84,275</u>	<u>(278,260,124)</u>
Total capital assets being depreciated, net	<u>314,915,797</u>	<u>(20,246,346)</u>	<u>-</u>	<u>294,669,451</u>
Business-type activities capital assets, net	<u>\$ 337,797,819</u>	<u>\$ (16,868,949)</u>	<u>\$ -</u>	<u>\$ 320,928,870</u>

Business-type Activities

Construction in progress consisted of \$1.8 million for the Iowa Events Center/Wells Fargo Arena roof replacement and \$1.6 million for Norwoodville sewer improvement projects. Equipment additions consist primarily of Iowa Events Center and Air Quality equipment. Vehicle disposals consists of 3 Air Quality vehicles.

Depreciation expense (including the amortization of intangible assets) was charged to functions/programs of the primary government as follows:

Government activities:

Public safety and legal services	\$	5,537,541
Physical health and social services		1,385,523
County environment and education		2,805,093
Roads and transportation		3,364,280
Government services to residents		334,750
Administration		<u>680,410</u>

Total depreciation expense - governmental activities \$ 14,107,597

Business-type activities:

Air Quality	\$	89,535
Sanitary Sewer		554,489
Prairie Meadows Racetrack/Casino		9,206,587
Conservation Enterprises		202,926
Hamilton Urban Drainage District		365,301
Iowa Events Center		<u>9,948,194</u>

Total depreciation expense - business-type activities \$ 20,367,032

7. DEFERRED OUTFLOWS OF RESOURCES

The following is a summary of deferred outflows of resources activity for the year ended June 30, 2021:

	Pension Related Amounts	OPEB Related Amounts	Total
Governmental activities	\$ <u>21,298,126</u>	\$ <u>1,761,100</u>	\$ <u>23,059,226</u>
Business-type activities:			
Air Quality	\$ 296,540	\$ -	\$ 296,540
Iowa Events Center	34,227	-	34,227
Iowa Tax & Tags	<u>107,073</u>	<u>-</u>	<u>107,073</u>
Total business-type activities	\$ <u>437,840</u>	\$ <u>-</u>	\$ <u>437,840</u>

8. LONG-TERM LIABILITIES

The following is a summary of long-term liability activity for the year ended June 30, 2021:

	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021	Due Within One Year
Governmental activities:					
General obligation bonds payable	\$ 159,855,000	\$ -	\$ (16,950,000)	\$ 142,905,000	\$ 17,435,000
Add: unamortized premium (discount)	14,348,773	-	(1,703,733)	12,645,040	1,703,733
General obligation notes payable	395,000	-	(395,000)	-	-
Add: unamortized premium (discount)	-	-	-	-	-
Capital leases payable	1,056,235	-	(347,562)	708,673	346,999
Accrued compensated absences	18,604,957	10,963,949	(10,105,450)	19,463,456	3,654,182
Termination benefits payable	-	3,863,352	(3,319,198)	544,154	525,154
Total OPEB liability	14,647,000	952,000	-	15,599,000	-
Estimated liability for claims and judgements	11,097,600	28,373,243	(24,201,043)	15,269,800	6,621,800
Net pension liability	48,788,783	15,549,014	-	64,337,797	-
Total	\$ 268,793,348	\$ 59,701,558	\$ (57,021,986)	\$ 271,472,920	\$ 30,286,868
Business-type activities:					
General obligation bonds payable	\$ 70,545,000	\$ -	\$ (11,320,000)	\$ 59,225,000	\$ 11,785,000
Add: unamortized premium (discount)	3,871,957	-	(643,681)	3,228,276	643,681
General obligation notes payable	22,736,000	-	(980,000)	21,756,000	1,012,000
Accrued compensated absences	402,727	(12,874)	(106,666)	283,187	21,866
Net pension liability	957,828	317,327	-	1,275,155	-
Total	\$ 98,513,512	\$ 304,453	\$ (13,050,347)	\$ 85,767,618	\$ 13,462,547

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.

General Obligation Bonds Payable

	Original Amount	Date Issued	Interest Rates	Due Date	Amount Outstanding
Governmental activities:					
Housing/Capital Improvements	\$ 10,682,560	6/1/2015	2%-2.25%	6/1/2025	\$ 4,095,000
Refunding	8,565,000	5/3/2017	4%	6/1/2025	4,550,000
Refunding	48,165,000	6/7/2017	5%	6/1/2026	27,055,000
Refunding	12,235,000	5/23/2018	3%	6/1/2031	6,525,000
Land & Water Legacy/Courts	33,925,000	5/30/2019	4%-5%	6/1/2029	27,195,000
Refunding/MWA Loan	70,420,000	6/4/2020	3%-5%	6/1/2040	67,290,000
MWA Loan	8,165,000	6/4/2020	2%	6/1/2024	6,195,000
Total					\$ 142,905,000

	Original Amount	Date Issued	Interest Rates	Due Date	Amount Outstanding
Business-type activities:					
Iowa Events Center	\$ 10,790,000	5/26/2016	2.15%	6/1/2024	\$ 10,790,000
Iowa Events Center	58,455,000	5/3/2017	4.00%	6/1/2026	26,615,000
Iowa Events Center	20,210,000	5/3/2017	2.65-2.8%	6/1/2026	20,210,000
Urban Sewer	2,700,000	6/7/2017	5%	6/1/2026	<u>1,610,000</u>
Total					\$ <u><u>59,225,000</u></u>

Notes Payable

	Original Amount	Date Issued	Interest Rates	Due Date	Amount Outstanding
Business-type activities:					
Sanitary Sewer	\$ 5,000,000	7/30/2008	3%	6/1/2028	\$ 1,889,000
Sanitary Sewer	13,000,000	6/16/2010	3%	6/1/2030	7,140,000
Sanitary Sewer	5,000,000	6/1/2011	3%	6/1/2031	4,739,000
Sanitary Sewer	367,000	10/19/2012	1.75%	6/1/2032	313,000
Sanitary Sewer	9,633,000	10/19/2012	1.75%	6/1/2032	<u>7,675,000</u>
Total					\$ <u><u>21,756,000</u></u>

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

	Bonds Payable		
	Principal	Interest	Total
Governmental activities:			
During the year ending June 30:			
2022	\$ 17,435,000	\$ 5,611,088	\$ 23,046,088
2023	17,655,000	4,858,488	22,513,488
2024	19,300,000	4,096,588	23,396,588
2025	17,725,000	3,253,550	20,978,550
2026	13,800,000	2,472,550	16,272,550
2027-2031	29,950,000	6,735,800	36,685,800
2032-2036	20,970,000	2,582,550	23,552,550
2037-2041	<u>6,070,000</u>	<u>462,000</u>	<u>6,532,000</u>
Total	142,905,000	30,072,614	172,977,614
Add: unamortized premium	<u>12,645,040</u>	-	<u>12,645,040</u>
Total	\$ <u><u>155,550,040</u></u>	\$ <u><u>30,072,614</u></u>	\$ <u><u>185,622,654</u></u>

	Bonds Payable		Notes Payable		Total
	Principal	Interest	Principal	Interest	Principal and Interest
Business-type activities					
During the year ending June 30:					
2022	\$ 11,785,000	\$ 1,925,573	\$ 1,012,000	\$ 439,968	\$ 15,162,541
2023	12,255,000	1,451,072	1,044,000	421,833	15,171,905
2024	12,345,000	957,623	1,079,000	403,125	14,784,748
2025	12,945,000	659,988	1,114,000	383,793	15,102,781
2026	9,895,000	295,220	1,150,000	363,835	11,704,055
2027-2031	-	-	10,135,000	1,460,403	11,595,403
2032-2036	-	-	6,222,000	108,885	6,330,885
Total	59,225,000	5,289,476	21,756,000	3,581,842	89,852,318
Add: unamortized premium	3,228,276	-	-	-	3,228,276
Total	\$ 62,453,276	\$ 5,289,476	\$ 21,756,000	\$ 3,581,842	\$ 93,080,594

There were no due and unredeemed bonds/notes or special assessment debt outstanding at June 30, 2021. Management does not believe an arbitrage liability exists at June 30, 2021.

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, 2021, the County has governmental activities obligations to 72 participants with a total termination benefits liability of \$544,154. Actual early retirement expenditures for the year ended June 30, 2021, totaled \$3,319,198.

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.

9. 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, 2021 amounted to \$148,821,500.

10. 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 \$19.4 million exist, of which \$1.9 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.

11. 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, 2021, the County abated \$1,010,322 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, 2021 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	\$ 3,006,069
City of Bondurant	Urban renewal and economic development projects	6,952
City of Ankeny	Urban renewal and economic development projects	374,037
City of Grimes	Urban renewal and economic development projects	453,324
City of Granger	Urban renewal and economic development projects	9,684
City of Altoona	Urban renewal and economic development projects	619,231
City of Pleasant Hill	Urban renewal and economic development projects	836
City of Johnston	Urban renewal and economic development projects	437,889
City of Clive	Urban renewal and economic development projects	78,183
City of Urbandale	Urban renewal and economic development projects	104,542
City of West Des Moines	Urban renewal and economic development projects	37,050
City of Polk City	Urban renewal and economic development projects	72,454
City of Mitchellville	Urban renewal and economic development projects	13,792
City of Ankeny	Urban revitalization and economic development projects	25,166
City of Altoona	Urban revitalization and economic development projects	3,971,402
		\$ 9,210,611

12. LEASE COMMITMENTS

Capital Leases

The County has entered into agreements to purchase equipment through capital lease agreements. The net book value of the equipment relating to capital leases is \$664,856.

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the total minimum lease payments as of June 30, 2021:

During the year ending June 30:	
2022	\$ 363,931
2023	363,931
2024	6,190
Total minimum lease payments	734,052
Less: amount representing interest	(25,379)
Present value of total minimum lease payments	\$ 708,673

Operating Leases

The County leases building facilities for certain County department offices and equipment on a long-term basis. Rental expense for the year ended June 30, 2021 is \$51,717. As part of the normal course of business, the County continues to negotiate and/or renegotiate various operating leases. Following is a schedule of minimum future rentals for non-cancelable operating leases in effect at June 30, 2021:

During the year ending June 30:	
2022	\$ 59,412
2023	29,372
2024	29,372
2025	15,600
2026	15,600
2027-2031	78,000
2032-2036	78,000
Total	\$ 305,356

13. DEFERRED INFLOWS OF RESOURCES

The following is a summary of deferred inflows of resources activity for the year ended June 30, 2021:

	Succeeding Year Property Taxes Receivable	Pension and OPEB Related Amounts	Unavailable Intergovernmental and Other	Gain on Current Refunding	Total
Governmental Funds	\$ 208,235,743	\$ -	\$ 3,076,724	\$ -	\$ 211,312,467
Governmental Activities	\$ 208,235,743	\$ 4,277,947	\$ -	\$ 1,971,478	\$ 214,485,168
Business-type Activities:					
Air Quality	\$ -	\$ 58,882	\$ -	\$ -	\$ 58,882
Iowa Events Center	-	-	-	1,067,276	1,067,276
Iowa Tax & Tags	-	12,932	-	-	12,932
Total Business-type Activities	\$ -	\$ 71,814	\$ -	\$ 1,067,276	\$ 1,139,090

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	\$ 3,346,309	\$ 1,604,701	\$ 1,162,916	\$ 2,945,725	\$ 19,687,939	\$ 5,071,945	\$ 33,819,535
Prairie Meadows Racetrack/Casino	5,053,488	-	-	15,926,612	-	-	20,980,100
Nonmajor Governmental	257,986	-	-	-	6,793,072	-	7,051,058
Nonmajor Enterprise	223,001	-	-	-	-	-	223,001
Internal Service	5,091,945	-	-	-	-	-	5,091,945
Total	\$ 13,972,729	\$ 1,604,701	\$ 1,162,916	\$ 18,872,337	\$ 26,481,011	\$ 5,071,945	\$ 67,165,639

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, 2021, 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.	\$ 20,980,100
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.	5,071,945
General fund and Rural Services fund made transfers to Secondary Roads fund in accordance with state statutes.	7,496,087

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	837,881,514
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, 2021. 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, 2021 and 2020 are as follows:

	Year Ended	
	6/30/2021	6/30/2020
Beginning balance	\$ 8,923,000	\$ 7,847,000
Current year claims and changes in estimates	6,670,753	3,161,175
Claim payments	<u>(2,867,753)</u>	<u>(2,085,175)</u>
Ending balance	\$ <u>12,726,000</u>	\$ <u>8,923,000</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, 2021 was \$17,619,578 for medical and \$1,019,789 for dental while employees contributed \$2,608,113 and \$151,805 respectively. The total premium charged is the amount needed to pay expected claim and administrative costs. The County paid \$1,285,580 in administrative costs for the year ended June 30, 2021.

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, 2021, 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, 2021 and 2020 are as follows:

	Year Ended	
	6/30/2021	6/30/2020
Beginning balance	\$ 2,174,600	\$ 3,227,100
Current year claims and changes in estimates	21,702,490	18,675,396
Claim payments	<u>(21,333,290)</u>	<u>(19,727,896)</u>
Ending balance	\$ <u>2,543,800</u>	\$ <u>2,174,600</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:

Neighborhood Finance Corporation	\$	1,000,000
Polk County Housing Trust Fund		3,000,000
Hunger Free Polk County		750,000
Central Iowa Trails Program		1,000,000
Des Moines City Gaming Payments		<u>42,027,345</u>
Total	\$	<u><u>47,777,345</u></u>

Secondary Road Fund:

Des Moines Asphalt and Paving (HMA Resurfacing Program)	\$	2,284,579
Gus Construction (Bridge 649)		<u>565,319</u>
Total		<u><u>2,849,898</u></u>

Justice Center Fund:

Historic Courthouse Renovations	\$	4,847,383
---------------------------------	----	-----------

Capital Improvements Projects Fund:

Sheriff's Administration/Law Enforcement Facility	\$	3,737,671
Ankeny Community Center		<u>1,750,000</u>
Total		<u><u>5,487,671</u></u>

Sanitary Sewer Fund:

Norwoodville Sanitary Sewer Service Improvements	\$	1,477,906
--------------------------------------------------	----	-----------

Iowa Events Center Fund:

Hy-Vee Hall Roof Project	\$	729,828
--------------------------	----	---------

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.

COVID-19

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries and their political subdivision. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic.

It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the County. The extent to which COVID-19 may affect the County's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information, which may emerge concerning the severity of COVID-19 and actions taken to contain COVID-19 or its impact, among others.

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

18. 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.

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 8 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, 2021 the amount of the fixed management fee was \$254,215.

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 did not pay Global the productivity fee for the fiscal year ending June 30, 2021.

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, 2021 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, 2021.

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.

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 \$0 and Global earned \$345,976 of WFA's net operating income for the fiscal year ending June 30, 2021.

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 \$140,936 for the fiscal year ending June 30, 2021.

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 \$41,044 for the fiscal year ending June 30, 2021.

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, 2021, 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 will develop, own and manage 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 for the year ending December 31, 2020 was \$471,000. The management fee will increase annually over the next three full operating years until it reaches \$840,000 for the year ending December 31, 2022. 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 \$343,764 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 advanced \$1,206,448 to cover the debt payments due during the fiscal year ending June 30, 2020. For the fiscal year ending June 30, 2021 the County advanced an additional \$3,807,801 for debt payments due during the year. The total amount advanced to the IEC Hotel Corp as of June 30, 2021 was \$5,014,249. 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 component unit do not agree by \$1,030,850.

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 will come 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 9th 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, 2021, however, since the hotel did not generate enough revenue from operations these payments were not received by the County.

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, 2021:

Concessions and catering revenue from Ovations	\$ 1,911,481
Ticket revenue and fees received from New Era	16,058
Ticket fees paid to New Era	1,820
Management fee paid to Ovations	12,000

22. PENSION AND RETIREMENT BENEFITS

Plan Description - 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 Iowa Public Employees’ Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

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

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

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

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

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

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

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

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

In fiscal year 2021, 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 9.26% of covered payroll, for a total rate of 18.52%. Protection occupation members contributed 6.41% of covered payroll and the County contributed 9.61% of covered payroll, for a total rate of 16.02%.

The County's contributions to IPERS for the year ended June 30, 2021 were \$9,710,249.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2021, the County reported a liability of \$65,612,952 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2020, the County's collective proportion was .934%, which was an increase of .075% from its collective proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$13,348,590. At June 30, 2021, 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	\$ 361,062	\$ 1,694,214
Changes of assumptions	4,542,635	1,275,595
Net difference between projected and actual earnings on pension plan investments	5,596,880	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,525,140	464,950
County contributions subsequent to the measurement date	<u>9,710,249</u>	<u>-</u>
	<u>\$ 21,735,966</u>	<u>\$ 3,434,759</u>

\$9,710,249 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 in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

During the year ending June 30:

2022	\$ 1,285,114
2023	1,731,632
2024	2,126,206
2025	3,429,612
2026	<u>18,394</u>
Total	<u>\$ 8,590,958</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2020 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, 2020 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 2020 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%	5.15%
Global Smart Beta Equity	6%	4.87%
Core plus fixed income	28%	-0.29%
Public Credit	4.0%	2.29%
Cash	1%	-0.78%
Private Equity	11%	6.54%
Private Real Assets	7.5%	4.48%
Private Credit	3%	3.11%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability 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.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the County's proportionate share of the net pension liability 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	\$ 127,852,309	\$ 65,612,952	\$ 13,442,547

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

Payables to IPERS - At June 30, 2021, 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 \$680 for single health coverage and \$1,700 for family health coverage. The County establishes and amends contribution requirements annually.

Employees Covered by Benefit Terms

At June 30, 2021, the following employees were covered by the benefit terms:

Current retirees, beneficiaries and dependents	97
Current active members, fully eligible for benefits	331
Current active members, not yet fully eligible for benefits	<u>1,027</u>
	<u><u>1,455</u></u>

Total OPEB Liability – The County’s total OPEB liability of \$15,986,000 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date. The County’s portion of the total OPEB liability, \$15,599,000 is reported in the government-wide financial statements and the County Assessor’s office portion, \$387,000 is reported in a Custodial Fund.

Total OPEB Liability by Employee Group

Employee Group	Total OPEB Liability
Polk County	\$ 15,599,000
County Assessor's Office	<u>387,000</u>
Total	\$ <u><u>15,986,000</u></u>

Actuarial Methods and Assumptions – The total OPEB liability in the June 30, 2021 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	3.5% per annum.
Discount rate	2.16% per annum.
Healthcare cost trend rates	6.5% initial rate decreasing by 0.5% annually to an ultimate rate of 4.5%.

Discount rate – The discount rate used to measure the total OPEB liability was 2.16% 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-2020 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, 2019. 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 75% 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, 2020	\$ 15,010,000
Changes for the year:	
Service cost	1,213,000
Interest cost	351,000
Differences between expected and actual experience	-
Changes in assumptions or other inputs	75,000
Benefit payments	<u>(663,000)</u>
Net change in total OPEB liability	<u>976,000</u>
Total OPEB liability - June 30, 2021	<u><u>\$ 15,986,000</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.21% in fiscal year ending June 30, 2020 to 2.16% in fiscal year ending June 30, 2021.

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 2.16%, 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 (1.16%) or 1% higher (3.16%) than the current rate.

	1% Decrease 1.16%	Discount Rate 2.16%	1% Increase 3.16%
Total OPEB liability	\$ 17,545,000	\$ 15,986,000	\$ 14,578,000

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 6.5%, 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 (5.5%) or 1% higher (7.5%) than the current health care cost trend rates.

	1% Decrease 5.5%	Healthcare Cost Trend Rate 6.5%	1% Increase 7.5%
Total OPEB liability	\$ 13,925,000	\$ 15,986,000	\$ 18,496,000

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended June 30, 2021, the County recognized OPEB expense of \$936,638. At June 30, 2021, 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	\$ -	\$ 704,511
Changes in assumptions or other inputs	1,761,100	210,491
	<u>\$ 1,761,100</u>	<u>\$ 915,002</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:	
2022	\$ 58,927
2023	58,927
2024	58,927
2025	58,927
2026	58,927
Thereafter	<u>551,463</u>
Total	<u>\$ 846,098</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, 2021, the County has a future commitment for approximately \$5,906,029 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, 2021, are as follows:

	Attorney	Auditor	Board of Supervisors Other	Conservation Board	Recorder	Sheriff	Total Elected Officials
ASSETS:							
Cash and pooled investments	\$ 5,000	\$ 13,428	\$ 4,145	\$ 4,375	\$ 915,988	\$ 4,345,180	\$ 5,288,116
Due from other governments	-	-	-	-	1,582	-	1,582
TOTAL ASSETS	<u>\$ 5,000</u>	<u>\$ 13,428</u>	<u>\$ 4,145</u>	<u>\$ 4,375</u>	<u>\$ 917,570</u>	<u>\$ 4,345,180</u>	<u>\$ 5,289,698</u>
LIABILITIES:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,319	\$ 109,319
Due to other funds	5,000	13,428	4,145	4,375	2,663	1,019,679	1,049,290
Due to other governments	-	-	-	-	914,907	3,048,783	3,963,690
Trusts payable	-	-	-	-	-	167,399	167,399
TOTAL LIABILITIES	<u>\$ 5,000</u>	<u>\$ 13,428</u>	<u>\$ 4,145</u>	<u>\$ 4,375</u>	<u>\$ 917,570</u>	<u>\$ 4,345,180</u>	<u>\$ 5,289,698</u>

26. FUND BALANCES

The following is fund balance classifications as of June 30, 2021:

	Major Governmental		Nonmajor	Total
	General Fund	Mental Health	Governmental Funds	
Nonspendable:				
Inventory	\$ 441,054	\$ -	\$ 1,102,502	\$ 1,543,556
Prepays	1,573,414	580,390	163,087	2,316,891
Advances	3,035,113	-	-	3,035,113
Restricted for:				
Mental health	-	8,872,530	-	8,872,530
Rural services	-	-	3,465,588	3,465,588
Secondary roads	-	-	1,233,397	1,233,397
Sheriff seized property	-	-	523,145	523,145
Attorney seized property	-	-	198,283	198,283
Recorder records management	-	-	325,738	325,738
Township fire protection	-	-	5,987	5,987
REAP	-	-	338,999	338,999
Conservation water & land improvements	-	-	4,620,203	4,620,203
Justice center	-	-	6,842,129	6,842,129
Debt service	-	-	1,194,450	1,194,450
Committed to:				
Community betterment & economic development	5,383,336	-	-	5,383,336
Conservation special projects	200,716	-	-	200,716
Attorney collection incentive	-	-	576,295	576,295
Contingency reserve	-	-	11,889,746	11,889,746
Mitigation bank - conservation	-	-	12,920	12,920
Unassigned:	<u>94,707,468</u>	<u>-</u>	<u>(1,213,605)</u>	<u>93,493,863</u>
Total Fund Balances	<u>\$ 105,341,101</u>	<u>\$ 9,452,920</u>	<u>\$ 31,278,864</u>	<u>\$ 146,072,885</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 27th payday and an inflation factor. The County annually contributes to a 27th payday reserve in this fund which will cover the extra payday that occurs on a cash basis every 11 years. The next 27th payday will occur in the fiscal year ending 2028. The committed fund balance is to be used for the 27th payday and for the following situations:

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

28. SUBSEQUENT EVENTS

American Rescue Plan Act

The United States Congress approved the American Rescue Plan Act (ARPA) to provide economic relief related to the COVID-19 pandemic. The County's allocation of the \$350 billion stimulus package received by state and local governments is \$95.2 million. In May 2021, Polk County received \$47.6 million from the United States Treasury Department and is expected to receive another \$47.6 million in May 2022. The Polk County Board of Supervisors are holding public forums to receive feedback from community stakeholders to ensure funds are spent with maximum long-term impact on the community. The Board of Supervisors have identified the following four key areas for long-term strategic investments: 1) Affordable Housing, 2) Economic Well-Being, 3) Water Quality, and 4) Mental Health.

Emergency Rental Assistance

In February 2021, the County approved an agreement with IMPACT Community Action Partnership to provide emergency rent and utility assistance to qualified residents within Polk County. The County has been awarded \$14,800,727 in Emergency Rent Assistance Program funding from the U.S. Department of Treasury which was advanced to IMPACT to be used for emergency rent assistance. In November 2021, the County approved an agreement with the Iowa Finance Authority which provides for the reallocation of \$30 million of unused State of Iowa emergency rent assistance funding to Polk County. The additional funds will be advanced to IMPACT to be used for emergency rent assistance.

Polk County Water and Land Legacy Bond Referendum

In November 2021, voters passed a bond referendum to issue \$65 million to fund acquisition and improvement of land for conservation, recreation, or other park purposes including protecting the water quality of rivers, lakes and streams within Polk County.

Pro Iowa Soccer Stadium Funding Commitment

In August 2021, the County approved the funding commitment of \$5 million to Pro Iowa and up to an additional \$2 million in match funds for construction of a soccer stadium in the City of Des Moines.

Acquisition of Sleepy Hollow Sports Park

In September 2021, the County approved the purchase of Sleepy Hollow Sports Park in the amount of \$3.5 million. Polk County Conservation will assume operations of the 49.6 acre Sports Park.

29. ACCOUNTING CHANGE/RESTATEMENT

GASB Statement No. 84, Fiduciary Activities, was implemented during the year ending June 30, 2021. The new requirements change the definition of fiduciary activity and establish new financial reporting requirements for state and local governments which report fiduciary activity. Beginning new position for fiduciary funds was restate to retroactively report the change in net position, as follows:

		Fiduciary Activities
Net position June 30, 2020, as previously reported	\$	-
Change to implement GASBS No. 84		6,283,422
Net position July 1, 2020, as restated	\$	<u>6,283,422</u>

30. PENDING ACCOUNTING PRONOUNCEMENTS

As of June 30, 2021, the County adopted the following Governmental Accounting Standards Board (GASB) statements, which did not have a material effect on the financial statements:

- GASB Statement No. 84, Fiduciary Activities, issued January 2017 was effective for the County beginning with its year ending June 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.
- GASB Statement No. 90, Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61, issued August 2018, was effective for the County beginning with its year ending June 30, 2021. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

As of June 30, 2021, 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. 87, Leases, issued June 2017, will be 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.
- GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, issued June 2018, will be 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. 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. 92, Omnibus 2020, issued in January 2020, will be 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 will be effective for the fiscal year ending June 30, 2022.
- 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. 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 will be 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 will be effective for the County with its year ending June 30, 2022.

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, 2021**

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

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%

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.

POLK COUNTY, IOWA

**Required Supplementary Information
 Schedule of County's Proportionate Share of the Net Pension Liability
 Iowa Public Employees' Retirement System
 For the Year Ended June 30, 2021**

	Fiscal Year		
	2015	2016	2017
County's collective proportion of the net pension liability	0.772%	0.845%	0.917%
County's collective proportionate share of the net pension liability	\$ 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 as a percentage of its covered payroll	37.78%	50.13%	67.20%
IPERS net position as a percentage of the total pension liability	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.

Fiscal Year			
2018	2019	2020	2021
0.955%	0.874%	0.859%	0.934%
\$ 63,605,131	\$ 55,279,039	\$ 49,746,611	\$ 65,612,952
\$ 92,676,838	\$ 92,543,147	\$ 96,884,023	\$ 100,714,922
68.63%	59.73%	51.35%	65.15%
82.21%	83.62%	85.45%	82.90%

POLK COUNTY, IOWA

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

	Fiscal Year			
	2012	2013	2014	2015
Statutorily required contribution	\$ 6,885,782	\$ 7,178,473	\$ 7,499,317	\$ 7,705,776
Contributions in relation to the statutorily required contribution	(6,885,782)	(7,178,473)	(7,499,317)	(7,705,776)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
County's covered payroll	N/A	N/A	80,989,791	\$ 83,272,164
Contributions as a percentage of covered payroll	N/A	N/A	9.26%	9.25%

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

See Notes to Required Supplementary Information.

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 7,897,049	\$ 8,486,841	\$ 8,457,052	\$ 9,303,317	\$ 9,579,734	\$ 9,710,249
(7,897,049)	(8,486,841)	(8,457,052)	(9,303,317)	(9,579,734)	(9,710,249)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 85,876,171	\$ 92,676,838	\$ 92,543,147	\$ 96,884,023	\$ 100,714,922	\$ 102,922,972
9.20%	9.16%	9.14%	9.60%	9.51%	9.43%

POLK COUNTY, IOWA

Notes to the Required Supplementary Information Pension Liability For the Year Ended June 30, 2021

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, 2021**

	Original Budget	Amended Budget	Actual	Variance
REVENUES:				
Property taxes	\$ 190,558,418	\$ 193,816,083	\$ 194,834,828	\$ 1,018,745
Other County taxes	6,108,452	5,833,452	6,260,823	427,371
Interest and penalty on delinquent taxes	1,202,000	1,452,000	2,215,048	763,048
Intergovernmental	49,316,345	83,637,551	134,875,284	51,237,733
Licenses and permits	1,251,150	1,636,150	1,928,213	292,063
Charges for services	17,398,405	17,490,816	18,113,608	622,792
Use of money and property	6,594,640	7,827,671	7,940,794	113,123
Miscellaneous	2,010,819	4,394,799	4,626,869	232,070
Total receipts	<u>274,440,229</u>	<u>316,088,522</u>	<u>370,795,467</u>	<u>54,706,945</u>
EXPENDITURES:				
Current:				
Public safety and legal services	87,975,100	91,064,352	87,865,338	3,199,014
Physical health and social services	42,252,168	41,366,912	37,035,428	4,331,484
Mental health	32,265,504	33,521,528	28,964,746	4,556,782
County environment and education	19,265,332	22,380,483	20,799,810	1,580,673
Roads and transportation	12,154,957	13,610,429	13,073,467	536,962
Government services to residents	8,805,949	10,656,670	10,154,198	502,472
Administration	39,545,142	57,391,081	52,312,961	5,078,120
Debt service	20,539,363	23,763,888	23,763,887	1
Capital projects	37,433,111	52,783,423	38,064,431	14,718,992
Total disbursements	<u>300,236,626</u>	<u>346,538,766</u>	<u>312,034,266</u>	<u>34,504,500</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	174,500	218,500	122,324	(96,176)
Transfers in (out)	7,809,083	(3,829,321)	(416,853)	3,412,468
Total other financing sources (uses)	<u>7,983,583</u>	<u>(3,610,821)</u>	<u>(294,529)</u>	<u>3,316,292</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES - BUDGETARY BASIS				
	<u>\$ (17,812,814)</u>	<u>\$ (34,061,065)</u>	58,466,672	<u>\$ 92,527,737</u>
RECONCILIATION TO GAAP BASIS:				
Basis differences:				
Increase (decrease) in accrual basis assets/deferred outflows			6,631,737	
(Increase) decrease in accrual basis liabilities/deferred inflows			<u>(59,789,468)</u>	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses - GAAP basis			5,308,941	
Fund balance at beginning of year - GAAP basis			<u>140,763,944</u>	
Fund balance at end of year - GAAP basis			<u>\$ 146,072,885</u>	

See Notes to Required Supplementary Information.

POLK COUNTY, IOWA

Notes to the Required Supplementary Information Budgetary Reporting For the Year Ended June 30, 2021

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, 2021 there were two supplemental appropriations resulting in an increase in total disbursements of \$46,302,140.

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.

(concluded)

(This page was left blank intentionally)

POLK COUNTY, IOWA

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021**

	Rural Services	Sheriff Forfeited Property (State)	Sheriff Forfeited Property (Federal)	Attorney Forfeited Property
ASSETS				
Cash and pooled investments	\$ 3,529,862	\$ 172,877	\$ 350,268	\$ 196,231
Restricted assets - cash and pooled investments	-	-	-	-
Receivables (net):				
Taxes	42,128	-	-	-
Succeeding year property taxes	10,620,964	-	-	-
Special assessments	6,341	-	-	-
Accounts	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	30,682	-	-	4,615
Inventories	-	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	\$ 14,229,977	\$ 172,877	\$ 350,268	\$ 200,846
LIABILITIES				
Accounts payable	\$ 63,004	\$ -	\$ -	\$ -
Contract/retainage payable	-	-	-	-
Wages payable	8,094	-	-	2,196
Payroll taxes payable	24,510	-	-	367
Due to other governments	-	-	-	-
TOTAL LIABILITIES	95,608	-	-	2,563
DEFERRED INFLOWS OF RESOURCES	10,668,781	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	3,465,588	172,877	350,268	198,283
Committed	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	3,465,588	172,877	350,268	198,283
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 14,229,977	\$ 172,877	\$ 350,268	\$ 200,846

Special Revenue							
County Attorney Collection Incentive	Secondary Roads	County Recorder Records Management	Township Fire Protection	REAP	Contingency Reserve	Migration Bank - Conservation	
\$ 555,857	\$ 932,398	\$ 325,121	\$ 5,521	\$ 338,999	\$ 11,889,746	\$ 12,920	
-	-	-	-	-	-	-	-
-	-	-	2,196	-	-	-	-
-	-	-	1,094,982	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	617	-	-	-	-	-
20,438	1,462,730	-	-	-	-	-	-
-	1,102,502	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 576,295</u>	<u>\$ 3,497,630</u>	<u>\$ 325,738</u>	<u>\$ 1,102,699</u>	<u>\$ 338,999</u>	<u>\$ 11,889,746</u>	<u>\$ 12,920</u>	
\$ -	\$ 1,023,346	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-	-
-	138,385	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,161,731	-	-	-	-	-	-
-	-	-	1,096,712	-	-	-	-
-	1,102,502	-	-	-	-	-	-
-	1,233,397	325,738	5,987	338,999	-	-	-
576,295	-	-	-	-	11,889,746	12,920	-
-	-	-	-	-	-	-	-
<u>576,295</u>	<u>2,335,899</u>	<u>325,738</u>	<u>5,987</u>	<u>338,999</u>	<u>11,889,746</u>	<u>12,920</u>	
<u>\$ 576,295</u>	<u>\$ 3,497,630</u>	<u>\$ 325,738</u>	<u>\$ 1,102,699</u>	<u>\$ 338,999</u>	<u>\$ 11,889,746</u>	<u>\$ 12,920</u>	

(continued)

POLK COUNTY, IOWA

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021**

	Special Revenue			Conservation Water & Land Improvement
	Tax Increment Financing	Drainage/ Water Districts	Total Special Revenue	
ASSETS				
Cash and pooled investments	\$ 29,394	\$ 251,198	\$ 18,590,392	\$ -
Restricted assets - cash and pooled investments	-	-	-	4,653,060
Receivables (net):				
Taxes	4,767	-	49,091	-
Succeeding year property taxes	-	-	11,715,946	-
Special assessments	-	-	6,341	-
Accounts	-	-	-	14,738
Due from other funds	-	-	617	-
Due from other governments	-	-	1,518,465	100,000
Inventories	-	-	1,102,502	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ 34,161</u>	<u>\$ 251,198</u>	<u>\$ 32,983,354</u>	<u>\$ 4,767,798</u>
LIABILITIES				
Accounts payable	\$ 29,394	\$ -	\$ 1,115,744	\$ 147,595
Contract/retainage payable	-	-	-	-
Wages payable	-	-	148,675	-
Payroll taxes payable	-	-	24,877	-
Due to other governments	4,767	251,198	255,965	-
TOTAL LIABILITIES	<u>34,161</u>	<u>251,198</u>	<u>1,545,261</u>	<u>147,595</u>
DEFERRED INFLOWS OF RESOURCES	-	-	11,765,493	-
FUND BALANCES				
Nonspendable	-	-	1,102,502	-
Restricted	-	-	6,091,137	4,620,203
Committed	-	-	12,478,961	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>19,672,600</u>	<u>4,620,203</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 34,161</u>	<u>\$ 251,198</u>	<u>\$ 32,983,354</u>	<u>\$ 4,767,798</u>

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	
\$ 8,697,325	\$ 1,300,893	\$ 9,998,218	\$ 1,247	\$ 1,192,904	\$ 1,194,151	\$ 29,782,761
-	-	4,653,060	-	-	-	4,653,060
-	-	-	-	79,018	79,018	128,109
-	-	-	-	20,774,676	20,774,676	32,490,622
-	-	-	4,500	-	4,500	10,841
-	-	14,738	-	-	-	14,738
-	-	-	-	90,320	90,320	90,937
1,263,018	125,597	1,488,615	-	-	-	3,007,080
-	-	-	-	-	-	1,102,502
-	163,087	163,087	-	-	-	163,087
\$ 9,960,343	\$ 1,589,577	\$ 16,317,718	\$ 5,747	\$ 22,136,918	\$ 22,142,665	\$ 71,443,737
\$ 1,903,597	\$ 1,983,259	\$ 4,034,451	-	\$ -	\$ -	\$ 5,150,195
1,214,617	656,836	1,871,453	-	-	-	1,871,453
-	-	-	-	-	-	148,675
-	-	-	-	-	-	24,877
-	-	-	-	-	-	255,965
3,118,214	2,640,095	5,905,904	-	-	-	7,451,165
-	-	-	4,500	20,943,715	20,948,215	32,713,708
-	163,087	163,087	-	-	-	1,265,589
6,842,129	-	11,462,332	1,247	1,193,203	1,194,450	18,747,919
-	-	-	-	-	-	12,478,961
-	(1,213,605)	(1,213,605)	-	-	-	(1,213,605)
6,842,129	(1,050,518)	10,411,814	1,247	1,193,203	1,194,450	31,278,864
\$ 9,960,343	\$ 1,589,577	\$ 16,317,718	\$ 5,747	\$ 22,136,918	\$ 22,142,665	\$ 71,443,737

(concluded)

POLK COUNTY, IOWA

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021**

	Rural Services	Sheriff Forfeited Property (State)	Sheriff Forfeited Property (Federal)	Attorney Forfeited Property
REVENUES:				
Property taxes	\$ 9,606,318	\$ -	\$ -	\$ -
Other County taxes	235,737	-	-	-
Intergovernmental	648,644	-	-	-
Licenses and permits	-	-	-	-
Charges for services	369,618	-	-	-
Use of money and property	-	569	2,078	735
Miscellaneous	8,720	3,427	26,944	46,705
TOTAL REVENUES	10,869,037	3,996	29,022	47,440
EXPENDITURES:				
Current:				
Public safety and legal services	411,482	3,356	-	103,742
County environment and education	1,364,481	-	-	-
Roads and transportation	1,722,063	-	-	-
Government services to residents	71,291	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital projects:				
Roadway construction	-	-	-	-
Conservation land acquisition and development	-	-	-	-
Other capital projects	-	-	-	-
TOTAL EXPENDITURES	3,569,317	3,356	-	103,742
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,299,720	640	29,022	(56,302)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(7,048,072)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(7,048,072)	-	-	-
NET CHANGE IN FUND BALANCES	251,648	640	29,022	(56,302)
FUND BALANCE, BEGINNING	3,213,940	172,237	321,246	254,585
FUND BALANCE, ENDING	\$ 3,465,588	\$ 172,877	\$ 350,268	\$ 198,283

Special Revenue						
County Attorney Collection Incentive	Secondary Roads	County Recorder Records Management	Township Fire Protection	REAP	Contingency Reserve	Automated Traffic Enforcement
\$ -	\$ -	\$ -	\$ 990,981	\$ -	\$ -	\$ -
-	-	-	24,469	-	363,849	-
220,104	8,815,682	-	40,452	109,026	-	-
-	186,108	-	-	-	-	-
-	515,053	127,794	-	-	-	-
-	-	935	-	915	-	-
-	68,874	-	-	-	-	1,848
220,104	9,585,717	128,729	1,055,902	109,941	363,849	1,848
9,634	-	-	1,061,139	-	-	-
-	-	-	-	-	-	-
-	10,258,156	-	-	-	-	-
-	-	54,405	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	5,503,688	-	-	-	-	-
-	-	-	-	2,671	-	-
-	-	-	-	-	-	-
9,634	15,761,844	54,405	1,061,139	2,671	-	-
210,470	(6,176,127)	74,324	(5,237)	107,270	363,849	1,848
-	7,496,087	-	-	-	-	-
-	-	-	-	-	-	(2,986)
-	7,496,087	-	-	-	-	(2,986)
210,470	1,319,960	74,324	(5,237)	107,270	363,849	(1,138)
365,825	1,015,939	251,414	11,224	231,729	11,525,897	1,138
\$ 576,295	\$ 2,335,899	\$ 325,738	\$ 5,987	\$ 338,999	\$ 11,889,746	\$ -

(continued)

POLK COUNTY, IOWA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2021

	Special Revenue			Conservation Water & Land Improvement
	Migration Bank - Conservation	Tax Increment Financing	Total Special Revenues	
REVENUES:				
Property taxes	\$ -	\$ -	\$ 10,597,299	\$ -
Other County taxes	-	29,394	653,449	-
Intergovernmental	-	-	9,833,908	607,983
Licenses and permits	-	-	186,108	-
Charges for services	-	-	1,012,465	17,247
Use of money and property	-	-	5,232	2,462
Miscellaneous	12,920	-	169,438	132,164
TOTAL REVENUES	12,920	29,394	22,457,899	759,856
EXPENDITURES:				
Current:				
Public safety and legal services	-	-	1,589,353	-
County environment and education	-	29,394	1,393,875	-
Roads and transportation	-	-	11,980,219	-
Government services to residents	-	-	125,696	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital projects:				
Roadway construction	-	-	5,503,688	-
Conservation land acquisition and development	-	-	2,671	2,843,155
Other capital projects	-	-	-	-
TOTAL EXPENDITURES	-	29,394	20,595,502	2,843,155
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	12,920	-	1,862,397	(2,083,299)
OTHER FINANCING SOURCES (USES):				
Transfers in			7,496,087	-
Transfers out			(7,051,058)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	445,029	-
NET CHANGE IN FUND BALANCES	12,920	-	2,307,426	(2,083,299)
FUND BALANCE, BEGINNING	-	-	17,365,174	6,703,502
FUND BALANCE, ENDING	\$ 12,920	\$ -	\$ 19,672,600	\$ 4,620,203

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	
\$ -	\$ -	\$ -	\$ -	\$ 19,153,158	\$ 19,153,158	\$ 29,750,457
-	-	-	-	440,040	440,040	1,093,489
-	145,958	753,941	-	1,342,662	1,342,662	11,930,511
-	-	-	-	-	-	186,108
-	-	17,247	-	-	-	1,029,712
724	-	3,186	-	3,558,218	3,558,218	3,566,636
-	43,916	176,080	-	-	-	345,518
724	189,874	950,454	-	24,494,078	24,494,078	47,902,431
-	-	-	-	-	-	1,589,353
-	-	-	-	-	-	1,393,875
-	-	-	-	-	-	11,980,219
-	-	-	-	-	-	125,696
-	-	-	-	17,345,000	17,345,000	17,345,000
-	-	-	-	6,326,279	6,326,279	6,326,279
-	-	-	-	-	-	5,503,688
-	-	2,843,155	-	-	-	2,845,826
10,623,819	21,549,733	32,173,552	-	-	-	32,173,552
10,623,819	21,549,733	35,016,707	-	23,671,279	23,671,279	79,283,488
(10,623,095)	(21,359,859)	(34,066,253)	-	822,799	822,799	(31,381,057)
-	18,984,924	18,984,924	-	-	-	26,481,011
-	-	-	-	-	-	(7,051,058)
-	18,984,924	18,984,924	-	-	-	19,429,953
(10,623,095)	(2,374,935)	(15,081,329)	-	822,799	822,799	(11,951,104)
17,465,224	1,324,417	25,493,143	1,247	370,404	371,651	43,229,968
\$ 6,842,129	\$ (1,050,518)	\$ 10,411,814	\$ 1,247	\$ 1,193,203	\$ 1,194,450	\$ 31,278,864

(concluded)

(This page was left blank intentionally)

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 program relating to online property tax and vehicle tag payments.

POLK COUNTY, IOWA

**Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2021**

	Air Quality	Conservation Enterprises	Hamilton Urban Drainage District	Urban Sewer
ASSETS				
Current assets:				
Cash and pooled investments	\$ 426,526	\$ 113,372	\$ 260,352	\$ 1,165,188
Receivables (net):				
Accounts	-	146,552	-	-
Notes	-	-	-	133,351
Due from other governments	190,524	-	-	-
Total current assets	<u>617,050</u>	<u>259,924</u>	<u>260,352</u>	<u>1,298,539</u>
Noncurrent assets:				
Special assessments	-	-	6,849	-
Notes	-	-	-	3,444,556
Capital assets not being depreciated	-	76,593	3,818,522	-
Capital assets being depreciated, net	225,349	4,477,187	7,145,666	-
Total noncurrent assets	<u>225,349</u>	<u>4,553,780</u>	<u>10,971,037</u>	<u>3,444,556</u>
TOTAL ASSETS	<u>842,399</u>	<u>4,813,704</u>	<u>11,231,389</u>	<u>4,743,095</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>296,540</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	-	37,500	11,352	-
Wages payable	23,723	-	-	-
Payroll taxes payable	3,993	-	-	-
Interest payable	-	-	-	6,396
General obligation bonds payable	-	-	-	358,534
Advances from other funds	-	269,649	-	-
Compensated absences payable	11,460	-	-	-
Total current liabilities	<u>39,176</u>	<u>307,149</u>	<u>11,352</u>	<u>364,930</u>
Noncurrent liabilities:				
General obligation bonds payable	-	-	-	1,494,135
Advances from other funds	-	2,765,464	-	-
Compensated absences payable	215,143	-	-	-
Net pension liability	893,701	-	-	-
Total noncurrent liabilities	<u>1,108,844</u>	<u>2,765,464</u>	<u>-</u>	<u>1,494,135</u>
TOTAL LIABILITIES	<u>1,148,020</u>	<u>3,072,613</u>	<u>11,352</u>	<u>1,859,065</u>
DEFERRED INFLOWS OF RESOURCES	<u>58,882</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	225,349	4,553,780	10,964,188	-
Unrestricted (deficit)	(293,312)	(2,812,689)	255,849	2,884,030
TOTAL NET POSITION	<u>\$ (67,963)</u>	<u>\$ 1,741,091</u>	<u>\$ 11,220,037</u>	<u>\$ 2,884,030</u>

Iowa Tax & Tags	Total Nonmajor Enterprise Funds
\$ 430,182	\$ 2,395,620
-	146,552
-	133,351
-	190,524
<u>430,182</u>	<u>2,866,047</u>
-	6,849
-	3,444,556
-	3,895,115
-	11,848,202
-	19,194,722
<u>430,182</u>	<u>22,060,769</u>
<u>107,073</u>	<u>403,613</u>
-	48,852
11,379	35,102
1,880	5,873
-	6,396
-	358,534
-	269,649
2,460	13,920
<u>15,719</u>	<u>738,326</u>
-	1,494,135
-	2,765,464
46,178	261,321
297,433	1,191,134
<u>343,611</u>	<u>5,712,054</u>
<u>359,330</u>	<u>6,450,380</u>
<u>12,932</u>	<u>71,814</u>
-	15,743,317
<u>164,993</u>	<u>198,871</u>
<u>\$ 164,993</u>	<u>\$ 15,942,188</u>

POLK COUNTY, IOWA

**Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2021**

	Air Quality	Conservation Enterprises	Hamilton Urban Drainage District	Urban Sewer
OPERATING REVENUES:				
Charges for goods and services:				
Charges for services	\$ 431,545	\$ -	\$ 113,071	\$ -
Intergovernmental revenues	839,664	-	-	-
Commissions income	-	348,871	-	-
Miscellaneous	18,517	7,807	5,438	-
Total operating revenues	<u>1,289,726</u>	<u>356,678</u>	<u>118,509</u>	<u>-</u>
OPERATING EXPENSES:				
Cost of goods and services:				
Personal services	985,283	-	9,760	-
Supplies	49,288	20,565	-	-
Professional services	-	49,426	18,439	-
Other services/charges	69,003	49,626	28,712	-
Miscellaneous	-	-	4,399	-
Amortization of discount (premium)	-	-	-	(48,534)
Depreciation	89,535	202,926	365,301	-
Total operating expenses	<u>1,193,109</u>	<u>322,543</u>	<u>426,611</u>	<u>(48,534)</u>
OPERATING INCOME (LOSS)	<u>96,617</u>	<u>34,135</u>	<u>(308,102)</u>	<u>48,534</u>
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	1,218	1,583	453	4,595
Interest expense	-	(32,773)	-	(94,078)
Total nonoperating revenues (expenses)	<u>1,218</u>	<u>(31,190)</u>	<u>453</u>	<u>(89,483)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>97,835</u>	<u>2,945</u>	<u>(307,649)</u>	<u>(40,949)</u>
TRANSFERS:				
Transfers out	-	(223,001)	-	-
Total transfers	<u>-</u>	<u>(223,001)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u>97,835</u>	<u>(220,056)</u>	<u>(307,649)</u>	<u>(40,949)</u>
TOTAL NET POSITION - BEGINNING	<u>(165,798)</u>	<u>1,961,147</u>	<u>11,527,686</u>	<u>2,924,979</u>
TOTAL NET POSITION - ENDING	<u>\$ (67,963)</u>	<u>\$ 1,741,091</u>	<u>\$ 11,220,037</u>	<u>\$ 2,884,030</u>

Iowa Tax & Tags	Total Nonmajor Enterprise Funds
------------------------------------	----------------------------------------------------

\$ 282,030	\$ 826,646
-	839,664
-	348,871
-	31,762
<u>282,030</u>	<u>2,046,943</u>

520,486	1,515,529
292	70,145
-	67,865
60,820	208,161
-	4,399
-	(48,534)
-	657,762
<u>581,598</u>	<u>2,475,327</u>

(299,568)	(428,384)
-----------	-----------

8,691	16,540
-	(126,851)
<u>8,691</u>	<u>(110,311)</u>

(290,877)	(538,695)
-----------	-----------

-	(223,001)
---	-----------

-	(223,001)
---	-----------

(290,877)	(761,696)
-----------	-----------

455,870	16,703,884
---------	------------

<u>\$ 164,993</u>	<u>\$ 15,942,188</u>
-------------------	----------------------

POLK COUNTY, IOWA

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2021**

	Air Quality	Conservation Enterprises	Hamilton Urban Drainage District
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 450,062	\$ 350,819	\$ 117,470
Cash received from operating grants	1,057,338	-	-
Cash paid to suppliers for goods and services	(118,291)	(110,314)	(51,548)
Cash paid to employees	(1,040,315)	-	(9,760)
Net cash flows from operating activities	<u>348,794</u>	<u>240,505</u>	<u>56,162</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Repayment on advance from other funds	-	(242,227)	-
Transfers out	-	(223,001)	-
Net cash flows from noncapital financing activities	<u>-</u>	<u>(465,228)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal paid on long-term debt	-	-	-
Interest paid on long-term debt	-	(32,773)	-
Capital grants received	-	-	199,682
Purchase of capital assets	(49,205)	-	-
Repayments on capital note receivable	-	-	-
Net cash flows from capital and related financing activities	<u>(49,205)</u>	<u>(32,773)</u>	<u>199,682</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	1,218	1,583	453
Net cash flows from investing activities	<u>1,218</u>	<u>1,583</u>	<u>453</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	300,807	(255,913)	256,297
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	125,719	369,285	4,055
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 426,526</u>	<u>\$ 113,372</u>	<u>\$ 260,352</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (loss)	\$ 96,617	\$ 34,135	\$ (308,102)
Components of operating income (loss) not included in operating activities			
Depreciation	89,535	202,926	365,301
Amortization	-	-	-
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
(Increase) decrease in special assessments receivable	-	-	(1,039)
(Increase) decrease in accounts receivable	-	(5,859)	-
(Increase) decrease in due from other governments	217,674	-	-
(Increase) decrease in deferred outflows of resources	(25,574)	-	-
Increase (decrease) in accounts payable	-	9,303	2
Increase (decrease) in wages payable	2,215	-	-
Increase (decrease) in payroll taxes payable	380	-	-
Increase (decrease) in compensated absences payable	(104,925)	-	-
Increase (decrease) in net pension liability	206,263	-	-
Increase (decrease) in deferred inflows of resources	(133,391)	-	-
Net cash flows from operating activities	<u>\$ 348,794</u>	<u>\$ 240,505</u>	<u>\$ 56,162</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Disposal of fully depreciated capital assets	\$ (84,275)	\$ -	\$ -

Urban Sewer	Iowa Tax & Tags	Total Nonmajor Enterprise Funds
\$ -	\$ 282,030	\$ 1,200,381
-	-	1,057,338
-	(61,112)	(341,265)
-	(484,644)	(1,534,719)
-	(263,726)	381,735
-	-	(242,227)
-	-	(223,001)
-	-	(465,228)
(295,000)	-	(295,000)
(95,250)	-	(128,023)
-	-	199,682
-	-	(49,205)
205,962	-	205,962
(184,288)	-	(66,584)
4,595	8,691	16,540
4,595	8,691	16,540
(179,693)	(255,035)	(133,537)
1,344,881	685,217	2,529,157
\$ 1,165,188	\$ 430,182	\$ 2,395,620
\$ 48,534	\$ (299,568)	\$ (428,384)
-	-	657,762
(48,534)	-	(48,534)
-	-	(1,039)
-	-	(5,859)
-	-	217,674
-	(12,197)	(37,771)
-	-	9,305
-	1,928	4,143
-	325	705
-	11,032	(93,893)
-	98,371	304,634
-	(63,617)	(197,008)
\$ -	\$ (263,726)	\$ 381,735
\$ -	\$ -	\$ (84,275)

(This page was left blank intentionally)

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, 2021**

	Employee Insurance	Risk Management	Total
ASSETS:			
Current assets:			
Cash and pooled investments	\$ 14,843,514	\$ 5,000,000	\$ 19,843,514
Accounts receivables	695,343	-	695,343
Prepaid items	12,487	-	12,487
TOTAL ASSETS	15,551,344	5,000,000	20,551,344
LIABILITIES:			
Current liabilities:			
Accounts payable	243,475	-	243,475
Payroll taxes payable	161,660	-	161,660
Estimated liability for claims and judgments	2,543,800	-	2,543,800
Total current liabilities	2,948,935	-	2,948,935
TOTAL LIABILITIES	2,948,935	-	2,948,935
NET POSITION			
Unrestricted	12,602,409	5,000,000	17,602,409
TOTAL NET POSITION	\$ 12,602,409	\$ 5,000,000	\$ 17,602,409

POLK COUNTY, IOWA

**Combining Statement of Revenues, Expenses, and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2021**

	Employee Insurance	Risk Management	Total
OPERATING REVENUES:			
Charges for services	\$ 23,775,470	\$ -	\$ 23,775,470
Total operating revenues	<u>23,775,470</u>	<u>-</u>	<u>23,775,470</u>
OPERATING EXPENSES:			
Other services/charges	29,820	-	29,820
Insurance	22,944,023	-	22,944,023
Total operating expenses	<u>22,973,843</u>	<u>-</u>	<u>22,973,843</u>
OPERATING INCOME (LOSS)	<u>801,627</u>	<u>-</u>	<u>801,627</u>
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	45,491	-	45,491
Total nonoperating revenues (expenses)	<u>45,491</u>	<u>-</u>	<u>45,491</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>847,118</u>	<u>-</u>	<u>847,118</u>
TRANSFERS:			
Transfers in	-	5,071,945	5,071,945
Transfers out	(20,000)	(5,071,945)	(5,091,945)
Total transfers	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
CHANGE IN NET POSITION	<u>827,118</u>	<u>-</u>	<u>827,118</u>
NET POSITION, BEGINNING	<u>11,775,291</u>	<u>5,000,000</u>	<u>16,775,291</u>
NET POSITION, ENDING	<u>\$ 12,602,409</u>	<u>\$ 5,000,000</u>	<u>\$ 17,602,409</u>

POLK COUNTY, IOWA

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2021**

	Employee Insurance	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from internal customers - other funds	\$ 23,713,138	\$ -	\$ 23,713,138
Cash paid to suppliers for goods and services	(22,563,858)	-	(22,563,858)
Cash paid to employees	161,660	-	161,660
Net cash flows from operating activities	<u>1,310,940</u>	<u>-</u>	<u>1,310,940</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	-	5,071,945	5,071,945
Transfers out	(20,000)	(5,071,945)	(5,091,945)
Net cash flows from noncapital financing activities	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	45,491	-	45,491
Net cash flows from investing activities	<u>45,491</u>	<u>-</u>	<u>45,491</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,336,431	-	1,336,431
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,507,083	5,000,000	18,507,083
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 14,843,514</u>	<u>\$ 5,000,000</u>	<u>\$ 19,843,514</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (loss)	\$ 801,627	\$ -	\$ 801,627
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
(Increase) decrease in accounts receivable	(62,332)	-	(62,332)
(Increase) decrease in prepaid items	(5,071)	-	(5,071)
Increase (decrease) in accounts payable	45,856	-	45,856
Increase (decrease) in payroll taxes payable	161,660	-	161,660
Increase (decrease) in estimated liability for claims and judgments	369,200	-	369,200
Net cash flows from operating activities	<u>\$ 1,310,940</u>	<u>\$ -</u>	<u>\$ 1,310,940</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, 2021**

	Trust & Agency Treasurer	Trust & Agency Trust Funds Held	County Assessor Expense	911 Service
ASSETS:				
Cash and pooled investments	\$ 24,638,239	\$ 130,952	\$ 3,321,503	\$ 3,894,772
Receivables (net):				
Taxes	4,227,350	-	27,676	-
Succeeding year property taxes	949,531,287	-	5,043,465	-
Special assessments	7,766,323	46,439	-	-
Accounts	-	-	-	299,764
Due from other governments	-	-	-	484,304
TOTAL ASSETS	986,163,199	177,391	8,392,644	4,678,840
LIABILITIES:				
Accounts payable	-	-	38,650	279,994
Wages payable	-	-	99,617	-
Payroll taxes payable	-	-	16,707	-
Due to other governments	36,631,912	132,129	-	-
Trusts payable	-	45,262	-	-
Compensated absences payable	-	-	1,192,136	-
Termination benefits payable	-	-	226,756	-
Total OPEB liability	-	-	387,000	-
TOTAL LIABILITIES	36,631,912	177,391	1,960,866	279,994
DEFERRED INFLOWS OF RESOURCES	949,531,287	-	5,043,465	-
NET POSITION				
Restricted for individuals, organizations, and other governments	\$ -	\$ -	\$ 1,388,313	\$ 4,398,846

Emergency Management	Seized Funds Unforfeited	Mine Task Force	Iowa Workforce Development	Total Custodial Funds
\$ 432,428	\$ 475,905	\$ 570,913	\$ 90,840	\$ 33,555,552
-	-	-	-	4,255,026
-	-	-	-	954,574,752
-	-	-	-	7,812,762
1,221	15,616	-	-	316,601
21,000	-	-	133,684	638,988
454,649	491,521	570,913	224,524	1,001,153,681
243,009	-	137,500	224,524	923,677
15,594	-	-	-	115,211
2,625	-	-	-	19,332
-	491,521	433,413	-	37,688,975
-	-	-	-	45,262
94,482	-	-	-	1,286,618
-	-	-	-	226,756
-	-	-	-	387,000
355,710	491,521	570,913	224,524	40,692,831
-	-	-	-	954,574,752
\$ 98,939	\$ -	\$ -	\$ -	\$ 5,886,098

POLK COUNTY, IOWA

**Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds
June 30, 2021**

	Trust & Agency Treasurer	Trust & Agency Trust Funds Held	County Assessor Expense	911 Service
ADDITIONS:				
Property and other county tax	\$ 938,045,854	\$ -	\$ 6,249,955	\$ -
State tax credits	65,095,974	-	451,358	-
Registration fee to Department of Transportation	103,493,545	-	-	-
Use tax to Department of Revenue	72,740,409	-	-	-
Special assessments	1,537,062	42,334	-	-
911 surcharge	-	-	-	3,176,785
Intergovernmental revenues	-	-	-	50,850
Charges for services	-	-	2,546	-
Fines and forfeitures	-	-	-	-
Interest income	-	4,586	-	14,451
Miscellaneous	-	-	62	-
TOTAL ADDITIONS	1,180,912,844	46,920	6,703,921	3,242,086
DEDUCTIONS:				
Agency remittances:				
Treasurer disbursement to other governments	1,180,912,844	14,838	-	-
Trusts paid out	-	32,082	-	-
Personal services	-	-	4,723,279	-
Supplies	-	-	43,281	-
Professional services	-	-	980,457	-
Other services/charges	-	-	841,279	3,869,962
Capital outlay	-	-	39,538	-
TOTAL DEDUCTIONS	1,180,912,844	46,920	6,627,834	3,869,962
CHANGES IN NET POSITION	-	-	76,087	(627,876)
TOTAL NET POSITION - BEGINNING, AS RESTATED	-	-	1,312,226	5,026,722
TOTAL NET POSITION - ENDING	\$ -	\$ -	\$ 1,388,313	\$ 4,398,846

Emergency Management	Seized Funds Unforfeited	Mine Task Force	Iowa Workforce Development	Total Custodial Funds
\$ -	\$ -	\$ -	\$ -	\$ 944,295,809
-	-	-	-	65,547,332
-	-	-	-	103,493,545
-	-	-	-	72,740,409
-	-	-	-	1,579,396
-	-	-	-	3,176,785
1,020,832	-	-	567,948	1,639,630
11,565	-	-	-	14,111
-	331,670	171,341	-	503,011
-	-	2,334	-	21,371
80	-	-	-	142
<u>1,032,477</u>	<u>331,670</u>	<u>173,675</u>	<u>567,948</u>	<u>1,193,011,541</u>
-	-	-	-	1,180,927,682
-	-	-	-	32,082
623,818	-	-	-	5,347,097
13,459	-	9,050	-	65,790
-	-	-	-	980,457
240,735	331,670	123,132	567,948	5,974,726
-	-	41,493	-	81,031
<u>878,012</u>	<u>331,670</u>	<u>173,675</u>	<u>567,948</u>	<u>1,193,408,865</u>
154,465	-	-	-	(397,324)
(55,526)	-	-	-	6,283,422
<u>\$ 98,939</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,886,098</u>

(This page was left blank intentionally)

POLK COUNTY, IOWA

Statement of Net Position

Component Units

June 30, 2021

	PCHS	IEC Hotel Corp	Total
ASSETS			
Cash and pooled investments	\$ 5,811,018	\$ 714,039	\$ 6,525,057
Receivables (net)	169,495	479,956	649,451
Inventories	-	27,898	27,898
Prepaid items	38,730	171,852	210,582
Restricted assets - cash and pooled investments	-	7,055,914	7,055,914
Capital assets not being depreciated	1,338,040	-	1,338,040
Capital assets being depreciated, net	3,457,508	93,977,657	97,435,165
TOTAL ASSETS	10,814,791	102,427,316	113,242,107
LIABILITIES			
Accounts payable and other current liabilities	467,858	1,236,852	1,704,710
Due to primary government	118,799	4,327,163	4,445,962
Interest payable	-	1,418,573	1,418,573
Unearned revenues	104,234	402,387	506,621
Due within one year:			
Compensated absences payable	83,463	-	83,463
Certificate of participation	-	1,213,199	1,213,199
Due in more than one year:			
Notes payable	-	1,192,955	1,192,955
Compensated absences payable	27,688	-	27,688
Certificate of participation	-	58,358,494	58,358,494
Certificate of participation - due to primary government	-	27,750,000	27,750,000
Derivative instruments - interest rate swaps	-	4,827,903	4,827,903
Due to manager - Hilton Management, LLC	-	2,450,000	2,450,000
TOTAL LIABILITIES	802,042	103,177,526	103,979,568
NET POSITION			
Net investment in capital assets	4,795,548	6,655,964	11,451,512
Restricted for:			
PCHS/Foundation	2,256,889	-	2,256,889
IEC Hotel Corp	-	495,000	495,000
Unrestricted (deficit)	2,960,312	(7,901,174)	(4,940,862)
TOTAL NET POSITION	\$ 10,012,749	\$ (750,210)	\$ 9,262,539

POLK COUNTY, IOWA

Statement of Activities
Component Units

For the Year Ended June 30, 2021

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	IEC Hotel Corp	PCHS	Total	
		Total	Total	Total				
PCHS								
General government and administration	\$ 1,524,909	\$ -	\$ 1,955,737	\$ -	\$ -	\$ 430,828	\$ -	\$ 430,828
Group home services	784,419	858,780	-	1,341,545	-	1,415,906	-	1,415,906
Decategorization and other grant program services	524,054	-	564,775	-	-	40,721	-	40,721
Lead agencies services	553,919	519,754	-	-	-	(34,165)	-	(34,165)
Total PCHS	3,387,301	1,378,534	2,520,512	1,341,545	-	1,853,290	-	1,853,290
IEC Hotel Corp								
Rooms	1,569,797	4,660,901	-	-	-	-	3,091,104	3,091,104
Food and beverage	1,534,542	1,189,391	-	-	-	-	(345,151)	(345,151)
Other departments	678,244	413,979	-	-	-	-	(264,265)	(264,265)
Administrative and general	15,438,564	167,916	790,095	755,000	-	-	(13,725,553)	(13,725,553)
Total IEC Hotel Corp	19,221,147	6,432,187	790,095	755,000	-	1,853,290	(11,243,865)	(11,243,865)
Total component units	\$ 22,608,448	\$ 7,810,721	\$ 3,310,607	\$ 2,096,545	\$ -	1,853,290	(11,243,865)	(9,390,575)
General revenues:								
Interest income						55,291	20,720	76,011
Miscellaneous						205,022	-	205,022
Total general revenues						260,313	20,720	281,033
Change in net position						2,113,603	(11,223,145)	(9,109,542)
Net position - beginning						7,899,146	10,472,935	18,372,081
Net position - ending						\$ 10,012,749	\$ (750,210)	\$ 9,262,539

STATISTICAL SECTION

The statistical section of the County's comprehensive annual 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 comprehensive annual report for the relevant year.

POLK COUNTY, IOWA

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

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities:				
Net investment in capital assets	\$ 72,748,920	\$ 75,133,663	\$ 75,766,185	\$ 79,649,467
Restricted	3,281,414	5,923,114	20,238,049	13,961,534
Unrestricted	17,192,311	22,900,184	18,315,610	(11,863,296)
Total governmental activities net position	\$ 93,222,645	\$ 103,956,961	\$ 114,319,844	\$ 81,747,705
Business-type activities:				
Net investment in capital assets	\$ 237,474,012	\$ 228,985,935	\$ 227,164,549	\$ 227,920,658
Restricted	769,038	362,825	398,723	683,568
Unrestricted	24,470,612	27,365,867	23,792,875	23,032,612
Total business-type activities net position	\$ 262,713,662	\$ 256,714,627	\$ 251,356,147	\$ 251,636,838
Primary government:				
Net investment in capital assets	\$ 310,222,932	\$ 304,119,598	\$ 302,930,734	\$ 307,570,125
Restricted	4,050,452	6,285,939	20,636,772	14,645,102
Unrestricted	41,662,923	50,266,051	42,108,485	11,169,316
Total primary government net position	\$ 355,936,307	\$ 360,671,588	\$ 365,675,991	\$ 333,384,543

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.

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 95,782,354	\$ 112,687,170	\$ 126,040,376	\$ 141,619,244	\$ 153,716,269	\$ 178,840,583	
6,856,842	6,845,261	5,186,531	8,649,668	7,881,994	16,158,117	
(6,663,345)	6,624,617	19,475,079	31,904,684	50,714,327	48,954,091	
<u>\$ 95,975,851</u>	<u>\$ 126,157,048</u>	<u>\$ 150,701,986</u>	<u>\$ 182,173,596</u>	<u>\$ 212,312,590</u>	<u>\$ 243,952,791</u>	
\$ 210,891,115	\$ 195,501,228	\$ 187,999,398	\$ 261,586,814	\$ 255,720,433	\$ 250,962,456	
892,818	862,445	895,917	619,985	637,860	373,389	
29,905,022	40,943,677	45,181,140	48,925,819	46,018,192	51,048,987	
<u>\$ 241,688,955</u>	<u>\$ 237,307,350</u>	<u>\$ 234,076,455</u>	<u>\$ 311,132,618</u>	<u>\$ 302,376,485</u>	<u>\$ 302,384,832</u>	
\$ 306,673,469	\$ 308,188,398	\$ 314,039,774	\$ 403,206,058	\$ 409,436,702	\$ 429,803,039	
7,749,660	7,707,706	6,082,448	9,269,653	8,519,854	16,531,506	
23,241,677	47,568,294	64,656,219	80,830,503	96,732,519	100,003,078	
<u>\$ 337,664,806</u>	<u>\$ 363,464,398</u>	<u>\$ 384,778,441</u>	<u>\$ 493,306,214</u>	<u>\$ 514,689,075</u>	<u>\$ 546,337,623</u>	

POLK COUNTY, IOWA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
Expenses:				
Governmental activities:				
Public safety and legal services	\$ 67,744,452	\$ 68,677,335	\$ 71,564,875	\$ 69,683,428
Physical health and social services	37,511,827	34,703,552	35,070,940	35,364,307
Mental health	59,804,417	22,325,002	24,158,157	28,533,670
County environment and education	13,238,065	12,768,084	13,923,732	13,510,577
Roads and transportation	18,363,729	18,338,223	19,312,228	18,860,843
Governmental services to residents	7,242,640	7,077,482	7,129,232	7,344,942
Administration	33,049,043	28,625,011	28,335,206	32,774,134
Interest on long-term debt	4,169,828	5,313,966	5,846,733	3,882,745
Total governmental activities expenses	241,124,001	197,828,655	205,341,103	209,954,646
Business-type activities:				
Air Quality	1,173,421	1,218,911	1,154,638	1,219,921
Sanitary Sewer	948,773	788,708	726,280	1,365,289
Prairie Meadows Racetrack/Casino	10,402,872	11,052,660	10,167,216	11,602,938
Conservation Enterprises	41,911	47,968	40,327	170,279
Hamilton Urban Drainage District	684,977	263,778	270,242	294,484
Iowa Events Center	22,844,444	24,891,371	24,405,542	25,689,294
Urban Sewer	196,872	277,454	313,883	94,523
Community Based Case Management	-	-	-	-
Iowa Tax & Tags	60,282	211,165	295,583	350,977
Total business-type activities expenses	36,293,270	38,752,015	37,373,711	40,787,705
Total government expenses	\$ 277,417,271	\$ 236,580,670	\$ 242,714,814	\$ 250,742,351
Program revenues:				
Governmental activities:				
Charges for services:				
Public safety and legal services	\$ 13,041,721	\$ 14,325,269	\$ 13,781,722	\$ 13,176,295
Physical health and social services	1,418,367	1,236,642	1,042,590	1,036,902
Mental health	9,390,080	10,376,168	6,890,136	7,029,275
County environment and education	1,865,141	1,809,500	1,834,621	1,879,130
Roads and transportation	470,974	420,451	483,746	941,450
Governmental services to residents	6,900,219	7,488,249	7,285,121	7,273,173
Administration	1,598,869	1,900,040	1,932,024	1,794,169
Interest on long-term debt	14,487	54,200	49,843	51,062
Operating grants and contributions	55,514,496	23,227,618	29,067,248	26,488,420
Capital grants and contributions	700,644	1,902,755	262,332	2,919,497
Total governmental activities program revenues	90,914,998	62,740,892	62,629,383	62,589,373
Business-type activities:				
Charges for services:				
Air Quality	270,256	294,919	348,214	346,417
Sanitary Sewer	884,718	868,268	826,236	966,901
Prairie Meadows Racetrack/Casino	26,393,924	26,000,000	26,000,000	26,000,000
Conservation Enterprises	209,111	194,267	198,941	195,157
Hamilton Urban Drainage District	120,850	141,121	120,206	144,566
Iowa Events Center	12,542,142	10,990,697	12,459,738	15,072,784
Iowa Tax & Tags	7,502	337,895	367,059	386,463
Operating grants and contributions	1,304,873	963,837	1,465,466	5,505,719
Capital grants and contributions	723,977	128,250	128,250	128,250
Total business-type activities program revenues	42,457,353	39,919,254	41,914,110	48,746,257
Total government program revenues	\$ 133,372,351	\$ 102,660,146	\$ 104,543,493	\$ 111,335,630

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 72,778,579	\$ 73,081,038	\$ 78,520,169	\$ 83,348,793	\$ 90,042,251	\$ 98,320,747	
37,352,964	38,587,870	40,425,914	42,640,579	42,236,354	43,090,352	
25,906,010	20,756,146	21,978,560	24,067,294	23,791,649	26,413,988	
14,719,318	15,252,013	16,879,257	18,610,621	21,273,906	22,687,489	
21,057,936	17,130,748	19,694,797	18,066,871	20,012,591	20,399,665	
7,974,904	8,053,559	8,411,110	8,489,741	9,753,363	10,604,040	
32,949,752	37,599,287	38,473,412	44,075,188	38,746,860	60,486,836	
5,286,682	5,192,766	5,760,430	5,053,602	7,631,720	6,165,281	
218,026,145	215,653,427	230,143,649	244,352,689	253,488,694	288,168,398	
1,180,789	1,275,213	1,345,230	1,222,773	1,516,296	1,193,109	
6,450,974	1,609,984	1,772,545	1,712,523	2,470,020	1,663,793	
10,602,938	10,602,938	10,602,938	12,154,762	15,679,920	13,706,637	
191,492	98,970	488,317	460,606	446,968	355,316	
400,587	598,185	496,291	481,026	696,238	426,611	
29,382,506	27,350,775	27,469,180	28,041,271	25,818,408	17,238,103	
88,586	68,475	85,705	72,663	59,374	45,544	
1,592,258	6,759,608	3,994,485	-	-	-	
349,629	389,877	453,119	464,909	537,065	581,598	
50,239,759	48,754,025	46,707,810	44,610,533	47,224,289	35,210,711	
\$ 268,265,904	\$ 264,407,452	\$ 276,851,459	\$ 288,963,222	\$ 300,712,983	\$ 323,379,109	
\$ 14,045,975	\$ 16,245,042	\$ 18,787,052	\$ 20,313,908	\$ 21,157,832	\$ 21,615,174	
1,078,182	1,272,939	1,216,522	1,427,520	1,277,481	990,085	
4,113,979	2,249,219	5,957,472	5,692,061	5,470,234	5,042,859	
2,057,031	2,299,210	2,148,206	2,009,876	2,674,304	2,830,595	
552,046	566,585	630,431	796,889	820,541	816,196	
8,058,455	8,381,909	8,636,445	8,488,177	9,399,389	10,541,549	
1,748,225	1,678,242	2,527,924	1,746,943	1,784,795	2,414,003	
49,385	38,474	53,444	54,503	55,509	37	
21,941,825	22,040,570	21,811,485	21,242,714	21,302,676	50,357,676	
6,129,377	10,987,863	9,969,031	12,493,459	8,072,602	4,758,778	
59,774,480	65,760,053	71,738,012	74,266,050	72,015,363	99,366,952	
367,062	376,783	380,689	392,685	409,362	431,545	
787,032	1,051,006	984,610	1,252,629	995,879	1,172,263	
24,729,652	24,947,712	25,334,064	26,077,019	26,314,372	23,385,086	
203,609	196,126	205,482	287,451	287,731	348,871	
125,580	115,451	118,447	118,114	113,905	113,071	
16,167,111	15,192,487	15,581,819	17,133,251	12,949,284	5,621,085	
414,508	440,354	468,029	248,045	259,920	282,030	
2,592,193	8,076,897	5,108,887	1,000,639	869,298	839,664	
1,644,344	498,250	928,250	77,719,463	231,682	32,000	
47,031,091	50,895,066	49,110,277	124,229,296	42,431,433	32,225,615	
\$ 106,805,571	\$ 116,655,119	\$ 120,848,289	\$ 198,495,346	\$ 114,446,796	\$ 131,592,567	

(continued)

POLK COUNTY, IOWA

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

	Fiscal Year			
	2012	2013	2014	2015
Net (expense)/revenue:				
Governmental activities	\$ (150,209,003)	\$ (135,087,763)	\$ (142,711,720)	\$ (147,365,273)
Business-type activities	6,103,801	1,167,239	4,540,399	7,958,552
Total government net expense	\$ (144,105,202)	\$ (133,920,524)	\$ (138,171,321)	\$ (139,406,721)
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes	\$ 128,391,593	\$ 126,597,379	\$ 131,914,045	\$ 136,363,181
Other county taxes	5,590,186	5,471,136	5,476,275	5,705,541
Interest on property taxes	1,326,266	1,264,536	1,381,536	1,412,664
State replacements	2,507,895	3,042,129	3,860,426	8,034,434
Use of money and property	227,504	379,474	255,759	309,077
Miscellaneous	490,821	1,261,848	2,068,364	1,734,376
Gain on sale of capital assets	-	-	-	-
Capital transfers	-	425,367	-	-
Transfers	6,793,923	7,380,210	9,761,697	7,429,240
Total governmental activities	145,328,188	145,822,079	154,718,102	160,988,513
Business-type activities:				
Use of money and property	49,145	178,934	54,995	74,169
Miscellaneous	382,562	460,369	860,639	572,344
Capital transfers - Loss on transfer of capital assets	-	(425,367)	-	-
Transfers	(6,793,923)	(7,380,210)	(9,761,697)	(7,429,240)
Total business-type activities	(6,362,216)	(7,166,274)	(8,846,063)	(6,782,727)
Total government	\$ 138,965,972	\$ 138,655,805	\$ 145,872,039	\$ 154,205,786
Change in net position:				
Governmental activities	\$ (4,880,815)	\$ 10,734,316	\$ 12,006,382	\$ 13,623,240
Business-type activities	(258,415)	(5,999,035)	(4,305,664)	1,175,825
Total primary government	\$ (5,139,230)	\$ 4,735,281	\$ 7,700,718	\$ 14,799,065

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ (158,251,665)	\$ (149,893,374)	\$ (158,405,637)	\$ (170,086,639)	\$ (181,473,331)	\$ (188,801,446)
(3,208,668)	2,141,041	2,402,467	79,618,763	(4,792,856)	(2,985,096)
\$ (161,460,333)	\$ (147,752,333)	\$ (156,003,170)	\$ (90,467,876)	\$ (186,266,187)	\$ (191,786,542)

\$ 140,709,005	\$ 149,208,819	\$ 154,947,225	\$ 170,244,856	\$ 178,520,086	\$ 192,812,266
5,735,911	5,768,801	5,726,777	5,831,727	6,177,617	6,268,316
1,174,445	1,199,698	1,131,465	1,258,286	638,379	2,173,963
12,873,398	13,342,460	13,456,415	13,744,982	13,859,458	14,056,107
709,823	1,233,182	3,231,716	4,597,174	3,957,120	1,719,432
3,082,645	1,227,068	1,097,395	777,263	2,105,056	3,848,416
-	259,350	-	-	-	-
-	-	-	-	-	-
8,194,584	7,835,193	7,403,582	5,103,961	6,354,609	(436,853)
172,479,811	180,074,571	186,994,575	201,558,249	211,612,325	220,441,647

637,627	725,529	992,382	1,946,088	1,969,165	1,608,950
817,742	587,018	777,838	595,273	422,167	947,640
-	-	-	-	-	-
(8,194,584)	(7,835,193)	(7,403,582)	(5,103,961)	(6,354,609)	436,853
(6,739,215)	(6,522,646)	(5,633,362)	(2,562,600)	(3,963,277)	2,993,443
\$ 165,740,596	\$ 173,551,925	\$ 181,361,213	\$ 198,995,649	\$ 207,649,048	\$ 223,435,090

\$ 14,228,146	\$ 30,181,197	\$ 28,588,938	\$ 31,471,610	\$ 30,138,994	\$ 31,640,201
(9,947,883)	(4,381,605)	(3,230,895)	77,056,163	(8,756,133)	8,347
\$ 4,280,263	\$ 25,799,592	\$ 25,358,043	\$ 108,527,773	\$ 21,382,861	\$ 31,648,548

(concluded)

POLK COUNTY, IOWA

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

	Fiscal Year			
	2012	2013	2014	2015
General Fund:				
Nonspendable	\$ 1,108,645	\$ 1,431,512	\$ 1,317,221	\$ 1,199,934
Committed	3,700,119	3,753,815	3,585,015	3,265,208
Unassigned	28,872,644	35,680,321	37,877,628	43,089,740
Total General Fund	\$ 33,681,408	\$ 40,865,648	\$ 42,779,864	\$ 47,554,882
Mental Health Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	2,030,563	6,837,252	7,867,880
Unassigned	(4,132,905)	-	-	-
Total Mental Health Fund	\$ (4,132,905)	\$ 2,030,563	\$ 6,837,252	\$ 7,867,880
Justice Center Fund:				
Restricted	\$ **	\$ **	\$ **	\$ 59,277,232
Total Justice Center Fund	\$ -	\$ -	\$ -	\$ 59,277,232
Debt Service Fund:				
Restricted	\$ **	\$ 68,561,227	\$ 216,764	\$ 2,892,100
Total Debt Service Fund	\$ -	\$ 68,561,227	\$ 216,764	\$ 2,892,100
All other governmental funds:				
Nonspendable	\$ 925,036	\$ 712,871	\$ 943,020	\$ 1,202,909
Restricted	3,281,414	3,273,535	13,184,033	18,971,785
Committed	9,819,630	10,254,039	10,993,740	13,979,456
Unassigned	(3,939,663)	(4,642,695)	(2,138,711)	(1,503,644)
Total all other governmental funds	\$ 10,086,417	\$ 9,597,750	\$ 22,982,082	\$ 32,650,506

Note: Only major funds are identified on this schedule

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

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 970,787	\$ 1,057,617	\$ 1,166,044	\$ 4,646,907	\$ 4,642,422	\$ 5,049,581	
3,764,477	4,053,969	3,878,749	3,602,523	5,539,649	5,584,052	
47,725,904	48,872,607	64,151,132	73,735,438	83,543,134	94,707,468	
<u>\$ 52,461,168</u>	<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>	
\$ -	\$ -	\$ -	\$ -	\$ 754,803	\$ 580,390	
2,657,177	1,874,559	1,182,742	3,484,129	3,053,968	8,872,530	
-	-	-	-	-	-	
<u>\$ 2,657,177</u>	<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>	
\$ 47,204,845	\$ 49,375,218	\$ **	\$ **	\$ **	\$ **	
<u>\$ 47,204,845</u>	<u>\$ 49,375,218</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 986,277	\$ 1,641,237	\$ **	\$ **	\$ 370,404	\$ **	
<u>\$ 986,277</u>	<u>\$ 1,641,237</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 370,404</u>	<u>\$ -</u>	
\$ 1,304,996	\$ 1,351,278	\$ 1,271,431	\$ 1,094,583	\$ 1,241,346	\$ 1,265,589	
14,736,599	11,853,501	30,005,817	41,904,349	28,626,348	18,747,919	
11,826,022	12,353,201	13,063,392	12,874,590	13,217,277	12,478,961	
(4,459,848)	(2,707,165)	(4,721,524)	(1,611,672)	(225,407)	(1,213,605)	
<u>\$ 23,407,769</u>	<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>	

POLK COUNTY, IOWA

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

	Fiscal Year			
	2012	2013	2014	2015
Revenues:				
Property taxes	\$ 128,308,790	\$ 126,477,853	\$ 132,115,444	\$ 136,555,746
Other County taxes	5,590,186	5,471,136	5,476,275	5,705,541
Interest and penalties on delinquent taxes	1,326,266	1,264,536	1,381,536	1,412,664
Intergovernmental	77,268,575	46,892,346	48,896,738	52,671,977
Licenses and permits	861,128	943,393	913,075	1,073,810
Charges for service	12,437,290	13,685,542	13,215,481	13,753,759
Use of money and property	2,179,875	2,525,369	2,641,287	2,880,975
Miscellaneous	2,263,643	1,539,340	2,679,952	2,787,165
Total revenues	230,235,753	198,799,515	207,319,788	216,841,637
Expenditures:				
Public safety and legal services	64,519,393	64,362,370	67,550,790	67,742,641
Physical health and social services	36,865,531	33,295,027	33,590,597	33,988,406
Mental health	59,804,417	22,325,002	24,158,157	28,533,670
County environment and education	12,465,007	11,135,437	11,426,422	12,320,129
Roads and transportation	10,569,001	9,271,079	9,937,351	10,217,643
Governmental services to residents	6,960,701	7,048,801	7,066,217	7,086,477
Administration	33,214,441	28,112,537	29,091,437	31,075,332
Debt service:				
Principal	8,351,000	8,428,000	10,904,000	14,249,647
Interest and fiscal charges	4,195,012	6,093,333	6,015,812	3,718,837
Capital Projects:				
Roadway construction	5,715,542	4,834,470	5,684,678	5,650,385
Conservation land acquisition and development	1,503,474	2,679,744	10,850,138	6,895,682
Other capital projects	4,290,359	5,057,647	8,455,989	11,171,287
Total expenditures	248,453,878	202,643,447	224,731,588	232,650,136
Excess of revenues over expenditures	(18,218,125)	(3,843,932)	(17,411,800)	(15,808,499)
Other financing sources (uses):				
Transfers in	19,575,415	18,034,274	22,707,352	20,447,563
Transfers out	(12,761,492)	(10,639,985)	(12,925,655)	(12,998,323)
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
Total other financing sources (uses)	6,813,923	85,532,001	(31,183,174)	93,079,038
Net change in fund balances	\$ (11,404,202)	\$ 81,688,069	\$ (48,594,974)	\$ 77,270,539
Total expenditures	\$ 248,453,878	\$ 202,643,447	\$ 224,731,588	\$ 232,650,136
Less: capital expenditures	(7,053,056)	(6,885,814)	(18,623,440)	(17,279,105)
Total non capital expenditures	\$ 241,400,822	\$ 195,757,633	\$ 206,108,148	\$ 215,371,031
Debt service as % of noncapital expenditures	5.20%	7.42%	8.21%	8.34%

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 140,654,190	\$ 149,192,233	\$ 154,907,645	\$ 170,236,493	\$ 177,466,490	\$ 193,547,018	
5,735,911	5,768,801	5,726,777	5,831,727	6,177,617	6,268,316	
1,174,445	1,199,698	1,131,465	1,258,286	638,379	2,173,963	
48,896,981	53,391,833	54,684,871	60,047,045	55,918,397	86,279,080	
1,308,798	1,342,246	1,412,582	1,184,341	1,494,380	1,849,167	
14,232,809	15,457,944	16,532,428	17,204,963	17,357,972	18,731,765	
3,246,337	4,175,894	5,819,127	7,714,424	7,554,364	7,371,014	
3,112,327	3,565,298	3,244,957	2,341,663	2,748,881	4,522,855	
218,361,798	234,093,947	243,459,852	265,818,942	269,356,480	320,743,178	
70,630,110	71,194,297	73,982,865	79,376,445	85,122,459	88,555,413	
35,624,786	36,130,845	37,924,736	40,193,882	39,468,371	40,858,478	
25,906,010	20,756,146	21,978,560	24,067,294	23,791,649	26,413,988	
12,318,325	13,533,835	14,049,618	15,779,209	18,168,176	18,365,693	
10,207,439	13,251,960	10,458,021	12,198,866	14,047,438	12,944,865	
7,508,917	7,586,381	7,760,563	7,970,669	9,104,059	10,121,448	
32,415,833	33,015,233	34,397,839	39,245,415	37,650,125	53,174,305	
17,185,384	14,309,378	13,181,000	14,223,000	15,095,000	17,345,000	
5,320,313	5,152,889	5,689,646	5,088,006	6,350,862	6,326,279	
8,744,120	5,451,872	6,530,818	4,147,518	3,811,751	5,503,688	
5,260,650	7,807,817	12,949,544	14,754,893	5,107,993	3,234,675	
19,118,230	13,743,491	29,300,855	21,253,993	18,596,029	32,173,552	
250,240,117	241,934,144	268,204,065	278,299,190	276,313,912	315,017,384	
(31,878,319)	(7,840,197)	(24,744,213)	(12,480,248)	(6,957,432)	5,725,794	
23,753,588	34,201,466	24,562,657	27,188,510	33,093,904	40,453,740	
(15,539,004)	(26,346,273)	(17,340,379)	(22,664,549)	(26,719,295)	(40,870,593)	
-	(64,819,767)	(14,630,000)	-	(52,745,000)	-	
-	-	-	-	(30,515,000)	-	
-	2,326,428	-	161,127	1,200,808	-	
-	-	-	33,925,000	30,515,000	-	
-	56,730,000	12,235,000	-	48,070,000	-	
-	8,351,001	248,178	3,813,421	5,090,112	-	
50,000	359,350	50,000	-	-	-	
8,264,584	10,802,205	5,125,456	42,423,509	7,990,529	(416,853)	
\$ (23,613,735)	\$ 2,962,008	\$ (19,618,757)	\$ 29,943,261	1,033,097	\$ 5,308,941	
\$ 250,240,117	\$ 241,934,144	\$ 268,204,065	\$ 278,299,190	\$ 276,313,912	\$ 315,017,384	
(22,908,037)	(23,033,094)	(38,092,157)	(34,439,663)	(22,356,535)	(31,467,003)	
\$ 227,332,080	\$ 218,901,050	\$ 230,111,908	\$ 243,859,527	\$ 253,957,377	\$ 283,550,381	
9.90%	8.89%	8.20%	7.92%	8.44%	8.35%	

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)	Agricultural Property & Building
2012	2014	\$ 21,529,228,494	\$ 6,427,695,688	\$ 370,286,964	\$ -	\$ 258,672,910
2013	2015	21,727,868,379	6,485,814,914	384,770,345	-	313,930,120
2014	2016	22,274,713,859	6,628,446,236	409,511,937	-	311,004,300
2015	2017	23,746,691,193	6,157,667,562	451,341,637	932,100,555	300,971,073
2016	2018	24,322,053,157	6,338,462,185	454,639,393	932,877,464	300,394,143
2017	2019	26,923,930,435	7,137,508,819	516,044,590	1,088,460,290	293,446,680
2018	2020	27,624,292,685	7,385,180,659	662,507,721	1,103,803,326	290,425,534
2019	(b) 2021	30,557,110,589	8,035,519,062	758,215,891	1,296,164,889	218,057,759
2020	2022	31,076,819,642	8,308,707,596	814,160,995	1,324,100,770	216,486,738
2021	2023	N/A (c)	N/A (c)	N/A (c)	N/A (c)	N/A (c)

Source: 2020 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) 2019 Calendar Year Assessment is for taxes due in fiscal year 2020/2021
 - (c) 2021 Calendar Year Assessment is for taxes due in fiscal year 2022/2023 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.

	Reimb / Non-Reimb M&E/Comp & Railroads	Utilities W/O Gas & Electric	Less: Military Tax-Exempt Property	Total Taxable Assessed Property	Total Direct Tax Rate (d)
\$	48,660,476	\$ 169,387,056	\$ (33,445,259)	\$ 28,770,486,329	6.81
	48,123,584	172,181,780	(32,737,662)	29,099,951,460	6.81
	47,993,133	172,579,843	(31,844,999)	29,812,404,309	6.94
	53,959,901	173,036,987	(30,796,208)	31,784,972,700	7.17
	61,679,562	162,919,014	(29,872,540)	32,543,152,378	7.30
	60,232,520	172,830,293	(28,980,600)	36,163,473,027	7.30
	65,649,402	198,658,025	(27,970,192)	37,302,547,160	7.30
	71,510,126	197,843,928	(27,010,912)	41,107,411,332	7.30
	75,012,603	203,878,444	(25,862,794)	41,993,303,994	7.30
	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	2021			2012		
	2019 Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	2010 Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Mid American Energy	\$ 594,792,120	1	2.3%	\$ 91,614,240	6	0.5%
Microsoft Corporation	217,851,732	2	0.8%	-	-	-
Prairie Meadows	169,654,198	3	0.7%	107,717,400	5	0.6%
Principal Life Insurance Co	168,637,320	4	0.7%	-	-	-
Nationwide Mutual Insurance Co	158,979,240	5	0.6%	189,201,310	2	1.1%
Principal Mutual Life Insurance Co	134,365,230	6	0.5%	229,703,280	1	1.3%
Wellmark Inc	118,143,900	7	0.5%	-	-	-
Wells Fargo Financial Inc	109,161,900	8	0.4%	123,896,560	4	0.7%
Employers Mutual Life Insurance Co	91,449,900	9	0.4%	-	-	-
Linden Street Investments LLC	82,260,000	10	0.3%	-	-	-
R & R Investors	-	-	-	156,999,290	3	0.9%
Mercy Hospital	-	-	-	78,074,120	7	0.4%
Hubbell Interests	-	-	-	72,585,890	9	0.4%
Pioneer Hi-Bred	-	-	-	76,600,990	8	0.4%
Valley West Mall	-	-	-	67,710,000	10	0.4%
Total	\$ 1,845,295,540		7.2%	\$ 1,194,103,080		6.7%

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
2012	\$ 131,319,138	\$ 130,815,263	99.6%	\$ (40,359) (c)	130,774,904	99.6%
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%

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				
	2012	2013	2014	2015	2016
Countywide service rates:					
General Basic	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50
General Supplemental	1.95	1.92	1.97	2.00	2.18
MH/DD Service	0.77	0.79	0.76	0.75	0.71
Debt Service	0.59	0.60	0.71	0.92	0.91
Total Countywide Rate	6.81	6.81	6.94	7.17	7.30
Rural service rates	4.55	4.55	4.55	4.55	4.55
Total Rural Rate	11.36	11.36	11.49	11.72	11.85
City rates:					
Alleman	10.23	10.45	10.05	11.03	10.79
Altoona	9.14	9.14	9.14	9.94	9.94
Ankeny	11.18	12.03	12.03	11.90	11.85
Bondurant	14.13	14.08	14.04	13.99	13.94
Carlisle	13.80	13.80	13.80	14.14	14.64
Clive	9.54	9.99	9.99	9.99	9.99
Des Moines	16.58	16.92	16.92	16.92	16.92
Elkhart	9.90	9.77	8.83	8.78	8.98
Granger	15.99	15.76	15.68	14.91	14.62
Grimes	12.90	12.91	12.91	12.91	12.91
Johnston	11.10	11.29	11.15	11.34	11.50
Mitchellville	14.73	14.80	14.40	14.00	14.00
Norwalk	16.35	15.69	15.69	15.69	15.69
Pleasant Hill	11.65	11.66	11.65	11.65	11.65
Polk City	7.90	7.90	7.90	7.90	7.90
Runnells	10.90	10.92	10.84	11.16	11.26
Sheldahl	3.20	2.99	2.68	2.82	2.82
Urbandale	9.52	9.62	9.57	9.72	9.82
Windsor Heights	13.31	13.31	13.90	15.35	15.08
West Des Moines	12.05	12.05	12.05	12.05	12.00
School District Rates:					
North Polk	19.85	19.99	20.00	19.99	19.94
Southeast Polk	21.66	21.66	21.66	21.66	20.66
Bondurant-Farrar	19.83	19.24	18.33	18.49	18.33
Ankeny	21.07	20.59	20.33	20.18	19.77
Carlisle	20.65	18.58	17.91	17.91	17.91
West Des Moines	13.85	13.30	13.26	13.27	13.24
Des Moines Independent	18.35	18.35	18.35	18.15	18.43
Saydel	13.98	13.48	12.88	12.88	12.76
Johnston	17.35	17.35	17.35	18.36	18.35
Woodward-Granger	19.75	19.49	19.11	19.07	19.06
Dallas	17.50	17.51	17.84	17.85	17.95
Urbandale	18.35	18.35	18.35	18.15	18.43
Urbandale	17.64	17.64	17.67	17.55	17.75
Other:					
Area XI Community College	0.59	0.58	0.69	0.66	0.68
Broadlawns County Hospital	2.92	2.98	3.00	3.12	3.21
Ag. Extension	0.04	0.04	0.04	0.04	0.04
Assessor	0.25	0.24	0.28	0.28	0.28

Source: 2019/2020 Tax Rates Payable Fiscal Year Ended June 30, 2021 obtained from Polk County Tax/GIS Department

Year Taxes are Payable				
2017	2018	2019	2020	2021
\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50
2.28	2.34	2.44	2.50	2.54
0.70	0.67	0.63	0.60	0.57
0.82	0.79	0.73	0.70	0.69
7.30	7.30	7.30	7.30	7.30
4.55	4.55	4.55	4.55	4.55
11.85	11.85	11.85	11.85	11.85

9.69	9.63	9.54	9.49	9.33
9.94	9.94	9.94	9.94	10.75
11.75	11.65	10.75	10.35	10.00
13.88	13.83	13.78	13.73	11.78
14.65	14.89	14.89	14.89	14.89
10.14	10.14	10.14	10.14	10.14
16.92	17.04	17.24	16.64	16.61
8.37	10.09	10.10	10.10	10.10
15.87	16.87	15.80	15.42	15.33
12.91	12.91	12.91	12.81	11.71
11.40	11.38	11.52	11.64	10.63
13.88	13.85	13.83	9.45	9.53
15.69	15.42	15.40	15.40	15.20
11.65	11.65	11.65	11.50	11.50
7.90	7.90	9.91	9.91	10.39
11.77	11.78	11.77	11.72	10.48
2.81	2.99	6.07	6.27	6.27
9.92	10.02	10.02	10.52	10.16
15.66	16.96	16.58	16.52	14.47
12.00	12.00	11.79	10.99	10.99

19.30	19.16	19.07	18.99	18.54
20.31	19.48	16.50	15.58	15.44
19.10	19.10	19.10	19.00	19.00
19.36	18.51	17.95	17.52	17.41
17.91	17.85	17.85	17.85	17.81
13.26	13.26	13.27	13.16	13.15
18.50	18.56	18.60	18.60	18.61
12.76	12.89	12.89	12.89	12.89
11.40	18.32	18.35	18.35	17.75
18.97	18.97	18.97	18.95	18.50
12.91	19.99	19.97	17.68	17.60
18.50	18.56	18.60	18.60	18.61
17.74	17.75	17.99	17.98	17.94

0.72	0.67	0.69	0.65	0.63
2.77	2.77	2.77	2.77	2.67
0.04	0.04	0.04	0.04	0.03
0.27	0.27	0.25	0.25	0.24

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 Leases Payable	General Obligation Bonds Payable	Notes Payable	Total Government	Percentage of Personal Income*	Per Capita*			
2012	\$ 97,592,097	\$ 388,000	\$ 1,340,199	\$ 131,001,771	\$ 22,303,132	\$ 252,625,199	1.21%	\$ 577.56			
2013	166,213,860	345,000	1,323,713	125,139,328	26,814,566	319,836,467	1.47%	720.82			
2014	114,230,485	2,826,000	894,500	111,553,904	27,373,572	256,878,461	1.15%	568.72			
2015	185,801,079	2,450,000	436,964	100,774,185	27,130,825	316,593,053	1.40%	688.45			
2016	168,758,562	2,068,000	298,916	100,409,970	26,357,000	297,892,448	1.27%	636.92			
2017	154,057,954	1,679,000	1,883,804	97,958,000	25,495,000	281,073,758	1.14%	592.93			
2018	137,869,387	1,273,000	1,179,580	97,059,319	24,605,000	261,986,286	1.02%	543.73			
2019	160,757,203	835,000	729,268	85,950,638	23,686,000	271,958,109	1.03%	558.20			
2020	174,203,773	395,000	1,056,235	74,416,957	22,736,000	272,807,965	1.03%	556.57			
2021	155,550,040	-	708,673	62,453,276	21,756,000	240,467,989	0.91%	490.59			

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

Note: 2020 and 2021 percentages calculated using 2019 personal income data, which is the most recent available.

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		
2012	\$ 228,593,868	\$ 405,753	\$ 228,188,115	0.79%	\$ 521.69
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	N/A (a)	442.32

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

Note: (a) 2021 Calendar Year Assessment is for taxes due in fiscal year 2022/2023 and is not yet available.

POLK COUNTY, IOWA

Direct and Overlapping Governmental Activities Debt As of June 30, 2021

Governmental Unit	Taxable Valuation	Debt Outstanding	Totals
--------------------------	------------------------------	-----------------------------	---------------

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.

(This page was left blank intentionally)

POLK COUNTY, IOWA

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

	Fiscal Year			
	2012	2013	2014	2015
Debt limit	\$ 1,466,049,660	\$ 1,424,117,541	\$ 1,438,524,316	\$ 1,454,997,573
Less: Total net debt applicable to limit	(448,152,913)	(505,676,659)	(301,626,160)	(316,593,053)
Legal debt margin	<u>\$ 1,017,896,747</u>	<u>\$ 918,440,882</u>	<u>\$ 1,136,898,156</u>	<u>\$ 1,138,404,520</u>
Total net debt applicable to the limit as a percentage of debt limit	30.57%	35.51%	20.97%	21.76%

Notes: (a) Calendar year 2019 assessed value is paid in fiscal year 2021

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

Legal debt margin Calculation for Calendar Year 2019 Assessed Value (a)	\$ 41,107,411,332
Debt limit (5% of assessed value)	2,055,370,567
Less: Debt applicable to debt limit (b)	<u>(240,467,989)</u>
Legal debt margin	<u>\$ 1,814,902,578</u>

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 1,490,620,215	\$ 1,589,248,635	\$ 1,627,157,619	\$ 1,808,173,651	\$ 1,865,127,358	\$ 2,055,370,567
(297,892,448)	(281,073,758)	(261,986,286)	(271,958,109)	(272,807,965)	(240,467,989)
<u>\$ 1,192,727,767</u>	<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>

19.98%

17.69%

16.10%

15.04%

14.63%

11.70%

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	
2012	437,399	20,881,257	47,061	240,300	5.4%	5.1%
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	*	*	263,100	10.0%	8.4%
2021	490,161 (d)	*	*	271,400	5.1%	4.0%

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 2012-2021 by 12%

* Information not available

POLK COUNTY, IOWA

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

Employer	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Wells Fargo & Co.	13,500	1	5.05%	12,900	2	4.80%
Unity Point Health (Iowa Health Des Moines)	8,026	2	3.00%	4,505	5	1.68%
Principal Financial Group	6,600	3	2.47%	6,547	4	2.44%
Hy-Vee Food Corp.	6,400	4	2.39%	2,200	10	0.82%
Mercy Hospital Medical Center	4,276	5	1.60%	6,900	3	2.57%
Amazon	3,500	6	1.31%	-	-	-
Nationwide/Allied Insurance	3,300	7	1.23%	4,396	6	1.64%
Vermeer Corporation	3,200	8	1.20%	-	-	-
John Deere	2,884	9	1.08%	-	-	-
Corteva Agriscience	2,500	10	0.94%	-	-	-
Wal-Mart	-	-	-	2,380	9	0.89%
Pioneer Hi-Bred International Inc.	-	-	-	3,166	8	1.18%
State of Iowa	N/A (a)	-	-	18,000	1	6.70%
Des Moines Public Schools	N/A (a)	-	-	4,000	7	1.49%
Total	54,186		20.26%	64,994		24.18%

Source: The Greater Des Moines Partnership

Note: (a) Governmental entities information not available for 2021

POLK COUNTY, IOWA

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

Function / Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public safety	461	462	468	476	482	507	507	523	527	647
Human services	151	155	154	154	154	158	159	161	162	201
Roads and engineering	61	61	61	61	62	61	62	63	62	62
Administration	151	149	149	148	147	149	152	157	159	160
Other	356	363	372	377	384	395	399	408	408	245
Total	1,180	1,190	1,204	1,216	1,229	1,270	1,279	1,312	1,318	1,315

Source: County Budget Office

(This page was left blank intentionally)

POLK COUNTY, IOWA

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function / Program	Fiscal Year			
	2012	2013	2014	2015
Public safety and legal services:				
Sheriff:				
# of E911 calls	49,335	53,674	48,289	50,392
# of civil papers served	50,148	40,661	40,387	52,211
# of average daily jail population	942	922	943	925
# of bookings	19,607	19,329	18,706	17,678
Medical Examiner:				
# of death investigations	1,148	1,215	1,285	1,285
# of autopsies	275	242	252	275
Physical health and social services:				
Health Department:				
# of patient visits to STD clinic	3,543	6,128	2,932	2,969
Public Works:				
# of septic/well permits	303	134	275	69
Veteran Affairs:				
# of clients interviewed	4,233	4,388	5,076	6,344
# of vouchers issued	3,087	2,557	1,373	1,105
Mental Health:				
# of individuals served	10,662	10,947	6,205	7,895
# of individuals receiving ongoing/intensive svc	3,143	4,085	3,689	3,901
County environment and education:				
Public Works:				
# of requests of service for weed eradication	2,672	4,358	1,859	1,940
# of lots cleaned up	5	4	26	11
Roads and transportation:				
Public Works:				
# of gravel miles maintained	168	169	169	169
# of paved miles maintained	548	539	540	540
Governmental services to residents:				
Treasurer:				
# of titles	149,262	153,606	164,532	172,535
# of registrations	645,576	657,739	680,155	699,249
Auditor / Elections:				
# of registered voters	270,386	277,940	287,268	286,793

Source: County records

Fiscal Year					
2016	2017	2018	2019	2020	2021
49,146	45,943	58,324	63,953	69,227	73,317
48,747	40,328	47,538	50,233	48,564	53,957
919	987	978	1,027	939	902
17,765	17,912	18,858	17,887	15,779	14,599
1,287	1,470	1,560	1,720	2,007	2,443
286	305	244	302	275	301
3,056	3,010	3,344	2,531	2,359	2,174
71	153	81	93	60	96
6,351	5,261	4,395	4,039	5,163	9,480
765	870	864	923	890	793
7,163	5,146	4,551	5,155	4,305	3,491
4,010	3,855	3,761	2,360	2,425	2,301
1,956	1,863	1,576	2,127	1,588	1,288
13	12	6	6	2	10
167	163	163	162	162	164
543	539	539	540	540	552
174,398	178,259	180,222	189,362	156,009	159,638
709,083	723,098	732,917	739,184	720,217	761,246
300,054	300,545	306,599	309,387	334,056	326,981

POLK COUNTY, IOWA

Capital Asset Statistics by Function/Program Last Ten Fiscal Years

Function / Program	Fiscal Year			
	2012	2013	2014	2015
Public safety and legal services:				
Sheriff:				
# of vehicles	104	87	87	95
# of buildings	3	3	3	3
Correctional facility capacities	1,500	1,500	1,500	1,500
County Attorney				
# of vehicles	7	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	7	5	5	6
# of senior centers/meal sites	7	7	7	7
County environment and education:				
Conservation				
# of parks managed	7	7	7	7
# of vehicles	49	52	53	55
# of buildings	5	5	7	8
Planning and Development				
# of vehicles	14	13	12	12
Roads and transportation:				
Secondary Roads				
# of vehicles	60	60	61	65
# of buildings	7	7	6	6
# of secondary roads miles managed (a)	730	731	741	742
# of bridges	137	137	137	137
Administration				
General Services				
# of vehicles	29	29	28	29
# of buildings maintained	23	24	25	24

Source: County records

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

* Information not available yet

Fiscal Year					
2016	2017	2018	2019	2020	2021

95	102	104	103	114	121
3	3	4	4	4	4
1,500	1,500	1,500	1,500	1,500	1,500
14	14	15	16	18	17
2	2	3	3	3	3
1	1	1	1	1	1
6	6	6	6	7	7
7	8	8	8	8	8
7	7	7	7	7	9
59	56	57	60	67	67
8	8	8	9	10	13
10	10	12	12	12	12
63	65	64	68	70	68
6	6	6	6	7	7
741	728	727	726	724	*
137	137	136	136	136	135
30	31	31	32	32	32
24	25	25	25	25	25

(This page was left blank intentionally)

POLK COUNTY, IOWA

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Mental Health - Polk County Region
For the Year Ended June 30, 2021**

		Mental Health
REVENUES:		
Property taxes	\$	14,177,926
Other county taxes		362,494
Intergovernmental revenues:		
State tax replacement credits	\$	1,041,752
Other intergovernmental revenues	16,473,895	17,515,647
Miscellaneous		2,070
TOTAL REVENUES		32,058,137
EXPENDITURES:		
Services to persons with:		
Mental illness		18,457,506
Intellectual disabilities		1,939,249
Other developmental disabilities		3,725,995
General administration:		
Direct administration		2,291,238
TOTAL EXPENDITURES		26,413,988
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		5,644,149
FUND BALANCE, BEGINNING		3,808,771
FUND BALANCE, ENDING	\$	9,452,920

Note: Report required by Iowa Department of Human Services

POLK COUNTY, IOWA

**RETAIL SALES
Last Six Fiscal Years**

Fiscal Year Ended June 30	Taxable Retail Sales	Number of Businesses
2014	7,291,651,292	10,435
2015	7,736,253,089	10,516
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	*	*

Source: Iowa Department of Management/Piper Jeffray

Note: Report required by Continuing Disclosure Statement

* Information not available

POLK COUNTY, IOWA

Overlapping and Underlying Debt

	Outstanding Debt Fiscal Year 2021	Year 2020 Taxable Valuation	Taxable Value Within Issuer	Percentage Applicable	Amount Applicable
City rates:					
Alleman	\$ -	\$ 24,883	\$ 24,883	100.00%	\$ -
Altoona	108,605,000	1,429,199	1,429,199	100.00%	108,605,000
Ankeny	110,840,000	4,456,459	4,456,459	100.00%	110,840,000
Bondurant	23,730,000	339,659	339,659	100.00%	23,730,000
Carlisle	11,190,000	35,022	35,022	100.00%	11,190,000
Clive	30,030,000	1,691,453	1,158,040	68.46%	20,559,804
Des Moines	487,460,000	9,547,709	9,538,151	99.90%	486,971,997
Elkhart	3,098,000	37,439	37,439	100.00%	3,098,000
Granger	1,825,000	88,674	24,415	27.53%	502,474
Grimes	48,230,000	1,140,823	1,140,823	100.00%	48,230,000
Johnston	108,354,000	1,824,022	1,824,022	100.00%	108,354,000
Mitchellville	1,176,473	57,597	57,597	100.00%	1,176,473
Norwalk	26,050,000	675,340	3	0.00%	124
Pleasant Hill	27,015,000	711,207	711,207	100.00%	27,015,000
Polk City	7,205,000	319,297	319,297	100.00%	7,205,000
Runnells	-	16,589	15,696	94.62%	-
Sheldahl	-	10,890	5,930	54.46%	-
Urbandale	75,145,000	3,674,109	2,823,335	76.84%	57,744,480
West Des Moines	249,230,000	6,407,437	3,603,752	56.24%	140,175,096
Windsor Heights	16,255,000	299,200	299,200	100.00%	16,255,000
School District Rates:					
Ankeny	60,490,000	4,716,268	4,716,268	100.00%	60,490,000
Ballard	25,345,000	567,668	2,421	0.43%	108,093
Bondurant-Farrar	47,250,000	671,206	667,212	99.40%	46,968,836
Carlisle	18,575,000	423,445	146,342	34.56%	6,419,500
Collins-Maxwell	7,435,000	199,808	31,456	15.74%	1,170,510
Dallas Center-Grimes	64,267,584	1,332,424	1,114,499	83.64%	53,756,264
Des Moines	-	9,478,664	9,400,904	99.18%	-
Johnston	25,695,000	2,948,542	2,948,542	100.00%	25,695,000
Madrid	6,330,000	162,696	19,070	11.72%	741,960
North Polk	25,750,000	563,969	556,486	98.67%	25,408,356
PCM	3,780,000	341,473	1,008	0.30%	11,163
Saydel	24,650,000	1,074,715	1,074,715	100.00%	24,650,000
Southeast Polk	85,330,000	2,561,777	2,550,701	99.57%	84,961,097
Urbandale	85,935,000	1,562,785	1,562,784	100.00%	85,935,000
West Des Moines	49,735,000	5,458,528	5,403,419	98.99%	49,232,881
Woodward Granger	11,600,000	343,534	85,072	24.76%	2,872,579
Other:					
Area XI Community College	97,560,000	56,678,600	30,282,902	53.43%	52,125,491
Heartland AEA #11	-	56,678,600	30,282,902	53.43%	-
				Total	\$ 1,692,199,177

Source: Iowa Department of Revenue/Piper Jeffray

Note: Report required by Continuing Disclosure Statement

(This page was left blank intentionally)

POLK COUNTY IOWA

The information contained in this document may be obtained in accessible formats by qualified persons with a disability. To receive more information or to request an accommodation please contact the County Auditor's Office at the address or phone number listed below.

111 Court Avenue
Des Moines, IA 50309
515-286-3419
www.polkcountyiowa.gov