

Polk County, Iowa

Comprehensive Annual Financial Report Fiscal Year Ending June 30, 2020



Polk County Criminal Court Building

POLK COUNTY, IOWA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

PREPARED BY:

POLK COUNTY AUDITOR'S OFFICE – JAMIE FITZGERALD

CENTRAL ACCOUNTING DIVISION

Central Accounting Manager
Keith Olson

Accounting Supervisor
Jo Ellen Bigelow, CPA, CPM

Other Staff

Christina Albizo
Stacy Biondi
Alison Herold, CPA
Darren Sickerson

BOARD OF SUPERVISOR'S STAFF

Deb Anderson

POLK COUNTY, IOWA

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(concluded)



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

JAMIE FITZGERALD
COUNTY AUDITOR
COMMISSIONER OF ELECTIONS

ADMINISTRATION BUILDING
111 COURT AVE.
286-3080

December 15, 2020

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, 2020.

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, 2020, 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, 2020, 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, up approximately 14% since 2011, to 490,161 in 2020. Unemployment is approximately 10%, which is higher than the state level of 8.4% and lower than the national level of 11.2%. 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 has begun. The anticipated completion date of all phases is the summer or fall of 2021.

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, previous years have consistently returned more than \$1.7 million to Polk County. As successful as the Iowa Events Center has been, it is well documented that the venues had been passed over for certain conventions, sporting events, expos, trade shows and conferences because of a lack of a convention center hotel.

The prospect of a convention center hotel became a reality in February 2016 when the State of Iowa gave preliminary approval for committing Iowa Reinvestment Act funds to a convention center hotel attached to the Iowa Events Center, and financial commitments were made by Polk County, the City of Des Moines and private businesses. The hotel will be owned and operated by a non-profit organization, the IEC Hotel Corporation, that will ensure that profits from the hotel are reinvested back into the community. Construction on the hotel began in the spring of 2016. The 330 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 have made drastic changes to their operations to reflect the lack of events and travel due to the COVID-19 pandemic.

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, 2020. In addition to bond proceeds, Conservation has also received \$16.5 million in grants and other contributions.

The Polk County Conservation Board completed nearly \$44 million of conservation projects by November 2020, and an additional \$4 million are underway for fiscal year 2020/2021. The remaining \$2 million of projects have been authorized to continue addressing conservation needs over the next few years. Conservation plans to have all projects completed by 2022.

Broadway Avenue Multi-Modal Improvements Project

This project is comprised of converting the existing 2-lane rural design of a significant minor arterial roadway to an urban three-lane roadway to match its current use. The project will improve the safety and transportation network reliability for dozens of industries, thousands of employees, and local residents that use this corridor every day. This project also includes the construction of an underpass structure below a dual track rail crossing owned and operated by the Union Pacific Railroad Co. The profile geometry and sight distance restrictions of the existing at-grade crossings are unsafe and result in frequent vehicle accidents in addition to traffic delays each day. Polk County 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 \$40 million. This project was recently awarded a \$25 million federal BUILD program grant (Better Utilizing Investments to Leverage Development). 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, will finish this 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.

Lower Fourmile Creek Greenway Master Plan

The Lower Fourmile Creek Greenway Master Plan is a joint effort between Polk County, Polk County Conservation, City of Des Moines, and City of Pleasant Hill. A master plan for the project was completed in 2018 and is a result of findings from the Fourmile Creek Watershed management plan to improve water quality, protect the greenway, and reduce flooding. Over \$12.5 million has been invested to acquire numerous parcels for restoration and management. In conjunction with the 40-acre Strasser Woods Forest Preserve, this greenway is the County's third largest conservation area at 712 acres. The area is currently being improved with projects such as oxbow restorations, stormwater wetlands, stream bank stabilization, timber stand improvements and prairie restoration.

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, 2019. 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-six 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.

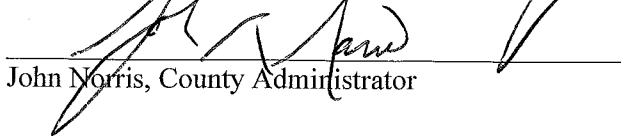
Respectfully submitted,



Jamie Fitzgerald, Polk County Auditor



Mary Maloney, Polk County Treasurer



John Norris, County Administrator

POLK COUNTY, IOWA

OFFICIALS

Name	Title	Term Expires
John Sarcone	County Attorney	2022
Jamie Fitzgerald	County Auditor	2020
Julie Haggerty	County Recorder	2022
Mary Maloney	County Treasurer	2022
Kevin Schneider	County Sheriff	2020*
Randy Ripperger	County Assessor	2021*
Robert Brownell	Board of Supervisors	2020
Angela Connolly	Board of Supervisors	2022
Steve Van Oort	Board of Supervisors	2020
Tom Hockensmith	Board of Supervisors	2022
Matt McCoy	Board of Supervisors	2022

* Appointed

POLK COUNTY ORGANIZATION

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

COUNTY ASSESSOR

POLK COUNTY ELECTORATE

COUNTY AUDITOR
 J. Fitzgerald

COUNTY TREASURER
 M. Maloney

COUNTY RECORDER
 J. Haggerty

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

COUNTY ATTORNEY
 J. Sarcone

COUNTY SHERIFF
 K. Schneider

CONSERVATION BOARD

EMERGENCY MANAGEMENT

HEALTH SERVICES CORPORATION

VETERAN AFFAIRS

COUNTY ADMINISTRATOR
 M. Wandro

MEDICAL EXAMINER
 Dr. Akers

GENERAL SERVICES
 Interim J. Tyler

PUBLIC WORKS
 R. Rice

PUBLIC HEALTH
 H. Eddy

COMMUNITY, FAMILY & YOUTH SERVICES
 E. Kool

INFORMATION TECHNOLOGY
 T. Jefferson

HUMAN RESOURCES
 J. Nahas



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, 2019

Christopher P. Morill

Executive Director/CEO

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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, 2020, 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, 2020, 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.

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 and the introductory and statistical sections 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 15, 2020 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 15, 2020

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POLK COUNTY, IOWA

Management's Discussion and Analysis For the Year Ended June 30, 2020

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, 2020. 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 \$21.4 million (4%) to \$514.7 million. Net position of governmental activities increased \$30.1 million (17%) to \$212.3 million primarily due to an increase in revenues and lower than anticipated expenses during the year. Net position of business-type activities decreased \$8.8 million (3%) to \$302.4 million primarily due to decreased revenue related to cancelled events due to COVID-19 pandemic, increased depreciation and economic development expense relating to the Iowa Event Center Hotel Corporation and sewer enhancements.
- In the County's governmental activities, total revenues increased \$6.6 million (2%) primarily due to an increase of \$8.3 million in property tax revenues. Total expenses increased \$9.1 million (4%) primarily due to an increase in public safety and legal services, county environment and education, and roads and transportation expenses of \$6.7, \$2.7, and \$1.9 million respectively.
- In the County's business-type activities, total revenues decreased \$81.9 million (65%) and total expenses increased \$2.6 million (6%). The decrease in revenues is primarily due to \$77.6 million leasehold improvements reverted to the County from Prairie Meadows Racetrack/Casino in prior year and \$4.2 million in charges for services due to COVID-19 cancellation of events at the Iowa Events Center. Expenses increased primarily due to an increase in economic development expense and depreciation expense in Prairie Meadows Racetrack/Casino fund.
- The County's actual expenditures were \$46.6 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 and economic 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 Debt Service Fund, which are considered to be major funds. Data from the other 16 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 agency 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, 2020 with comparison totals as of June 30, 2019. The County’s *combined* net position increased \$21.4 (4%) million primarily due to increase in governmental activities deferred inflows of resources, net investment in capital assets and unrestricted net position.

Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 416,054,130	\$ 371,264,619	\$ 72,698,269	\$ 78,428,184	\$ 488,752,399	\$ 449,692,803
Capital assets, net	278,914,561	262,657,601	337,797,819	355,387,163	616,712,380	618,044,764
Total assets	<u>694,968,691</u>	<u>633,922,220</u>	<u>410,496,088</u>	<u>433,815,347</u>	<u>1,105,464,779</u>	<u>1,067,737,567</u>
Deferred outflows of resources	21,191,979	22,224,200	395,313	445,264	21,587,292	22,669,464
Long-term liabilities	268,793,348	257,756,275	98,513,512	111,023,387	367,306,860	368,779,662
Other liabilities	13,324,235	16,715,795	8,441,028	10,449,384	21,765,263	27,165,179
Total liabilities	<u>282,117,583</u>	<u>274,472,070</u>	<u>106,954,540</u>	<u>121,472,771</u>	<u>389,072,123</u>	<u>395,944,841</u>
Deferred inflows of resources	221,730,497	199,500,754	1,560,376	1,655,222	223,290,873	201,155,976
Net position						
Net investment in capital assets	153,716,269	141,619,244	255,720,433	261,586,814	409,436,702	403,206,058
Restricted	7,881,994	8,649,668	637,860	619,985	8,519,854	9,269,653
Unrestricted	50,714,327	31,904,684	46,018,192	48,925,819	96,732,519	80,830,503
Total net position	<u>\$ 212,312,590</u>	<u>\$ 182,173,596</u>	<u>\$ 302,376,485</u>	<u>\$ 311,132,618</u>	<u>\$ 514,689,075</u>	<u>\$ 493,306,214</u>

Net position of the County’s governmental activities increased 17% to \$212.3 million at June 30, 2020. The largest portion of the County’s net position (72%) 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 the Polk County Water and Land Legacy improvements, Phase IV improvements for the Historic Courthouse interior, and the Ackelson Trail Phase III project. The County also began construction on the Lauridsen Skate Park and on the Sheriff’s Administration/Law Enforcement Facility.

Unrestricted net position of governmental activities increased \$18.1 million (57%) to \$50 million due to an increase in property tax revenues and lower than anticipated expenses due to delays in construction. The net position of business-type activities decreased \$8.8 million (3%) to \$302.4 million at June 30, 2020. The decrease relating to net investment in capital assets is primarily due to an increase in depreciation expense and the offsetting payment of outstanding bond principal.

Approximately 85% 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.

Deferred inflows of resources increased \$22.2 million (11%) primarily due to increased Pension and OPEB related liabilities and gain on current refunding relating to 2020A general obligation capital loan notes.

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 42,640,085	\$ 40,529,877	\$ 41,330,453	\$ 45,509,194	\$ 83,970,538	\$ 86,039,071
Operating grants and contributions	21,302,676	21,242,714	869,298	1,000,639	22,171,974	22,243,353
Capital grants and contributions	8,072,602	12,493,459	231,682	77,719,463	8,304,284	90,212,922
General revenues:						
Property taxes	178,520,086	170,244,856	-	-	178,520,086	170,244,856
Other County taxes	6,177,617	5,831,727	-	-	6,177,617	5,831,727
Interest on property taxes	638,379	1,258,286	-	-	638,379	1,258,286
State replacements	13,859,458	13,744,982	-	-	13,859,458	13,744,982
Use of money and property	3,957,120	4,597,174	1,969,165	1,946,088	5,926,285	6,543,262
Miscellaneous	2,105,056	777,263	422,167	595,273	2,527,223	1,372,536
Total revenues	277,273,079	270,720,338	44,822,765	126,770,657	322,095,844	397,490,995
Expenses:						
Public safety and legal services	90,042,251	83,348,793	-	-	90,042,251	83,348,793
Physical health and social services	42,236,354	42,640,579	-	-	42,236,354	42,640,579
Mental health	23,791,649	24,067,294	-	-	23,791,649	24,067,294
County environment and education	21,273,906	18,610,621	-	-	21,273,906	18,610,621
Roads and transportation	20,012,591	18,066,871	-	-	20,012,591	18,066,871
Government services to residents	9,753,363	8,489,741	-	-	9,753,363	8,489,741
Administration	38,746,860	44,075,188	-	-	38,746,860	44,075,188
Interest on long-term debt	7,631,720	5,053,602	-	-	7,631,720	5,053,602
Air Quality	-	-	1,516,296	1,222,773	1,516,296	1,222,773
Sanitary Sewer	-	-	2,470,020	1,712,523	2,470,020	1,712,523
Prairie Meadows Racetrack/Casino	-	-	15,679,920	12,154,762	15,679,920	12,154,762
Conservation Enterprises	-	-	446,968	460,606	446,968	460,606
Hamilton Urban Drainage District	-	-	696,238	481,026	696,238	481,026
Iowa Events Center	-	-	25,818,408	28,041,271	25,818,408	28,041,271
Urban Sewer	-	-	59,374	72,663	59,374	72,663
Iowa Tax & Tags	-	-	537,065	464,909	537,065	464,909
Total expenses	253,488,694	244,352,689	47,224,289	44,610,533	300,712,983	288,963,222
Excess (deficiency) before transfers	23,784,385	26,367,649	(2,401,524)	82,160,124	21,382,861	108,527,773
Transfers	6,354,609	5,103,961	(6,354,609)	(5,103,961)	-	-
Increase (decrease) in net position	30,138,994	31,471,610	(8,756,133)	77,056,163	21,382,861	108,527,773
Net position - beginning	182,173,596	150,701,986	311,132,618	234,076,455	493,306,214	384,778,441
Net position- ending	\$ 212,312,590	\$ 182,173,596	\$ 302,376,485	\$ 311,132,618	\$ 514,689,075	\$ 493,306,214

Statement of Activities - Changes in Net Position

Polk County's governmental activities net position increased \$30.1 million during the year. The County reported an excess of revenues over expenses for the year of \$23.8 million. Revenues for governmental activities increased \$6.6 million primarily due to an increase in property tax revenues. The County's expenses were \$46.6 million below budgeted amounts primarily due to construction expenditures lagging the appropriated expenditure schedules and lower than anticipated expenditures on mental health services, community and economic development grant expenditures, and COVID-19-related expense. The business-type activities net position decreased \$8.8 million during the year primarily due to depreciation and economic development expense for Prairie Meadows Racetrack/Casino fund.

Governmental revenues increased 2% primarily due to the County's taxable valuations which increased 4.8%, resulting in an increase of \$8.3 million in current property tax revenue. The \$2.1 million increase in charges for services is primarily due to an increase in recording fees and care of federal prisoners reimbursements.

The fact that 64% 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, charges for services represent 15% and operating grants represent 8% of total governmental revenues.

Governmental activities expenses increased 4%, including a 15% increase in state and local government services expenses due to increased data processing equipment and maintenance agreement expense. County environment expenses increased 14% due to increased investments in economic development cost for neighborhood revitalization. Roads and transportation expenses increased 11% due to increased spending on roadway maintenance and equipment. Public safety and legal services expenses increased 8% due to increased costs of staffing and housing inmates as well as investment in a public safety radio upgrade.

The County's expenses cover a range of services, with the largest expenses relating to public safety and legal services (36%), physical health and social services (17%), and administration (15%).

Governmental Activities Revenues for the County's governmental activities increased \$6.6 million (2%), while expenses increased \$9.1 million (4%). Key elements of these changes include the following:

- \$2.1 million (5%) increase in charges for services revenue due to an increase in recording fees and reimbursement for care of federal prisoners.
- \$4.4 million (-35%) decrease in capital grants and contributions revenue due to receipt of a large reimbursement from the IDNR for their portion of the Easter Lake Renovations project and the receipt of federal and state grant revenue for the Jester Park Nature Center and Ackelson Trail projects in the prior year
- \$8.3 million (5%) increase in property tax revenue due to a 4.8% increase in taxable valuations.
- \$1.3 million (171%) increase in miscellaneous revenue due to an increase in various line items including federal forfeitures, miscellaneous contributions and donations, and subrogation/restitution as well as reclassification of conservation haying revenues.
- \$6.7 million (8%) increase in public safety and legal services expense primarily due to increased costs of staffing and housing inmates as well as investment in a public safety radio upgrade.
- \$2.7 million (14%) increase in county environment and education primarily due to a newly approved contribution to neighborhood revitalization and reduced contribution to economic development of a mall facility and an increase in depreciation expense due to completion of the Jester Park Nature Center.
- \$1.9 million (11%) increase in roads and transportation expense primarily due to increased spending on roadway maintenance and equipment.
- \$5.3 million (-12%) decrease in administration expense primarily due to decreased community grants as well as a prior year internal loan to the golf course enterprise fund. This decrease is partially offset by increased spending to address COVID-19 related health needs.

Business-type Activities Revenues for the County's business-type activities decreased \$81.9 million (65%) and expenses increased \$2.6 million (6%). Key elements of these changes include the following:

- Capital grants and contributions decreased \$77.5 million primarily due to recording \$77.6 million in leasehold improvements from Prairie Meadows Racetrack/Casino in prior year.
- Charges for services decreased \$4.2 million primarily due to a decrease in parking income, commissions income, and concession sales at the Iowa Events Center due to holding fewer conventions and other events because of COVID-19.

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 \$140.8 million at June 30, 2020, which is \$1.0 million more than the prior year. Key elements of these changes include the following:

- The General Fund increased \$11.7 million primarily due to the result of a \$8.3 million increase in property tax revenue due to a 4.8% increase in taxable valuations.
- The Mental Health Special Revenue Fund increased \$.3 million primarily due to a decrease in mental health service expense.
- The Debt Service fund decreased \$1 million primarily due to increased principal and interest payments.

Proprietary Funds

Sanitary Sewer net position increased \$.8 million primarily due to a transfer in from the general fund of \$1.1 million for expenses relating to Saylor Creek Trunk Sewer-Segment 4 and to provide for a WRA lift station reserve. In addition, the fund received a \$.6 million transfer from Prairie Meadows relating to funding of debt payments.

Prairie Meadows Racetrack/Casino net position decreased \$8.5 million primarily due to \$2.0 million in economic development costs relating to the Iowa Event Center Hotel Corp and \$20.3 million transfers out for funding of community betterment projects in excess over \$26.3 million revenues.

Iowa Events Center net position decreased \$.1 million primarily due to recognizing a decrease in revenue and expenses due to events being suspended starting March 2020 due to COVID-19.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's capital assets for its governmental and business-type activities as of June 30, 2020, amount to \$616 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 decreased \$1.3 million during the year. The primary reason for the decrease is due to increased depreciation expense over capital additions during the fiscal year. In addition, the County made improvements and land acquisitions under the Polk County Water & Land Legacy initiative, made renovations under the Historic Courthouse interior project, started work on the Lauridsen Skate Park project and the Norwoodville sewer project.

Major capital asset events for the year ended June 30, 2020, are as follows:

- Historic Courthouse Phase IV - \$12.2 million
- Polk County Water & Land Legacy land acquisitions and improvements - \$3.4 million
- Lauridsen Skate Park project - \$2.4 million
- New scoreboard at Wells Fargo Arena - \$1.7 million
- Sheriff's Administration/Law Enforcement Facility - \$1.6 million
- Norwoodville sewer project - \$1.1 million

Capital assets for the governmental and business-type activities at June 30, 2020 are as follows:

Capital Assets

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 27,152,307	\$ 26,070,135	\$ 18,215,559	\$ 18,215,559	\$ 45,367,866	\$ 44,285,694
Intangibles - permanent easements	-	-	3,322,580	3,322,580	3,322,580	3,322,580
Buildings	224,601,260	223,288,815	327,335,535	328,480,940	551,936,795	551,769,755
Improvements other than buildings	7,300,243	7,279,934	11,571,591	11,571,591	18,871,834	18,851,525
Leasehold improvements	-	-	191,536,328	191,536,328	191,536,328	191,536,328
Infrastructure	139,369,158	129,634,635	36,646,485	34,541,170	176,015,643	164,175,805
Equipment	15,847,226	15,147,633	5,555,874	3,823,300	21,403,100	18,970,933
Vehicles	12,948,100	11,347,305	247,351	247,351	13,195,451	11,594,656
Intangibles - computer software	6,455,002	6,455,002	-	-	6,455,002	6,455,002
Intangible in progress	1,029,067	255,622	-	-	1,029,067	255,622
Construction in progress	50,147,380	36,720,821	1,343,883	1,998,643	51,491,263	38,719,464
Total	<u>484,849,743</u>	<u>456,199,902</u>	<u>595,775,186</u>	<u>593,737,462</u>	<u>1,080,624,929</u>	<u>1,049,937,364</u>
Less: accumulated depreciation	<u>(205,935,182)</u>	<u>(193,542,301)</u>	<u>(257,977,367)</u>	<u>(238,350,299)</u>	<u>(463,912,549)</u>	<u>(431,892,600)</u>
Total	<u>\$ 278,914,561</u>	<u>\$ 262,657,601</u>	<u>\$ 337,797,819</u>	<u>\$ 355,387,163</u>	<u>\$ 616,712,380</u>	<u>\$ 618,044,764</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 20/21 capital budget includes spending an estimated \$10.8 million for the Polk County Historic Courthouse, \$2.5 million for Polk County Water & Land Legacy projects, \$19.5 million for the Sheriff's administration/law enforcement facility, \$5.2 million for capital improvement projects at various County facilities, \$3.5 million for a new senior center, \$2.8 million for technology upgrades, and \$1 million for the first phase of a county morgue construction. Planned capital outlays for proprietary funds include \$0.5 million for improvements to the Iowa Events Center.

Long-Term Debt

At June 30, 2020, the County had \$271.8 million in bonds and notes outstanding, no change compared to FY 18/19. The reason for no change in debt is the issuance of \$78.6 million of bonds to finance a loan to the Metro Waste Authority and to refund existing debt, as offset by paying down principal on existing bonds. Three large outstanding obligations pertain to the Iowa Events Center Enterprise Fund. Projects consisted of construction of a new arena and exhibit hall along with a renovated Veteran Memorial Community Choice Credit Union Convention Center. The fund reported outstanding obligations of \$68.6 million at the end of FY19/20.

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 \$1.5 billion as of June 30, 2020. 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 new and existing outstanding debt obligations.

Outstanding Debt

	Governmental Activities		Business-type Activities		Total		Percentage Change
	2020	2019	2020	2019	2020	2019	2019-2020
G.O. bonds	\$ 174,203,773	\$ 160,757,203	\$ 74,416,957	\$ 85,950,638	\$ 248,620,730	\$ 246,707,841	1%
Notes payable	395,000	835,000	22,736,000	23,686,000	23,131,000	24,521,000	-6%
Total	<u>\$ 174,598,773</u>	<u>\$ 161,592,203</u>	<u>\$ 97,152,957</u>	<u>\$ 109,636,638</u>	<u>\$ 271,751,730</u>	<u>\$ 271,228,841</u>	0%

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 \$46.6 million below final budget amounts. Significant variances include:

- Capital projects, primarily construction of a new Sheriff’s administration/law enforcement facility and purchase of a new senior center, were \$14.3 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 \$6.7 million less than budget due to delayed implementation of new services and changes in utilization.
- Polk County Water and Land Legacy conservation projects were \$4.3 million less than budget due to the timing of capital projects.
- Community and economic development grant expenditures were \$4.1 million less than budget. The variance is primarily due to timing of a planned economic development loan and a large grant reserve being set aside for this purpose, but fewer than anticipated grants actually being awarded.
- COVID-19 related expenditures were \$2.6 million less than budget. During the early stages of the pandemic, the County estimated expenditures and added a \$2 million contingency to the estimate due to uncertainty. The contingency appropriation was not utilized.
- Secondary Roads expenditures were \$1.3 million less than budget due to COVID-19 related shipping delays that stalled the arrival/purchase of new hydraulic excavators.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

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

For FY 20/21, certified taxable valuations increased 7.4%, resulting in a budgeted increase of \$14 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 20/21, the County estimates state replacement funding of \$6.5 million.

Polk County’s budget for FY 20/21 indicates General fund balances will decrease \$20 million due to planned balance utilization for capital projects. Nonetheless, 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 increased public safety and welfare costs of COVID-19 through relief funds appropriated by the State 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 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.

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.

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POLK COUNTY, IOWA

**Statement of Net Position
June 30, 2020**

	Primary Government			Component Units Total
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and pooled investments	\$ 148,906,034	\$ 24,794,482	\$ 173,700,516	\$ 7,069,797
Receivables (net)	45,514,017	22,984,921	68,498,938	771,364
Due from component units	170,775	191,236	362,011	-
Advances to component units	-	27,750,000	27,750,000	-
Internal balances	3,854,838	(3,854,838)	-	-
Inventories	1,885,736	97,309	1,983,045	34,779
Prepaid items	1,645,184	97,299	1,742,483	312,283
Restricted assets - cash and pooled investments	8,835,277	637,860	9,473,137	9,156,374
Succeeding year property taxes receivable	205,242,269	-	205,242,269	-
Capital assets not being depreciated	78,328,754	22,882,022	101,210,776	1,338,040
Capital assets being depreciated, net	200,585,807	314,915,797	515,501,604	98,702,355
TOTAL ASSETS	694,968,691	410,496,088	1,105,464,779	117,384,992
DEFERRED OUTFLOWS OF RESOURCES	21,191,979	395,313	21,587,292	-
LIABILITIES				
Accounts payable and other current liabilities	12,683,575	6,632,616	19,316,191	2,567,222
Due to primary government	-	-	-	260,878
Interest payable	478,387	233,313	711,700	962,749
Unearned revenues	162,273	874,949	1,037,222	558,187
Advance deposits and ticket sales	-	700,150	700,150	-
Due within one year:				
General obligation bonds payable	18,700,458	11,963,681	30,664,139	-
Notes payable	395,000	980,000	1,375,000	-
Capital leases payable	347,763	-	347,763	-
Compensated absences payable	2,260,635	47,513	2,308,148	74,098
Estimated liability for claims and judgments	5,284,600	-	5,284,600	-
Certificate of participation	-	-	-	1,167,994
Due in more than one year:				
General obligation bonds payable	155,503,315	62,453,276	217,956,591	-
Notes payable	-	21,756,000	21,756,000	-
Capital leases payable	708,472	-	708,472	-
Compensated absences payable	16,344,322	355,214	16,699,536	22,239
Estimated liability for claims and judgments	5,813,000	-	5,813,000	-
Total OPEB liability	14,647,000	-	14,647,000	-
Net pension liability	48,788,783	957,828	49,746,611	-
Certificate of participation	-	-	-	60,198,365
Certificate of participation - due to primary government	-	-	-	27,750,000
Derivative instruments - interest rate swaps	-	-	-	2,801,179
Due to manager - Hilton Management, LLC	-	-	-	2,650,000
TOTAL LIABILITIES	282,117,583	106,954,540	389,072,123	99,012,911
DEFERRED INFLOWS OF RESOURCES	221,730,497	1,560,376	223,290,873	-
NET POSITION				
Net investment in capital assets	153,716,269	255,720,433	409,436,702	10,924,036
Restricted for:				
Capital improvements	-	637,860	637,860	-
Debt service	371,651	-	371,651	-
Enabling legislation - State Statutes	7,510,343	-	7,510,343	-
PCHS/Foundation	-	-	-	2,271,952
IEC Hotel Corporation	-	-	-	4,153,702
Unrestricted (deficit)	50,714,327	46,018,192	96,732,519	1,022,391
TOTAL NET POSITION	\$ 212,312,590	\$ 302,376,485	\$ 514,689,075	\$ 18,372,081

POLK COUNTY, IOWA

Statement of Activities
For the Year Ended June 30, 2020

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	\$ 90,042,251	\$ 21,157,832	\$ 1,785,420	\$ -	\$ (67,098,999)	\$ -	\$ (67,098,999)	\$ -
Physical health and social services	42,236,354	1,277,481	11,450,602	-	(29,508,271)	-	(29,508,271)	-
Mental health	23,791,649	5,470,234	-	-	(18,321,415)	-	(18,321,415)	-
County environment and education	21,273,906	2,674,304	347,353	2,824,378	(15,427,871)	-	(15,427,871)	-
Roads and transportation	20,012,591	820,541	7,629,426	5,248,224	(6,314,400)	-	(6,314,400)	-
Government services to residents	9,753,363	9,399,389	-	-	(353,974)	-	(353,974)	-
Administration	38,746,860	1,784,795	89,875	-	(36,872,190)	-	(36,872,190)	-
Interest on long-term debt	7,631,720	55,509	-	-	(7,576,211)	-	(7,576,211)	-
Total governmental activities	253,488,694	42,640,085	21,302,676	8,072,602	(181,473,331)	-	(181,473,331)	-
Business-type activities:								
Air Quality	1,516,296	409,362	869,298	-	-	(237,636)	(237,636)	-
Sanitary Sewer	2,470,020	995,879	-	-	-	(1,474,141)	(1,474,141)	-
Prairie Meadows Racetrack/Casino	15,679,920	26,314,372	-	-	-	10,634,452	10,634,452	-
Conservation Enterprises	446,968	287,731	-	-	-	(159,237)	(159,237)	-
Hamilton Urban Drainage District	696,238	113,905	-	199,682	-	(382,651)	(382,651)	-
Iowa Events Center	25,818,408	12,949,284	-	32,000	-	(12,837,124)	(12,837,124)	-
Urban Sewer	59,374	-	-	-	-	(59,374)	(59,374)	-
Iowa Tax & Tags	537,065	259,920	-	-	-	(277,145)	(277,145)	-
Total business-type activities	47,224,289	41,330,453	869,298	231,682	-	(4,792,856)	(4,792,856)	-
Total primary government	\$ 300,712,983	\$ 83,970,538	\$ 22,171,974	\$ 8,304,284	(181,473,331)	(4,792,856)	(186,266,187)	-
Component units:								
PCHS	\$ 3,335,177	\$ 1,383,986	\$ 1,653,303	\$ -				(297,888)
IEC Hotel Corp	21,763,596	17,503,744	1,178,518	1,618,333				(1,463,001)
Total	\$ 25,098,773	\$ 18,887,730	\$ 2,831,821	\$ 1,618,333				(1,760,889)
General revenues:								
Property taxes					178,520,086	-	178,520,086	-
Other county taxes					6,177,617	-	6,177,617	-
Interest and penalties on property taxes					638,379	-	638,379	-
State tax credits and replacements against levied property taxes					13,859,458	-	13,859,458	-
Interest income					3,957,120	1,969,165	5,926,285	164,465
Gain on sale of capital assets					-	-	-	35,516
Miscellaneous					2,105,056	422,167	2,527,223	61,970
Transfers					6,354,609	(6,354,609)	-	-
Total general revenues and transfers					211,612,325	(3,963,277)	207,649,048	261,951
Change in net position					30,138,994	(8,756,133)	21,382,861	(1,498,938)
Net position - beginning					182,173,596	311,132,618	493,306,214	19,871,019
Net position - ending					\$ 212,312,590	\$ 302,376,485	\$ 514,689,075	\$ 18,372,081

See Notes to Basic Financial Statements

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POLK COUNTY, IOWA

**Balance Sheet
Governmental Funds
June 30, 2020**

	General	Mental Health	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and pooled investments	\$ 91,709,972	\$ 3,382,431	\$ 334,940	\$ 34,971,608	\$ 130,398,951
Restricted assets - cash and pooled investments	-	-	-	8,835,277	8,835,277
Receivables (net):					
Taxes	2,245,252	213,673	258,346	155,366	2,872,637
Succeeding year property taxes	158,714,207	15,039,987	20,251,894	11,236,181	205,242,269
Special assessments	221,227	-	-	12,798	234,025
Accounts	417,883	23,752	-	6,138	447,773
Notes	2,585,050	-	-	-	2,585,050
Accrued interest	279,404	-	-	-	279,404
Due from other funds	443,898	42,064	91,536	725	578,223
Due from other governments	6,136,769	8,422	-	1,341,553	7,486,744
Due from component units	-	170,775	-	-	170,775
Advances to other funds	3,277,340	-	-	-	3,277,340
Inventories	644,390	-	-	1,241,346	1,885,736
Prepaid items	882,965	754,803	-	-	1,637,768
TOTAL ASSETS	\$ 267,558,357	\$ 19,635,907	\$ 20,936,716	\$ 57,800,992	\$ 365,931,972
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,995,909	\$ 626,492	\$ 92,608	\$ 2,736,729	\$ 5,451,738
Contract/retainage payable	-	-	-	711,431	711,431
Wages payable	2,549,887	-	-	131,063	2,680,950
Payroll taxes payable	421,799	-	-	21,876	443,675
Compensated absences payable	3,018,815	-	-	-	3,018,815
Estimated liability for claims and judgments	286,000	-	-	-	286,000
Due to other funds	725	-	-	-	725
Due to other governments	3,081,604	-	-	-	3,081,604
Trust payable	116,558	-	-	-	116,558
Unearned revenues	162,273	-	-	-	162,273
TOTAL LIABILITIES	11,633,570	626,492	92,608	3,601,099	15,953,769
DEFERRED INFLOWS OF RESOURCES	162,199,582	15,200,644	20,473,704	11,340,329	209,214,259
Fund balances:					
Nonspendable	4,642,422	754,803	-	1,241,346	6,638,571
Restricted	-	3,053,968	370,404	28,626,348	32,050,720
Committed	5,539,649	-	-	13,217,277	18,756,926
Unassigned	83,543,134	-	-	(225,407)	83,317,727
TOTAL FUND BALANCES	93,725,205	3,808,771	370,404	42,859,564	140,763,944
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 267,558,357	\$ 19,635,907	\$ 20,936,716	\$ 57,800,992	\$ 365,931,972

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, 2020**

Fund balances - total governmental funds	\$	140,763,944
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	\$	484,849,743
Accumulated depreciation		<u>(205,935,182)</u>
		278,914,561
Interest payable on long-term obligations that does not require current financial resources and therefore is not reported in the funds.		
		(478,387)
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.		
		16,775,291
Revenues and other financing sources that are not available to pay for current period expenditures in the funds.		
Property taxes		1,577,509
Special assessments		228,259
Accounts receivable		64,238
Due from other governments		1,524,486
Due from other funds (Prairie Meadows property taxes)		<u>577,498</u>
		3,971,990
Long-term receivables are not available to pay for current period expenditures and therefore are not reported in the funds:		
Notes receivable (Aviation Authority)		395,000
Notes receivable (Metro Waste Authority)		30,515,000
Interest receivable (Metro Waste Authority)		65,373
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		21,191,979
Deferred inflows of resources (Pension)		(13,418,562)
Deferred inflows of resources (OPEB)		(990,946)
Deferred inflows of resources (Gain on refunding)		(2,078,720)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds payable		(174,203,773)
Notes payable		(395,000)
Capital leases payable		(1,056,235)
Compensated absences payable		(15,586,142)
Estimated liability for claims and judgments		(8,637,000)
Total OPEB liability		(14,647,000)
Net pension liability		<u>(48,788,783)</u>
Net position of governmental activities	\$	<u><u>212,312,590</u></u>

See Notes to Basic Financial Statements

POLK COUNTY, IOWA

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020**

	General	Mental Health	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Property taxes	\$ 136,182,818	\$ 13,797,269	\$ 17,701,698	\$ 9,784,705	\$ 177,466,490
Other County taxes	4,726,702	391,751	451,535	607,629	6,177,617
Interest and penalties on delinquent taxes	638,379	-	-	-	638,379
Intergovernmental	38,663,762	6,561,104	1,333,963	9,359,568	55,918,397
Licenses and permits	1,314,104	-	-	180,276	1,494,380
Charges for services	16,329,157	-	-	1,028,815	17,357,972
Use of money and property	6,772,970	-	451,837	329,557	7,554,364
Miscellaneous	1,747,565	158,451	-	842,865	2,748,881
TOTAL REVENUES	206,375,457	20,908,575	19,939,033	22,133,415	269,356,480
EXPENDITURES:					
Current:					
Public safety and legal services	83,470,013	-	-	1,652,446	85,122,459
Physical health and social services	39,468,371	-	-	-	39,468,371
Mental health	3,207,716	20,583,933	-	-	23,791,649
County environment and education	16,908,818	-	-	1,259,358	18,168,176
Roads and transportation	924,160	-	-	13,123,278	14,047,438
Government services to residents	8,832,656	-	-	271,403	9,104,059
Administration	37,650,125	-	-	-	37,650,125
Debt service:					
Principal	-	-	15,040,000	55,000	15,095,000
Interest and fiscal charges	-	-	6,350,354	508	6,350,862
Capital projects:					
Roadway construction	-	-	-	3,811,751	3,811,751
Conservation land acquisition and development	462,921	-	-	4,645,072	5,107,993
Other capital projects	-	-	-	18,596,029	18,596,029
TOTAL EXPENDITURES	190,924,780	20,583,933	21,390,354	43,414,845	276,313,912
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	15,450,677	324,642	(1,451,321)	(21,281,430)	(6,957,432)
OTHER FINANCING SOURCES (USES):					
Transfers in	16,472,884	-	-	16,621,020	33,093,904
Transfers out	(20,183,224)	-	-	(6,536,071)	(26,719,295)
Issuance of notes receivable	-	-	(30,515,000)	-	(30,515,000)
Issuance of capital leases	-	-	-	1,200,808	1,200,808
Issuance of bonds	-	-	30,515,000	-	30,515,000
Issuance of refunding bonds	-	-	48,070,000	-	48,070,000
Premium/(discount) on bonds issued	-	-	5,090,112	-	5,090,112
Payment to refunding bond escrow	-	-	(52,745,000)	-	(52,745,000)
TOTAL OTHER FINANCING SOURCES (USES)	(3,710,340)	-	415,112	11,285,757	7,990,529
NET CHANGE IN FUND BALANCES	11,740,337	324,642	(1,036,209)	(9,995,673)	1,033,097
FUND BALANCE, BEGINNING	81,984,868	3,484,129	1,406,613	52,855,237	139,730,847
FUND BALANCE, ENDING	\$ 93,725,205	\$ 3,808,771	\$ 370,404	\$ 42,859,564	\$ 140,763,944

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, 2020**

Net change in fund balances - total governmental funds \$ 1,033,097

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

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

Capital outlays	22,356,535
Capital contribution	7,186,444
Depreciation/amortization expense	(13,286,019)

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

Change in deferred inflows of resources	968,035
Issuance of note receivable (Metro Waste Authority)	30,515,000
Interest receivable (Metro Waste Authority)	65,373
Collection of long-term receivable (Aviation Authority) recognized as revenue in the governmental funds	(385,000)

The current year County employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position. 9,388,139

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

Change in estimated liabilities for claims and judgments	(1,169,000)
Change in compensated absences	(1,092,024)
Pension expense	(12,509,914)
OPEB expense	(1,006,108)

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

Change in capital leases	(326,967)
Payments on long-term bonds	67,400,000
Payments on long-term notes	440,000
Proceeds on long-term debt	(78,585,000)
Premium/(discount) on the issuance of debt	(7,164,748)
Amortization of bond premium/(discount)	4,903,178
Amortization of gain on refunding of debt	(1,274,353)

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

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

Change in interest payable on debt	(6,505)
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Internal service funds are used by management to charge the costs of insurance. The change in net position is reported with governmental activities. 2,688,831

Change in net position of governmental activities \$ 30,138,994

See Notes to Basic Financial Statements

POLK COUNTY, IOWA

Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-type Activities - Enterprise Funds			
	Sanitary Sewer	Prairie Meadows Racetrack/ Casino	Iowa Events Center	Nonmajor Enterprise Funds
ASSETS				
Current assets:				
Cash and pooled investments	\$ 8,025,663	\$ 8,443,842	\$ 5,795,820	\$ 2,529,157
Restricted assets - cash and pooled investments	-	-	637,860	-
Receivables (net):				
Accounts	193,756	-	3,548,667	140,693
Notes	675,192	-	-	205,962
Due from other governments	50,451	482,380	-	607,880
Due from component units	-	-	191,236	-
Inventories	-	-	97,309	-
Prepaid items	-	-	97,299	-
Total current assets	8,945,062	8,926,222	10,368,191	3,483,692
Noncurrent assets:				
Receivables (net):				
Special assessments	5,519	-	-	5,810
Notes	13,490,704	-	-	3,577,907
Advances to component units	-	27,750,000	-	-
Capital assets not being depreciated	1,943,494	3,129,000	13,914,413	3,895,115
Capital assets being depreciated, net	14,964,363	137,016,602	150,478,073	12,456,759
Total noncurrent assets	30,404,080	167,895,602	164,392,486	19,935,591
TOTAL ASSETS	39,349,142	176,821,824	174,760,677	23,419,283
DEFERRED OUTFLOW OF RESOURCES	-	-	29,471	365,842
LIABILITIES				
Current liabilities:				
Accounts payable	224,447	-	1,894,528	39,547
Wages payable	-	-	30,875	30,959
Payroll taxes payable	-	-	2,210	5,168
Interest payable	44,112	-	181,633	7,568
Estimated liability for claims and judgments	-	-	-	-
Due to other funds	-	577,498	-	-
Due to other governments	-	4,404,882	-	-
Advance deposits and ticket sales	-	-	700,150	-
Unearned revenues	-	-	874,949	-
General obligation bonds payable	-	-	11,620,147	343,534
Notes payable	980,000	-	-	-
Advances from other funds	-	-	-	242,227
Compensated absences payable	-	-	33,593	13,920
Total current liabilities	1,248,559	4,982,380	15,338,085	682,923
Noncurrent liabilities:				
General obligation bonds payable	-	-	60,600,607	1,852,669
Notes payable	21,756,000	-	-	-
Advances from other funds	-	-	-	3,035,113
Compensated absences payable	-	-	-	355,214
Net pension liability	-	-	71,328	886,500
Total noncurrent liabilities	21,756,000	-	60,671,935	6,129,496
TOTAL LIABILITIES	23,004,559	4,982,380	76,010,020	6,812,419
DEFERRED INFLOWS OF RESOURCES	-	-	1,291,554	268,822
NET POSITION				
Net investment in capital assets	8,337,753	140,145,602	90,885,204	16,351,874
Restricted for capital improvements	-	-	637,860	-
Unrestricted	8,006,830	31,693,842	5,965,510	352,010
TOTAL NET POSITION	\$ 16,344,583	\$ 171,839,444	\$ 97,488,574	\$ 16,703,884

See Notes to Basic Financial Statements

Total	Governmental Activities- Internal Service Funds
\$ 24,794,482	\$ 18,507,083
637,860	-
3,883,116	633,011
881,154	-
1,140,711	-
191,236	-
97,309	-
97,299	7,416
<u>31,723,167</u>	<u>19,147,510</u>
11,329	-
17,068,611	-
27,750,000	-
22,882,022	-
314,915,797	-
<u>382,627,759</u>	<u>-</u>
414,350,926	19,147,510
<u>395,313</u>	<u>-</u>
2,158,522	197,619
61,834	-
7,378	-
233,313	-
-	2,174,600
577,498	-
4,404,882	-
700,150	-
874,949	-
11,963,681	-
980,000	-
242,227	-
47,513	-
<u>22,251,947</u>	<u>2,372,219</u>
62,453,276	-
21,756,000	-
3,035,113	-
355,214	-
957,828	-
<u>88,557,431</u>	<u>-</u>
110,809,378	2,372,219
<u>1,560,376</u>	<u>-</u>
255,720,433	-
637,860	-
46,018,192	16,775,291
<u>\$ 302,376,485</u>	<u>\$ 16,775,291</u>

POLK COUNTY, IOWA

**Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020**

	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	\$ 995,879	\$ 15,900,000	\$ 3,144,112	\$ 783,187
Intergovernmental revenues	-	-	-	869,298
Project income	-	10,414,372	840,000	-
Parking income	-	-	756,175	-
Concession sales	-	-	6,072,846	-
Commissions income	-	-	1,737,178	287,731
PFMS user fee on ticket sales	-	-	398,973	-
Miscellaneous	32,506	-	377,581	12,080
Total operating revenues	1,028,385	26,314,372	13,326,865	1,952,296
OPERATING EXPENSES:				
Cost of goods and services:				
Personal services	117,772	-	2,944,448	1,782,217
Supplies	-	-	394,807	138,692
Professional services	100,737	-	79,547	101,114
Other services/charges	677,706	4,500,000	3,492,141	474,988
Insurance	-	-	195,473	-
Direct event expense	-	-	1,965,412	-
Cost of goods sold - concession	-	-	4,198,562	-
Management expense	-	-	283,409	-
Economic development expense	425,000	1,973,333	-	-
Miscellaneous	15,925	-	-	4,493
Amortization of discount (premium)	-	-	(595,147)	(48,534)
Depreciation	554,489	9,206,587	10,402,071	659,891
Total operating expenses	1,891,629	15,679,920	23,360,723	3,112,861
OPERATING INCOME (LOSS)	(863,244)	10,634,452	(10,033,858)	(1,160,565)
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	494,487	1,212,988	46,778	214,912
Nonoperating grant revenue	-	-	-	199,682
Interest expense	(578,391)	-	(2,457,685)	(143,080)
Total nonoperating revenues (expenses)	(83,904)	1,212,988	(2,410,907)	271,514
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(947,148)	11,847,440	(12,444,765)	(889,051)
CAPITAL CONTRIBUTIONS AND TRANSFERS:				
Capital contributions from others	-	-	32,000	-
Transfers in	1,739,865	-	12,315,268	-
Transfers out	-	(20,307,204)	-	(102,538)
Total capital contributions and transfers	1,739,865	(20,307,204)	12,347,268	(102,538)
CHANGE IN NET POSITION	792,717	(8,459,764)	(97,497)	(991,589)
NET POSITION - BEGINNING	15,551,866	180,299,208	97,586,071	17,695,473
NET POSITION - ENDING	\$ 16,344,583	\$ 171,839,444	\$ 97,488,574	\$ 16,703,884

See Notes to Basic Financial Statements

Total	Governmental Activities- Internal Service Funds
\$ 20,823,178	\$ 22,608,202
869,298	-
11,254,372	-
756,175	-
6,072,846	-
2,024,909	-
398,973	-
422,167	562
<u>42,621,918</u>	<u>22,608,764</u>
4,844,437	-
533,499	52,345
281,398	-
9,144,835	54,930
195,473	19,874,405
1,965,412	-
4,198,562	-
283,409	-
-	-
20,418	-
(643,681)	-
20,823,038	-
<u>44,045,133</u>	<u>19,981,680</u>
(1,423,215)	2,627,084
1,969,165	81,747
199,682	-
(3,179,156)	-
<u>(1,010,309)</u>	<u>81,747</u>
(2,433,524)	2,708,831
32,000	-
14,055,133	3,944,552
(20,409,742)	(3,964,552)
<u>(6,322,609)</u>	<u>(20,000)</u>
(8,756,133)	2,688,831
<u>311,132,618</u>	<u>14,086,460</u>
\$ 302,376,485	\$ 16,775,291

POLK COUNTY, IOWA

**Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020**

	Business-type Activities-Enterprise Funds		
	Sanitary Sewer	Prairie Meadows Racetrack/ Casino	Iowa Events Center
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,036,695	\$ -	\$ 16,285,219
Cash received from internal customers - other funds	-	-	-
Cash received from operating grants	-	-	-
Cash received from racetrack/casino	-	25,926,264	-
Cash paid to suppliers for goods and services	(1,249,932)	(6,089,778)	(12,953,716)
Cash paid to employees	(117,772)	-	(3,400,936)
Net cash flows from operating activities	<u>(331,009)</u>	<u>19,836,486</u>	<u>(69,433)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Proceeds from due from other funds	-	4,553	-
Disbursements for due to component unit	-	-	(103,071)
Repayment on advance from other funds	-	-	-
Transfers in	1,739,865	-	12,315,268
Transfers out	-	(20,307,204)	-
Net cash flows from noncapital financing activities	<u>1,739,865</u>	<u>(20,302,651)</u>	<u>12,212,197</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal paid on long-term debt	(950,000)	-	(10,615,000)
Interest paid on long-term debt	(580,393)	-	(2,491,420)
Capital contributions from others	-	-	32,000
Purchase of capital assets	(1,235,429)	-	(1,745,881)
Repayments on capital note receivable	656,436	-	-
Net cash flows from capital and related financing activities	<u>(2,109,386)</u>	<u>-</u>	<u>(14,820,301)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	494,487	1,228,861	49,837
Net cash flows from investing activities	<u>494,487</u>	<u>1,228,861</u>	<u>49,837</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(206,043)	762,696	(2,627,700)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	8,231,706	7,681,146	9,061,380
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 8,025,663	\$ 8,443,842	\$ 6,433,680

Nonmajor Enterprise Funds		Total	Governmental Activities- Internal Service Funds
\$	1,092,312	\$ 18,414,226	\$ -
	-	-	22,792,837
	698,074	698,074	-
	-	25,926,264	-
	(717,068)	(21,010,494)	(20,999,516)
	(1,570,275)	(5,088,983)	-
	(496,957)	18,939,087	1,793,321
	-	4,553	-
	-	(103,071)	-
	(239,828)	(239,828)	-
	-	14,055,133	3,944,552
	(102,538)	(20,409,742)	(3,964,552)
	(342,366)	(6,692,955)	(20,000)
	(275,000)	(11,840,000)	-
	(144,172)	(3,215,985)	-
	-	32,000	-
	(37,258)	(3,018,568)	-
	78,056	734,492	-
	(378,374)	(17,308,061)	-
	214,912	1,988,097	90,132
	214,912	1,988,097	90,132
	(1,002,785)	(3,073,832)	1,863,453
	3,531,942	28,506,174	16,643,630
\$	2,529,157	\$ 25,432,342	\$ 18,507,083

(continued)

POLK COUNTY, IOWA

**Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020**

	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)	\$ (863,244)	\$ 10,634,452	\$ (10,033,858)
Components of operating income (loss) not included in operating activities:			
Depreciation	554,489	9,206,587	10,402,071
Amortization	-	-	(595,147)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
(Increase) decrease in special assessments receivable	(193)	-	-
(Increase) decrease in accounts receivable	13,393	-	1,890,643
(Increase) decrease in due from other governments	(4,890)	(388,108)	1,003,557
(Increase) decrease in inventories	-	-	20,330
(Increase) decrease in prepaid items	-	-	67,865
(Increase) decrease in deferred outflows of resources	-	-	499
Increase (decrease) in accounts payable	(30,564)	-	(2,432,560)
Increase (decrease) in wages payable	-	-	(169,849)
Increase (decrease) in payroll taxes payable	-	-	(13,145)
Increase (decrease) in due to other governments	-	383,555	-
Increase (decrease) in advance deposits and ticket sales	-	-	54,775
Increase (decrease) in unearned revenue	-	-	9,379
Increase (decrease) in compensated absences payable	-	-	(54,879)
Increase (decrease) in estimated liability for claims and judgments	-	-	-
Increase (decrease) in net pension liability	-	-	(1,106)
Increase (decrease) in deferred inflows of resources	-	-	(218,008)
Net cash flows from operating activities	<u>\$ (331,009)</u>	<u>\$ 19,836,486</u>	<u>\$ (69,433)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Disposal of fully depreciated capital assets	\$ -	\$ -	\$ (1,189,395)
Acquisition of capital assets through accounts payable	215,126	-	-
Acquisition of notes receivable through disposal of capital assets	(656,436)	-	-

See Notes to Basic Financial Statements

Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
\$ (1,160,565)	\$ (1,423,215)	\$ 2,627,084
659,891	20,823,038	-
(48,534)	(643,681)	-
(674)	(867)	-
9,988	1,914,024	175,433
(171,224)	439,335	-
-	20,330	-
-	67,865	1,876
49,452	49,951	-
2,219	(2,460,905)	32,788
8,169	(161,680)	-
1,368	(11,777)	-
-	383,555	8,640
-	54,775	-
-	9,379	-
139,334	84,455	-
-	-	(1,052,500)
(109,543)	(110,649)	-
123,162	(94,846)	-
<u>\$ (496,957)</u>	<u>\$ 18,939,087</u>	<u>\$ 1,793,321</u>

\$ (6,575)	\$ (1,195,970)	\$ -
-	215,126	-
-	(656,436)	-

(concluded)

POLK COUNTY, IOWA

Statement of Assets and Liabilities

Fiduciary Funds

June 30, 2020

	Total Agency Funds
ASSETS	
Cash and pooled investments	\$ 32,166,436
Receivables (net):	
Taxes	14,666,972
Special assessments	7,717,179
Accounts	168,559
Due from other governments	487,822
Prepays	48,274
	<hr/>
TOTAL ASSETS	\$ 55,255,242
	<hr/> <hr/>
LIABILITIES	
Accounts payable	\$ 677,605
Wages payable	107,690
Payroll taxes payable	186,873
Due to other governments	52,542,912
Trusts payable	191,783
Compensated absences payable	1,185,379
Total OPEB liability	363,000
	<hr/>
TOTAL LIABILITIES	\$ 55,255,242
	<hr/> <hr/>

See Notes to Basic Financial Statements

POLK COUNTY, IOWA

Notes to the Financial Statements For the Year Ended June 30, 2020

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, 2020, 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 \$23.8 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 E911 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 Agency 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 and Conservation Special Projects.

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.

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.

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 fund reporting focuses on net position and changes in net position. Agency funds account for drainage districts, county assessor, emergency management services, narcotics task force, etc. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency 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 2019 on the assessed valuation of property located in the County as of January 1, 2018, 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, 2019. Taxes were receivable in two installments on September 30, 2019, and March 31, 2020. 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 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.

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, 2020. 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, 2020 are as follows:

Nonmajor Enterprise	
Air Quality	\$ (165,798)

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, 2020, the cash and pooled investments of the County consist of:

Cash and cash items in vault	\$ 142,661
Cash on hand not yet deposited	72,438
Bank account deposits	15,094,662
Money market mutual funds	117,694,856
Money market mutual funds - restricted	9,473,137
U.S. government securities	62,938,377
Commercial paper	<u>9,923,958</u>
Total cash and pooled investments	<u>\$ 215,340,089</u>
Cash and pooled investments, statement of net position	\$ 173,700,516
Cash and pooled investments, fiduciary funds	32,166,436
Restricted assets - Note 4	<u>9,473,137</u>
Total cash and pooled investments	<u>\$ 215,340,089</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, \$10,966,032 matures in less than one year 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, 2020, 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, 2020.

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 Farm Credit Bank and Federal Home Loan Mortgage Corp which represent 16.1% and 8.05% 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, 2020, 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, 2020, 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 \$10,966,032 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, 2020, the County held \$51,972,345 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, 2020:

	PFMS User Fee	Concession Upkeep	Unspent Bond Proceeds	Total
Iowa Events Center	\$ 557,980	\$ 79,880	\$ -	\$ 637,860
Conservation Water & Land Improvements	-	-	6,821,616	6,821,616
Justice Center	-	-	2,013,661	2,013,661
Total	<u>\$ 557,980</u>	<u>\$ 79,880</u>	<u>\$ 8,835,277</u>	<u>\$ 9,473,137</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.

The amount of unspent bond proceeds relate to the June 1, 2019 issuance of \$33,925,000 in 2019 general obligation bonds for financing projects within the Justice Center and Conservation Water and Land Improvements Capital Projects Funds.

5. INTERNAL BALANCES

Due From/To Other Funds

Amounts due from/to other funds at June 30, 2020, are as follows:

	Due To				Total
	General Fund	Mental Health	Debt Service	Nonmajor Governmental	
Due from					
General Fund	\$ -	\$ -	\$ -	\$ 725	\$ 725
Prairie Meadows Racetrack/Casino	443,898	42,064	91,536	-	577,498
Total	<u>\$ 443,898</u>	<u>\$ 42,064</u>	<u>\$ 91,536</u>	<u>\$ 725</u>	<u>\$ 578,223</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	\$ 577,498
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Advances To/From Other Funds

The following loans between funds are long-term in nature and are classified as advances. The Conservation Enterprise Fund's advance from the General Fund relates to a loan made to make improvements to the golf course. The advance at June 30, 2020 is as follows:

Advance From	Advance To
General Fund	Nonmajor Enterprise Conservation Enterprises
\$	3,277,340

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, is as follows:

	Balance 7/1/2019	Additions	Disposals	Balance 6/30/2020
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 26,070,135	\$ 1,082,172	\$ -	\$ 27,152,307
Construction in progress	36,720,821	20,597,566	(7,171,007)	50,147,380
Intangibles-computer software in progress	255,622	773,445	-	1,029,067
Total capital assets, not being depreciated	<u>63,046,578</u>	<u>22,453,183</u>	<u>(7,171,007)</u>	<u>78,328,754</u>
Capital assets, being depreciated:				
Buildings	223,288,815	1,312,445	-	224,601,260
Improvements other than buildings	7,279,934	20,309	-	7,300,243
Equipment	15,147,633	768,973	(69,380)	15,847,226
Vehicles	11,347,305	2,424,553	(823,758)	12,948,100
Infrastructure	129,634,635	9,734,523	-	139,369,158
Intangibles-computer software	6,455,002	-	-	6,455,002
Total capital assets being depreciated	<u>393,153,324</u>	<u>14,260,803</u>	<u>(893,138)</u>	<u>406,520,989</u>
Less accumulated depreciation for:				
Buildings	(83,299,355)	(6,494,752)	-	(89,794,107)
Improvements other than buildings	(2,356,336)	(345,340)	-	(2,701,676)
Equipment	(11,295,631)	(1,290,183)	69,380	(12,516,434)
Vehicles	(7,693,540)	(1,437,120)	823,758	(8,306,902)
Infrastructure	(86,654,209)	(3,288,291)	-	(89,942,500)
Intangibles-computer software	(2,243,230)	(430,333)	-	(2,673,563)
Total accumulated depreciation	<u>(193,542,301)</u>	<u>(13,286,019)</u>	<u>893,138</u>	<u>(205,935,182)</u>
Total capital assets being depreciated, net	<u>199,611,023</u>	<u>974,784</u>	<u>-</u>	<u>200,585,807</u>
Governmental activities capital assets, net	<u>\$ 262,657,601</u>	<u>\$ 23,427,967</u>	<u>\$ (7,171,007)</u>	<u>\$ 278,914,561</u>

Governmental Activities

The Polk County Conservation Board purchased several parcels of land for the Polk County Water and Land Legacy project for \$1.1 million.

The County continued to work on the following projects included in construction in progress: 1) Water and Land Legacy improvements, 2) Historic Courthouse Phase IV, 3) NW 66th Avenue/Kempton Bridge Reconstruction Phase III, 4) Bridge replacement projects, 5) Sheriff's Administration/Law Enforcement Facility, 6) a truck wash bay facility, and 7) hay barn at the Equestrian Center. The County also began construction on two bridge replacement projects, and the Lauridsen Skate Park. The County completed construction of \$5 million in Polk County Water and Land Legacy improvements, \$4.5 million for the Ackelson Trail Phase III project, and two bridge replacements for \$1.3 million.

Equipment additions primarily consist of new sheriff equipment, conservation and computer equipment. Vehicle additions consist primarily of the purchase of 27 vehicles and 7 single axle trucks for various county departments. Vehicle disposals consist of the disposal of 4 vehicles and 9 single axle trucks. Infrastructure additions primarily consist of acceptance of new subdivision improvements into the Secondary Roads system.

	Balance 7/1/2019	Additions	Disposals	Balance 6/30/2020
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 18,215,559	\$ -	\$ -	\$ 18,215,559
Construction in progress	1,998,643	1,450,555	(2,105,315)	1,343,883
Intangibles-permanent easements	3,322,580	-	-	3,322,580
Total capital assets, not being depreciated	<u>23,536,782</u>	<u>1,450,555</u>	<u>(2,105,315)</u>	<u>22,882,022</u>
Capital assets, being depreciated:				
Buildings	328,480,940	-	(1,145,405)	327,335,535
Improvements other than buildings	11,571,591	-	-	11,571,591
Leasehold improvements	191,536,328	-	-	191,536,328
Equipment	3,823,300	1,783,139	(50,565)	5,555,874
Vehicles	247,351	-	-	247,351
Infrastructure	34,541,170	2,105,315	-	36,646,485
Total capital assets being depreciated	<u>570,200,680</u>	<u>3,888,454</u>	<u>(1,195,970)</u>	<u>572,893,164</u>
Less accumulated depreciation for:				
Buildings	(161,633,456)	(11,386,636)	1,145,405	(171,874,687)
Improvements other than buildings	(8,733,846)	(120,087)	-	(8,853,933)
Leasehold improvements	(52,065,199)	(7,661,454)	-	(59,726,653)
Equipment	(2,407,496)	(719,084)	50,565	(3,076,015)
Vehicles	(190,089)	(19,611)	-	(209,700)
Infrastructure	(13,320,213)	(916,166)	-	(14,236,379)
Total accumulated depreciation	<u>(238,350,299)</u>	<u>(20,823,038)</u>	<u>1,195,970</u>	<u>(257,977,367)</u>
Total capital assets being depreciated, net	<u>331,850,381</u>	<u>(16,934,584)</u>	<u>-</u>	<u>314,915,797</u>
Business-type activities capital assets, net	<u>\$ 355,387,163</u>	<u>\$ (15,484,029)</u>	<u>\$ (2,105,315)</u>	<u>\$ 337,797,819</u>

Business-type Activities

Construction in progress consisted \$1.1 million for the Norwoodville sewer project. Equipment additions consisted of \$1.7 million for a new scoreboard at Wells Fargo Arena. Building disposals consist primarily of the \$1.1 million of the old scoreboard included in the original building cost. Infrastructure additions represent the completion of Saylor Creek Trunk extension.

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	\$ 5,493,360
Physical health and social services	1,385,522
County environment and education	1,822,753
Roads and transportation	3,516,920
Government services to residents	327,606
Administration	<u>739,858</u>
Total depreciation expense - governmental activities	<u>\$ 13,286,019</u>

Business-type activities:

Air Quality	\$ 91,335
Sanitary Sewer	554,489
Prairie Meadows Racetrack/Casino	9,206,587
Conservation Enterprises	203,255
Hamilton Urban Drainage District	365,301
Iowa Events Center	<u>10,402,071</u>
Total depreciation expense - business-type activities	<u>\$ 20,823,038</u>

7. DEFERRED OUTFLOWS OF RESOURCES

The following is a summary of deferred outflows of resources activity for the year ended June 30, 2020:

	Pension Related Amounts	OPEB Related Amounts	Total
Governmental activities	<u>\$ 19,370,297</u>	<u>\$ 1,821,682</u>	<u>\$ 21,191,979</u>
Business-type activities:			
Air Quality	\$ 270,966	\$ -	\$ 270,966
Iowa Events Center	29,471	-	29,471
Iowa Tax & Tags	<u>94,876</u>	<u>-</u>	<u>94,876</u>
Total business-type activities	<u>\$ 395,313</u>	<u>\$ -</u>	<u>\$ 395,313</u>

8. LONG-TERM LIABILITIES

The following is a summary of long-term liability activity for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Governmental activities:					
General obligation bonds payable	\$ 148,670,000	\$ 78,585,000	\$ (67,400,000)	\$ 159,855,000	\$ 16,950,000
Add: unamortized premium (discount)	12,087,203	7,164,748	(4,903,178)	14,348,773	1,750,458
General obligation notes payable	835,000	-	(440,000)	395,000	395,000
Capital leases payable	729,268	1,200,808	(873,841)	1,056,235	347,763
Accrued compensated absences	17,202,142	11,191,101	(9,788,286)	18,604,957	2,260,635
Total OPEB liability	12,948,000	1,699,000	-	14,647,000	-
Estimated liability for claims and judgements	11,074,100	21,836,571	(21,813,071)	11,097,600	5,284,600
Net pension liability	54,210,562	-	(5,421,779)	48,788,783	-
Total	\$ 257,756,275	\$ 121,677,228	\$ (110,640,155)	\$ 268,793,348	\$ 26,988,456
Business-type activities:					
General obligation bonds payable	\$ 81,435,000	\$ -	(10,890,000)	\$ 70,545,000	\$ 11,320,000
Add: unamortized premium (discount)	4,515,638	-	(643,681)	3,871,957	643,681
General obligation notes payable	23,686,000	-	(950,000)	22,736,000	980,000
Accrued compensated absences	318,272	191,083	(106,628)	402,727	47,513
Net pension liability	1,068,477	-	(110,649)	957,828	-
Total	\$ 111,023,387	\$ 191,083	\$ (12,700,958)	\$ 98,513,512	\$ 12,991,194

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	\$ 5,075,000
Refunding	8,565,000	5/3/2017	4%	6/1/2025	5,660,000
Refunding	48,165,000	6/7/2017	5%	6/1/2026	32,735,000
Refunding	12,235,000	5/23/2018	3%	6/1/2031	7,400,000
Land & Water Legacy/Courts	33,925,000	5/30/2019	4%-5%	6/1/2029	30,400,000
Refunding/MWA Loan	70,420,000	6/4/2020	3%-5%	6/1/2040	70,420,000
MWA Loan	8,165,000	6/4/2020	2%	6/1/2024	8,165,000
Total					\$ 159,855,000

	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	37,640,000
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>1,905,000</u>
Total					<u>\$ 70,545,000</u>

Notes Payable

	Original Amount	Date Issued	Interest Rates	Due Date	Amount Outstanding
Governmental activities:					
General Purpose - Aviation Authority	\$ 2,525,000	5/22/2014	1.5 - 2%	6/1/2021	<u>395,000</u>
Total					<u>\$ 395,000</u>
Business-type activities:					
Sanitary Sewer	\$ 5,000,000	7/30/2008	3%	6/1/2028	\$ 2,126,000
Sanitary Sewer	13,000,000	6/16/2010	3%	6/1/2030	7,814,000
Sanitary Sewer	5,000,000	6/1/2011	3%	6/1/2031	4,772,000
Sanitary Sewer	367,000	10/19/2012	1.75%	6/1/2032	314,000
Sanitary Sewer	9,633,000	10/19/2012	1.75%	6/1/2032	<u>7,710,000</u>
Total					<u>\$ 22,736,000</u>

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

	Bonds Payable		Notes Payable		Total Principal and Interest
	Principal	Interest	Principal	Interest	
Governmental activities:					
During the year ending June 30:					
2021	\$ 16,950,000	\$ 6,318,379	\$ 395,000	\$ 7,900	\$ 23,671,279
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
2026-2030	38,385,000	8,236,200	-	-	46,621,200
2031-2035	24,925,000	3,330,300	-	-	28,255,300
2036-2040	7,480,000	686,400	-	-	8,166,400
Total	<u>159,855,000</u>	<u>36,390,993</u>	<u>395,000</u>	<u>7,900</u>	<u>196,648,893</u>
Add: unamortized premium	<u>14,348,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,348,773</u>
Total	<u>\$ 174,203,773</u>	<u>\$ 36,390,993</u>	<u>\$ 395,000</u>	<u>\$ 7,900</u>	<u>\$ 210,997,666</u>

	Bonds Payable		Notes Payable		Total Principal and Interest
	Principal	Interest	Principal	Interest	
Business-type activities					
During the year ending June 30:					
2021	\$ 11,320,000	\$ 2,381,322	\$ 980,000	\$ 555,205	\$ 15,236,527
2022	11,785,000	1,925,573	1,012,000	529,218	15,251,791
2023	12,255,000	1,451,072	1,044,000	502,383	15,252,455
2024	12,345,000	957,623	1,079,000	474,700	14,856,323
2025	12,945,000	659,988	1,114,000	446,093	15,165,081
2026-2030	9,895,000	295,220	6,964,000	1,764,673	18,918,893
2031-2035	-	-	10,543,000	329,975	10,872,975
Total	<u>70,545,000</u>	<u>7,670,798</u>	<u>22,736,000</u>	<u>4,602,247</u>	<u>105,554,045</u>
Add: unamortized premium	3,871,957	-	-	-	3,871,957
Total	<u>\$ 74,416,957</u>	<u>\$ 7,670,798</u>	<u>\$ 22,736,000</u>	<u>\$ 4,602,247</u>	<u>\$ 109,426,002</u>

There were no due and unredeemed bonds/notes or special assessment debt outstanding at June 30, 2020. Management does not believe an arbitrage liability exists at June 30, 2020.

Bond Refunding

2020A G.O. Refunding Capital Loan Notes

On June 4, 2020, the County issued \$48,070,000 in tax exempt general obligation refunding capital loan notes (Series 2020A) with a refunded interest rate of 3-5% to current refund outstanding bonds dated June 1, 2015, Series 2015B general obligation bonds in the amount of \$52,745,000 (redeemed interest rate of 3-3.75%). The Series 2020A bonds were issued to refinance the bonds at a lower interest rate. As a result of this June 4, 2020 current refunding, the County decreased its debt service requirements by \$6,047,393 over the life of the debt with a present value savings of \$5,188,631.

Governmental Activities – Polk County Metro Waste Authority Capital Loan Notes

On June 4, 2020, the County issued \$22,350,000 in tax exempt general obligation capital loan notes (Series 2020A) and \$8,165,000 in taxable general obligation capital loan notes (Series 2020B). Both issue amounts were allocated to the Metro Waste Authority who is obligated to repay the County under the terms of the loan agreement between the County and Metro Waste Authority. A note payable and note receivable is recorded in the government-wide statements for this issuance. A reconciling item is recorded in the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities for the debt service payments and future revenue collected from the Metro Waste Authority. The combined amount of this debt issue of \$30,515,000 is reported as both an other financing source (issuance of bonds) and other financing use (issuance of notes receivable) in the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds.

Governmental Activities – Polk County Aviation Authority Capital Loan Notes

The loan agreement for the \$2,525,000 capital loan notes issued on May 22, 2014, calls for the Polk County Aviation Authority to repay the County equal to the debt service payments on the 2014A capital loan notes. A note payable and note receivable is recorded in the government-wide statements for this issuance. A reconciling item is recorded in the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities for the debt service payments and revenue collected from the Aviation Authority.

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, 2020 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 \$18.3 million exist, of which \$1.7 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, 2020, the County abated \$806,424 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, 2020 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	\$ 2,624,157
City of Bondurant	Urban renewal and economic development projects	7,788
City of Ankeny	Urban renewal and economic development projects	402,745
City of Grimes	Urban renewal and economic development projects	275,835
City of Granger	Urban renewal and economic development projects	6,319
City of Altoona	Urban renewal and economic development projects	569,181
City of Pleasant Hill	Urban renewal and economic development projects	567
City of Johnston	Urban renewal and economic development projects	664,884
City of Clive	Urban renewal and economic development projects	190,670
City of Urbandale	Urban renewal and economic development projects	105,824
City of West Des Moines	Urban renewal and economic development projects	28,538
City of Polk City	Urban renewal and economic development projects	63,006
City of Mitchellville	Urban renewal and economic development projects	12,298
City of Ankeny	Urban revitalization and economic development projects	2,156
City of Altoona	Urban revitalization and economic development projects	2,675,898
		\$ 7,629,866

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 \$997,283.

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, 2020:

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, 2020 is \$46,140. 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, 2020:

During the year ending June 30:	
2021	\$ 27,100
2022	15,600
2023	15,600
2024	15,600
2025	15,600
2026-2030	78,000
2031-2035	78,000
2036-2040	15,600
	261,100
Total	\$ <u>261,100</u>

13. DEFERRED INFLOWS OF RESOURCES

The following is a summary of deferred inflows of resources activity for the year ended June 30, 2020:

	Succeeding Year Property Taxes Receivable	Pension and OPEB Related Amounts	Unavailable Intergovernmental and Other	Gain on Current Refunding	Total
Governmental Funds	\$ 205,242,269	\$ -	\$ 3,971,990	\$ -	\$ 209,214,259
Governmental Activities	\$ 205,242,269	\$ 14,409,508	\$ -	\$ 2,078,720	\$ 221,730,497
Business-type Activities:					
Air Quality	\$ -	\$ 192,273	\$ -	\$ -	\$ 192,273
Iowa Events Center	-	5,026	-	1,286,528	1,291,554
Iowa Tax & Tags	-	76,549	-	-	76,549
Total Business-type Activities	\$ -	\$ 273,848	\$ -	\$ 1,286,528	\$ 1,560,376

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	Iowa Events Center	Nonmajor Governmental	Internal Service	
General Fund	\$ 4,693,647	\$ 1,135,164	\$ -	\$ 10,409,861	\$ 3,944,552	\$ 20,183,224
Prairie Meadows Racetrack/Casino	7,387,235	604,701	12,315,268	-	-	20,307,204
Nonmajor Governmental	324,912	-	-	6,211,159	-	6,536,071
Nonmajor Enterprise	102,538	-	-	-	-	102,538
Internal Service	3,964,552	-	-	-	-	3,964,552
Total	\$ 16,472,884	\$ 1,739,865	\$ 12,315,268	\$ 16,621,020	\$ 3,944,552	\$ 51,093,589

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, 2020, 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.	\$ 20,307,204
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.	3,944,552
General fund and Rural Services fund made transfers to Secondary Roads fund in accordance with state statutes.	7,050,208

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	834,107,298
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)	\$ 2,000,000/2,000,000
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, 2020. 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, 2020 and 2019 are as follows:

	Year Ended	
	6/30/2020	6/30/2019
Beginning balance	\$ 7,847,000	\$ 3,778,000
Current year claims and changes in estimates	3,161,175	6,641,137
Claim payments	<u>(2,085,175)</u>	<u>(2,572,137)</u>
Ending balance	\$ <u>8,923,000</u>	\$ <u>7,847,000</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, 2020 was \$16,633,563 for medical and \$894,237 for dental while employees contributed \$2,507,191 and \$136,966 respectively. The total premium charged is the amount needed to pay expected claim and administrative costs. The County paid \$1,196,599 in administrative costs for the year ended June 30, 2020.

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, 2020, 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, 2020 and 2019 are as follows:

	Year Ended	
	6/30/2020	6/30/2019
Beginning balance	\$ 3,227,100	\$ 1,569,000
Current year claims and changes in estimates	18,675,396	20,062,745
Claim payments	<u>(19,727,896)</u>	<u>(18,404,645)</u>
Ending balance	\$ <u>2,174,600</u>	\$ <u>3,227,100</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	\$ 2,000,000
Hunger Free Polk County	1,000,000
Des Moines City Gaming Payments	<u>43,517,608</u>
Total	<u>\$ 46,517,608</u>
Secondary Road Fund:	
Des Moines Asphalt and Paving (HMA Resurfacing Program)	\$ 3,362,567
Justice Center Fund:	
Historic Courthouse Renovations	\$ 13,729,590
Capital Improvements Projects Fund:	
Sheriff's Administration/Law Enforcement Facility	\$ 15,337,954
Ankeny Community Center	3,500,000

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. Prairie Meadows recently completed renovation of the events center and clubhouse.

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, 2020 the amount of the fixed management fee was \$253,200.

In addition to the fixed management fee, Global is entitled to earn a productivity fee for each full, completed operating year of the term. The County paid Global \$1,329 for the productivity fee for the fiscal year ending June 30, 2019.

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, 2020 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, 2020.

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 \$369,316 and Global earned \$592,329 of WFA's net operating income for the fiscal year ending June 30, 2020.

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 \$338,680 for the fiscal year ending June 30, 2020.

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 \$114,310 for the fiscal year ending June 30, 2020.

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, 2020, the County received the following naming rights revenue:

Hy-Vee Hall	\$	450,000
Wells Fargo Arena		390,000

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 will be 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, 2019 was \$212,000. 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. Fifth & Park then subleased to DSM to allow for construction and equipping of certain improvements on the site by the contractor Weitz Company.

The County will pay the legal and administrative fees of the IEC Hotel Corp until there is 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 \$191,236 due from component unit from IEC Hotel Corp. 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 \$101,133.

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 paid \$1,206,448 to cover the debt payments due July 1, 2020. These payments are expected to be repaid by the IEC Hotel Corp in the future.

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 is 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 to other debt held by the IEC Hotel Corp. The County earned interest in the amount of \$1,110,000 and \$863,333 for the fiscal years ending June 30, 2020 and 2019, respectively. The County contributed \$1,973,333 during the fiscal year June 30, 2020 to the IEC Hotel Corp.

21. RELATED PARTY TRANSACTIONS

The Iowa Events Center is managed by Global Spectrum, L.P. which is a subsidiary of Philadelphia-based Comcast-Spectacor. The Comcast-Spectacor Group includes Ovations Food Services and New Era Tickets.

The following is a summary of transactions and balances with affiliates as of and for the year ended June 30, 2020:

Concessions and catering revenue from Ovations	\$	5,955,990
Ticket revenue and fees received from New Era		57,673
Ticket fees paid to New Era		23,294
Management fee paid to Ovations		1,200

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 2020, 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 9.51% of covered payroll, for a total rate of 19.02%. Protection occupation members contributed 6.61% of covered payroll and the County contributed 9.91% of covered payroll, for a total rate of 16.52%.

The County’s contributions to IPERS for the year ended June 30, 2020 were \$9,579,734.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the County reported a liability of \$49,746,611 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the County’s collective proportion was .859%, which was a decrease of .014% from its collective proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$12,765,207. At June 30, 2020, 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	\$ 398,683	\$ 2,216,445
Changes of assumptions	7,892,188	1,752,091
Net difference between projected and actual earnings on pension plan investments	-	9,030,045
Changes in proportion and differences between County contributions and proportionate share of contributions	1,895,005	693,829
County contributions subsequent to the measurement date	<u>9,579,734</u>	<u>-</u>
	<u>\$ 19,765,610</u>	<u>\$ 13,692,410</u>

\$9,579,734 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, 2021. 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:	
2021	\$ 1,492,453
2022	(2,092,335)
2023	(1,649,390)
2024	(1,272,327)
2025	<u>15,065</u>
Total	<u><u>(3,506,534)</u></u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2019 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, 2019 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 2019 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%	5.60%
International Equity	15%	6.08%
Global Smart Beta Equity	3%	5.82%
Core plus fixed income	27%	1.71%
Public Credit	3.5%	3.32%
Public Real Assets	7%	2.81%
Cash	1%	(.21)%
Private Equity	11%	10.13%
Private Real Assets	7.5%	4.76%
Private Credit	3%	3.01%
Total	<u>100%</u>	

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	\$ 109,471,838	\$ 49,746,611	\$ (330,185)

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, 2020, 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 \$649 for single health coverage and \$1,622 for family health coverage. The County establishes and amends contribution requirements annually.

Employees Covered by Benefit Terms

At June 30, 2020, 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	1,027
	<u>1,455</u>

Total OPEB Liability – The County’s total OPEB liability of \$15,010,000 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date. The County’s portion of the total OPEB liability, \$14,647,000 is reported in the government-wide financial statements and the County Assessor’s office portion, \$363,000 is reported in an Agency Fund.

Total OPEB Liability by Employee Group

Employee Group	Total OPEB Liability
Polk County	\$ 14,647,000
County Assessor's Office	<u>363,000</u>
Total	<u>\$ 15,010,000</u>

Actuarial Methods and Assumptions – The total OPEB liability in the June 30, 2020 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	2.21% 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 2.21% which reflects the index rate on the Bond Buyer 20-year GO Bond Index, with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates were based on the Pub-2010 mortality table scaled using MP-2021 to reflect the Society of Actuaries’ recent mortality study. Annual retirement probabilities and termination rates were based on the IPERS Actuarial Valuation Report as of June 30, 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, 2019	\$ 13,327,000
Changes for the year:	
Service cost	939,000
Interest cost	491,000
Differences between expected and actual experience	(799,000)
Changes in assumptions or other inputs	1,546,000
Benefit payments	(494,000)
Net change in total OPEB liability	<u>1,683,000</u>
Total OPEB liability - June 30, 2020	<u>\$ 15,010,000</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.5% in fiscal year ending June 30, 2019 to 2.21% in fiscal year ending June 30, 2020.

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 2.21%, 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 (1.21%) or 1% higher (3.21%) than the current rate.

	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
Total OPEB liability	\$ 16,474,000	\$ 15,010,000	\$ 13,688,000

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 (6%) or 1% higher (8%) 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	\$ 13,075,000	\$ 15,010,000	\$ 17,367,000

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended June 30, 2020, the County recognized OPEB expense of \$1,006,108. At June 30, 2020, 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 \$	-	\$ 751,495
Changes in assumptions or other inputs	<u>1,821,682</u>	<u>239,451</u>
	<u>\$ 1,821,682</u>	<u>\$ 990,946</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:	
2021	\$ 54,557
2022	54,557
2023	54,557
2024	54,557
2025	54,557
Thereafter	<u>557,951</u>
Total	<u>\$ 830,736</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, 2020, the County has a future commitment for approximately \$6,032,116 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, 2020, are as follows:

	Attorney	Auditor	Board of Supervisors Other	Conservation Board	Recorder	Sheriff	Total Elected Officials
ASSETS:							
Cash and pooled investments	\$ 5,000	\$ 11,848	\$ 6,694	\$ 23,176	\$ 623,954	\$ 3,082,205	\$ 3,752,877
Due from other governments	-	-	-	-	4,153	-	4,153
TOTAL ASSETS	\$ 5,000	\$ 11,848	\$ 6,694	\$ 23,176	\$ 628,107	\$ 3,082,205	\$ 3,757,030
LIABILITIES:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,481	\$ 162,481
Due to other funds	5,000	11,848	6,694	23,176	2,665	347,004	396,387
Due to other governments	-	-	-	-	625,442	2,456,162	3,081,604
Trusts payable	-	-	-	-	-	116,558	116,558
TOTAL LIABILITIES	\$ 5,000	\$ 11,848	\$ 6,694	\$ 23,176	\$ 628,107	\$ 3,082,205	\$ 3,757,030

26. FUND BALANCES

The following is fund balance classifications as of June 30, 2020:

	Major Governmental			Nonmajor Governmental Funds	Total
	General Fund	Mental Health	Debt Service		
Nonspendable:					
Inventory	\$ 482,117	\$ -	\$ -	\$ 1,241,346	\$ 1,723,463
Prepays	882,965	754,803	-	-	1,637,768
Advances	3,277,340	-	-	-	3,277,340
Restricted for:					
Mental health	-	3,053,968	-	-	3,053,968
Rural services	-	-	-	3,213,940	3,213,940
Sheriff seized property	-	-	-	493,483	493,483
Attorney seized property	-	-	-	254,585	254,585
Recorder records management	-	-	-	251,414	251,414
Township fire protection	-	-	-	11,224	11,224
REAP	-	-	-	231,729	231,729
Conservation water & land improvements	-	-	-	6,703,502	6,703,502
Justice center	-	-	-	17,465,224	17,465,224
Debt service	-	-	370,404	1,247	371,651
Committed to:					
Community betterment	240,440	-	-	-	240,440
Economic development	5,299,209	-	-	-	5,299,209
Attorney collection incentive	-	-	-	365,825	365,825
Contingency reserve	-	-	-	11,525,897	11,525,897
Automated traffic enforcement	-	-	-	1,138	1,138
Capital projects	-	-	-	1,324,417	1,324,417
Unassigned:	83,543,134	-	-	(225,407)	83,317,727
Total Fund Balances	\$ 93,725,205	\$ 3,808,771	\$ 370,404	\$ 42,859,564	\$ 140,763,944

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

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.

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.

COVID-19 CARES Act and FEMA

The United States Congress approved the Coronavirus Aid, Relief, and Economic Security (CARES) Act to provide economic relief related to the COVID-19 pandemic. In August 2020, the Governor allocated funds from the State of Iowa's CARES Act funding to local governments for direct expenses incurred in response to the COVID-19 emergency. On August 25, 2020, the Board of Supervisors approved the request for reimbursement of \$6.2 million in eligible payroll expenditures for public health and public safety. The funds were received from the State in October 2020. PCHS received an additional \$4.6 million in CARES funding in August 2020. In November 2020, the Governor allocated additional CARES funding for local county health departments. The County health department is expected to receive \$.5 million of this funding.

In September 2020, the County applied for FEMA assistance relating to COVID-19 in the amount of \$1.2 million for emergency protective measures. FEMA has not yet approved the projects relating to this application.

Capital Contributions – Iowa Department of Transportation Build Grant

On September 15, 2020 Polk County was informed that the NE Broadway Avenue Improvements Project was selected by the US Department of Transportation to receive \$25 million Build Grant funds. This project will run through the County's Farm to Market Iowa Department of Transportation account and be recorded as a capital contribution on the financials when completed.

29. PENDING ACCOUNTING PRONOUNCEMENTS

As of June 30, 2020, 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. 95, Postponement of the Effective Dates of Certain Authoritative Guidance delays the implementation dates of the pronouncements listed below, except for Statement No. 87 and 94, by one year due to the effects of the COVID-19 pandemic. Statement 87 is delayed by 18 months and there is no delay on the implementation date of Statement 94 as it was issued after the onset of the COVID-19 pandemic. Additionally, implementation guides related to the affected pronouncements have also been delayed. Earlier implementation will still be allowed.

As of June 30, 2020, 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. 84, Fiduciary Activities, issued January 2017 will be 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. 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. 90, Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61, issued August 2018, will be 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.
- 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.

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, 2020**

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

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, 2020**

	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%
Plan fiduciary 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
0.955%	0.874%	0.859%
\$ 63,605,131	\$ 55,279,039	\$ 49,746,611
\$ 92,676,838	\$ 92,543,147	\$ 96,884,023
68.63%	59.73%	51.35%
82.21%	83.62%	85.45%

POLK COUNTY, IOWA

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

	Fiscal Year			
	2011	2012	2013	2014
Statutorily required contribution	\$ 6,264,772	\$ 6,885,782	\$ 7,178,473	\$ 7,499,317
Contributions in relation to the statutorily required contribution	(6,264,772)	(6,885,782)	(7,178,473)	(7,499,317)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
County's covered payroll	N/A	N/A	N/A	\$ 80,989,791
Contributions as a percentage of covered payroll	N/A	N/A	N/A	9.26%

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

See Notes to Required Supplementary Information.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 7,705,776	\$ 7,897,049	\$ 8,486,841	\$ 8,457,052	\$ 9,303,317	\$ 9,579,734
(7,705,776)	(7,897,049)	(8,486,841)	(8,457,052)	(9,303,317)	(9,579,734)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 83,272,164	\$ 85,876,171	\$ 92,676,838	\$ 92,543,147	\$ 96,884,023	\$ 100,714,922
9.25%	9.20%	9.16%	9.14%	9.60%	9.51%

POLK COUNTY, IOWA

Notes to the Required Supplementary Information Pension Liability For the Year Ended June 30, 2020

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, 2020**

	Original Budget	Amended Budget	Actual	Variance
REVENUES:				
Property taxes	\$ 176,268,193	\$ 176,268,193	\$ 176,178,661	\$ (89,532)
Other County taxes	6,248,612	6,168,612	6,255,646	87,034
Interest and penalty on delinquent taxes	1,142,000	1,142,000	583,212	(558,788)
Intergovernmental	53,851,122	58,639,642	55,277,851	(3,361,791)
Licenses and permits	1,261,450	1,261,450	1,400,421	138,971
Charges for services	16,705,048	17,218,914	17,467,814	248,900
Use of money and property	7,818,735	8,229,186	8,354,860	125,674
Miscellaneous	2,037,211	2,861,652	2,734,852	(126,800)
Total receipts	<u>265,332,371</u>	<u>271,789,649</u>	<u>268,253,317</u>	<u>(3,536,332)</u>
EXPENDITURES:				
Current:				
Public safety and legal services	80,462,942	87,219,177	85,075,160	2,144,017
Physical health and social services	41,088,538	43,918,394	38,448,705	5,469,689
Mental health	27,880,386	31,396,108	24,745,039	6,651,069
County environment and education	14,878,791	21,625,624	18,126,533	3,499,091
Roads and transportation	11,924,833	14,290,783	12,999,674	1,291,109
Government services to residents	8,386,804	9,385,967	8,991,348	394,619
Administration	37,156,993	43,562,584	37,506,535	6,056,049
Debt service	21,035,645	54,267,485	51,971,823	2,295,662
Capital projects	45,599,549	49,979,041	31,215,170	18,763,871
Total disbursements	<u>288,414,481</u>	<u>355,645,163</u>	<u>309,079,987</u>	<u>46,565,176</u>
OTHER FINANCING SOURCES (USES):				
General long-term debt proceeds	-	85,785,107	83,675,111	(2,109,996)
Proceeds from sale of capital assets	248,000	264,485	109,458	(155,027)
Transfers in (out)	7,154,851	8,272,194	6,374,609	(1,897,585)
Refunded debt/Payments to escrow	-	(52,745,000)	(52,745,000)	-
Total other financing sources (uses)	<u>7,402,851</u>	<u>41,576,786</u>	<u>37,414,178</u>	<u>(4,162,608)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES - BUDGETARY BASIS	<u>\$ (15,679,259)</u>	<u>\$ (42,278,728)</u>	<u>(3,412,492)</u>	<u>\$ 38,866,236</u>
RECONCILIATION TO GAAP BASIS:				
Basis differences:				
Increase (decrease) in accrual basis assets/deferred outflows			16,337,659	
(Increase) decrease in accrual basis liabilities/deferred inflows			<u>(11,892,070)</u>	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses - GAAP basis			1,033,097	
Fund balance at beginning of year - GAAP basis			<u>139,730,847</u>	
Fund balance at end of year - GAAP basis			<u>\$ 140,763,944</u>	

See Notes to Required Supplementary Information.

POLK COUNTY, IOWA

Notes to the Required Supplementary Information Budgetary Reporting For the Year Ended June 30, 2020

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, 2020 there were two supplemental appropriations resulting in an increase in total disbursements of \$67,230,682.

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 Emergency Management, by the County Emergency Management Commission; and for the County Assessor, by the County Assessor Conference Board.

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.

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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.

NW 84th Water Main Debt Service - Accounts for debt service relating to a Drinking Water State Revolving Fund loan for NW 84th Avenue Water Main project.

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.

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POLK COUNTY, IOWA

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020**

	Rural Services	Sheriff Forfeited Property (State)	Sheriff Forfeited Property (Federal)	Attorney Forfeited Property
ASSETS				
Cash and pooled investments	\$ 3,183,917	\$ 172,237	\$ 321,246	\$ 237,477
Restricted assets - cash and pooled investments	-	-	-	-
Receivables (net):				
Taxes	145,240	-	-	-
Succeeding year property taxes	10,191,932	-	-	-
Special assessments	8,180	-	-	-
Accounts	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	25,782	-	-	19,301
Inventories	-	-	-	-
TOTAL ASSETS	\$ 13,555,051	\$ 172,237	\$ 321,246	\$ 256,778
LIABILITIES				
Accounts payable	\$ 30,935	\$ -	\$ -	\$ -
Contract/retainage payable	-	-	-	-
Wages payable	7,435	-	-	1,879
Payroll taxes payable	21,562	-	-	314
TOTAL LIABILITIES	59,932	-	-	2,193
DEFERRED INFLOWS OF RESOURCES	10,281,179	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	3,213,940	172,237	321,246	254,585
Committed	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	3,213,940	172,237	321,246	254,585
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 13,555,051	\$ 172,237	\$ 321,246	\$ 256,778

Special Revenue								
County Attorney Collection Incentive	Secondary Roads	County Recorder Records Management	Township Fire Protection	REAP	Contingency Reserve	Automated Traffic Enforcement	Total Special Revenue	
\$ 346,151	\$ 309,840	\$ 315,779	\$ 6,381	\$ 231,729	\$ 11,525,897	-	\$ 16,650,654	
-	-	-	-	-	-	-	-	
-	-	-	10,126	-	-	-	155,366	
-	-	-	1,044,249	-	-	-	11,236,181	
-	-	-	-	-	-	-	8,180	
-	-	-	-	-	-	6,138	6,138	
-	-	725	-	-	-	-	725	
19,674	858,642	-	-	-	-	-	923,399	
-	1,241,346	-	-	-	-	-	1,241,346	
\$ 365,825	\$ 2,409,828	\$ 316,504	\$ 1,060,756	\$ 231,729	\$ 11,525,897	6,138	\$ 30,221,989	
\$ -	\$ 1,272,140	\$ 65,090	\$ -	\$ -	\$ -	\$ -	\$ 1,368,165	
-	-	-	-	-	-	-	-	
-	121,749	-	-	-	-	-	131,063	
-	-	-	-	-	-	-	21,876	
-	1,393,889	65,090	-	-	-	-	1,521,104	
-	-	-	1,049,532	-	-	5,000	11,335,711	
-	1,241,346	-	-	-	-	-	1,241,346	
-	-	251,414	11,224	231,729	-	-	4,456,375	
365,825	-	-	-	-	11,525,897	1,138	11,892,860	
-	(225,407)	-	-	-	-	-	(225,407)	
365,825	1,015,939	251,414	11,224	231,729	11,525,897	1,138	17,365,174	
\$ 365,825	\$ 2,409,828	\$ 316,504	\$ 1,060,756	\$ 231,729	\$ 11,525,897	6,138	\$ 30,221,989	

(continued)

POLK COUNTY, IOWA

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020**

	Capital Projects			
	Conservation Water & Land Improvement	Justice Center	Capital Improvements Projects	Total Capital Projects
ASSETS				
Cash and pooled investments	\$ -	\$ 16,391,909	\$ 1,927,798	\$ 18,319,707
Restricted assets - cash and pooled investments	6,821,616	2,013,661	-	8,835,277
Receivables (net):	-	-	-	-
Taxes	-	-	-	-
Succeeding year property taxes	-	-	-	-
Special assessments	-	-	-	-
Accounts	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	411,000	7,154	418,154
Inventories	-	-	-	-
TOTAL ASSETS	\$ 6,821,616	\$ 18,816,570	\$ 1,934,952	\$ 27,573,138
LIABILITIES				
Accounts payable	\$ 118,114	\$ 639,915	\$ 610,535	\$ 1,368,564
Contract/retainage payable	-	711,431	-	711,431
Wages payable	-	-	-	-
Payroll taxes payable	-	-	-	-
TOTAL LIABILITIES	118,114	1,351,346	610,535	2,079,995
DEFERRED INFLOWS OF RESOURCES	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	6,703,502	17,465,224	-	24,168,726
Committed	-	-	1,324,417	1,324,417
Unassigned	-	-	-	-
TOTAL FUND BALANCES	6,703,502	17,465,224	1,324,417	25,493,143
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,821,616	\$ 18,816,570	\$ 1,934,952	\$ 27,573,138

Debt Service		
Hamilton Drain Debt Service	Total Debt Service	Total Nonmajor Governmental Funds
\$ 1,247	\$ 1,247	\$ 34,971,608
-	-	8,835,277
-	-	155,366
-	-	11,236,181
4,618	4,618	12,798
-	-	6,138
-	-	725
-	-	1,341,553
-	-	1,241,346
<u>\$ 5,865</u>	<u>\$ 5,865</u>	<u>\$ 57,800,992</u>
\$ -	\$ -	\$ 2,736,729
-	-	711,431
-	-	131,063
-	-	21,876
-	-	3,601,099
4,618	4,618	11,340,329
-	-	1,241,346
1,247	1,247	28,626,348
-	-	13,217,277
-	-	(225,407)
1,247	1,247	42,859,564
<u>\$ 5,865</u>	<u>\$ 5,865</u>	<u>\$ 57,800,992</u>

(concluded)

POLK COUNTY, IOWA

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020**

	Rural Services	Sheriff Forfeited Property (State)	Sheriff Forfeited Property (Federal)	Attorney Forfeited Property
REVENUES:				
Property taxes	\$ 8,862,495	\$ -	\$ -	\$ -
Other County taxes	232,866	-	-	-
Intergovernmental	672,778	10,000	-	-
Licenses and permits	-	-	-	-
Charges for services	366,526	-	-	-
Use of money and property	-	1,282	1,304	2,265
Miscellaneous	6,805	2,543	291,471	77,251
TOTAL REVENUES	10,141,470	13,825	292,775	79,516
EXPENDITURES:				
Current:				
Public safety and legal services	451,133	5,618	50,649	137,813
County environment and education	1,259,358	-	-	-
Roads and transportation	1,655,375	-	-	-
Government services to residents	84,743	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital projects:				
Roadway construction	-	-	-	-
Conservation land acquisition and development	-	-	-	-
Other capital projects	-	-	-	-
TOTAL EXPENDITURES	3,450,609	5,618	50,649	137,813
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,690,861	8,207	242,126	(58,297)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(6,211,159)	-	-	-
Issuance of capital leases	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(6,211,159)	-	-	-
NET CHANGE IN FUND BALANCES	479,702	8,207	242,126	(58,297)
FUND BALANCE, BEGINNING	2,734,238	164,030	79,120	312,882
FUND BALANCE, ENDING	\$ 3,213,940	\$ 172,237	\$ 321,246	\$ 254,585

Special Revenue							
County Attorney Collection Incentive	Secondary Roads	County Recorder Records Management	Township Fire Protection	REAP	Contingency Reserve	Automated Traffic Enforcement	Total Special Revenues
\$ -	\$ -	\$ -	\$ 922,210	\$ -	\$ -	\$ -	\$ 9,784,705
-	-	-	26,509	-	348,254	-	607,629
220,266	7,708,947	-	35,330	112,023	-	-	8,759,344
-	180,276	-	-	-	-	-	180,276
-	560,743	101,546	-	-	-	-	1,028,815
-	-	2,488	-	1,091	-	-	8,430
-	141,788	-	-	-	-	15,757	535,615
220,266	8,591,754	104,034	984,049	113,114	348,254	15,757	20,904,814
20,563	-	-	986,670	-	-	-	1,652,446
-	-	-	-	-	-	-	1,259,358
-	11,467,903	-	-	-	-	-	13,123,278
-	-	186,660	-	-	-	-	271,403
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	3,811,751	-	-	-	-	-	3,811,751
-	-	-	-	909	-	-	909
-	-	-	-	-	-	-	-
20,563	15,279,654	186,660	986,670	909	-	-	20,119,145
199,703	(6,687,900)	(82,626)	(2,621)	112,205	348,254	15,757	785,669
-	7,050,208	-	-	-	-	-	7,050,208
(310,293)	-	-	-	-	-	(14,619)	(6,536,071)
-	1,200,808	-	-	-	-	-	1,200,808
(310,293)	8,251,016	-	-	-	-	(14,619)	1,714,945
(110,590)	1,563,116	(82,626)	(2,621)	112,205	348,254	1,138	2,500,614
476,415	(547,177)	334,040	13,845	119,524	11,177,643	-	14,864,560
\$ 365,825	\$ 1,015,939	\$ 251,414	\$ 11,224	\$ 231,729	\$ 11,525,897	\$ 1,138	\$ 17,365,174

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POLK COUNTY, IOWA

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020**

	Capital Projects			
	Conservation Water & Land Improvement	Justice Center	Capital Improvements Projects	Total Capital Projects
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other County taxes	-	-	-	-
Intergovernmental	512,586	-	32,130	544,716
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	174,097	147,030	-	321,127
Miscellaneous	266,914	-	40,336	307,250
TOTAL REVENUES	953,597	147,030	72,466	1,173,093
EXPENDITURES:				
Current:				
Public safety and legal services	-	-	-	-
County environment and education	-	-	-	-
Roads and transportation	-	-	-	-
Government services to residents	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital projects:				
Roadway construction	-	-	-	-
Conservation land acquisition and development	4,644,163	-	-	4,644,163
Other capital projects	-	12,026,548	6,569,481	18,596,029
TOTAL EXPENDITURES	4,644,163	12,026,548	6,569,481	23,240,192
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,690,566)	(11,879,518)	(6,497,015)	(22,067,099)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	3,000,000	6,570,812	9,570,812
Transfers out	-	-	-	-
Issuance of capital leases	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	3,000,000	6,570,812	9,570,812
NET CHANGE IN FUND BALANCES	(3,690,566)	(8,879,518)	73,797	(12,496,287)
FUND BALANCE, BEGINNING	10,394,068	26,344,742	1,250,620	37,989,430
FUND BALANCE, ENDING	\$ 6,703,502	\$ 17,465,224	\$ 1,324,417	\$ 25,493,143

Debt Service			
NW 84th Water Main Debt Service	Hamilton Drain Debt Service	Total Debt Service	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 9,784,705
-	-	-	607,629
55,508	-	55,508	9,359,568
-	-	-	180,276
-	-	-	1,028,815
-	-	-	329,557
-	-	-	842,865
55,508	-	55,508	22,133,415
-	-	-	1,652,446
-	-	-	1,259,358
-	-	-	13,123,278
-	-	-	271,403
55,000	-	55,000	55,000
508	-	508	508
-	-	-	3,811,751
-	-	-	4,645,072
-	-	-	18,596,029
55,508	-	55,508	43,414,845
-	-	-	(21,281,430)
-	-	-	16,621,020
-	-	-	(6,536,071)
-	-	-	1,200,808
-	-	-	11,285,757
-	-	-	(9,995,673)
-	1,247	1,247	52,855,237
\$ -	\$ 1,247	\$ 1,247	\$ 42,859,564

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NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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

Iowa Tax & Tags - Accounts for activity of the Treasurer's www.iowataxandtags.gov program relating to online property tax and vehicle tag payments.

POLK COUNTY, IOWA

**Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2020**

	Air Quality	Conservation Enterprises	Hamilton Urban Drainage District	Urban Sewer
ASSETS				
Current assets:				
Cash and pooled investments	\$ 125,719	\$ 369,285	\$ 4,055	\$ 1,344,881
Receivables (net):				
Accounts	-	140,693	-	-
Notes	-	-	-	205,962
Due from other governments	408,198	-	199,682	-
Total current assets	<u>533,917</u>	<u>509,978</u>	<u>203,737</u>	<u>1,550,843</u>
Noncurrent assets:				
Special assessments	-	-	5,810	-
Notes	-	-	-	3,577,907
Capital assets not being depreciated	-	76,593	3,818,522	-
Capital assets being depreciated, net	265,679	4,680,113	7,510,967	-
Total noncurrent assets	<u>265,679</u>	<u>4,756,706</u>	<u>11,335,299</u>	<u>3,577,907</u>
TOTAL ASSETS	<u>799,596</u>	<u>5,266,684</u>	<u>11,539,036</u>	<u>5,128,750</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>270,966</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	-	28,197	11,350	-
Wages payable	21,508	-	-	-
Payroll taxes payable	3,613	-	-	-
Interest payable	-	-	-	7,568
General obligation bonds payable	-	-	-	343,534
Advances from other funds	-	242,227	-	-
Compensated absences payable	12,502	-	-	-
Total current liabilities	<u>37,623</u>	<u>270,424</u>	<u>11,350</u>	<u>351,102</u>
Noncurrent liabilities:				
General obligation bonds payable	-	-	-	1,852,669
Advances from other funds	-	3,035,113	-	-
Compensated absences payable	319,026	-	-	-
Net pension liability	687,438	-	-	-
Total noncurrent liabilities	<u>1,006,464</u>	<u>3,035,113</u>	<u>-</u>	<u>1,852,669</u>
TOTAL LIABILITIES	<u>1,044,087</u>	<u>3,305,537</u>	<u>11,350</u>	<u>2,203,771</u>
DEFERRED INFLOWS OF RESOURCES	<u>192,273</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	265,679	4,756,706	11,329,489	-
Unrestricted (deficit)	(431,477)	(2,795,559)	198,197	2,924,979
TOTAL NET POSITION	<u>\$ (165,798)</u>	<u>\$ 1,961,147</u>	<u>\$ 11,527,686</u>	<u>\$ 2,924,979</u>

Iowa Tax & Tags	Total Nonmajor Enterprise Funds
\$ 685,217	\$ 2,529,157
-	140,693
-	205,962
-	607,880
<u>685,217</u>	<u>3,483,692</u>
-	5,810
-	3,577,907
-	3,895,115
-	12,456,759
-	19,935,591
<u>685,217</u>	<u>23,419,283</u>
<u>94,876</u>	<u>365,842</u>
-	39,547
9,451	30,959
1,555	5,168
-	7,568
-	343,534
-	242,227
1,418	13,920
<u>12,424</u>	<u>682,923</u>
-	1,852,669
-	3,035,113
36,188	355,214
199,062	886,500
<u>235,250</u>	<u>6,129,496</u>
<u>247,674</u>	<u>6,812,419</u>
<u>76,549</u>	<u>268,822</u>
-	16,351,874
<u>455,870</u>	<u>352,010</u>
<u>\$ 455,870</u>	<u>\$ 16,703,884</u>

POLK COUNTY, IOWA

Combining Statement of Revenues, Expenses, and Changes in Net Position
 Nonmajor Enterprise Funds
 For the Year Ended June 30, 2020

	Air Quality	Conservation Enterprises	Hamilton Urban Drainage District	Urban Sewer
OPERATING REVENUES:				
Charges for goods and services:				
Charges for services	\$ 409,362	\$ -	\$ 113,905	\$ -
Intergovernmental revenues	869,298	-	-	-
Commissions income	-	287,731	-	-
Miscellaneous	6,920	-	5,160	-
Total operating revenues	<u>1,285,580</u>	<u>287,731</u>	<u>119,065</u>	<u>-</u>
OPERATING EXPENSES:				
Cost of goods and services:				
Personal services	1,284,742	-	11,480	-
Supplies	61,112	76,880	-	-
Professional services	-	98,746	2,368	-
Other services/charges	79,107	32,915	312,596	-
Miscellaneous	-	-	4,493	-
Amortization of discount (premium)	-	-	-	(48,534)
Depreciation	91,335	203,255	365,301	-
Total operating expenses	<u>1,516,296</u>	<u>411,796</u>	<u>696,238</u>	<u>(48,534)</u>
OPERATING INCOME (LOSS)	<u>(230,716)</u>	<u>(124,065)</u>	<u>(577,173)</u>	<u>48,534</u>
NONOPERATING REVENUES (EXPENSES):				
Nonoperating grant revenue	-	-	199,682	-
Interest revenue	2,406	5,451	732	9,937
Interest expense	-	(35,172)	-	(107,908)
Total nonoperating revenues (expenses)	<u>2,406</u>	<u>(29,721)</u>	<u>200,414</u>	<u>(97,971)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(228,310)</u>	<u>(153,786)</u>	<u>(376,759)</u>	<u>(49,437)</u>
TRANSFERS:				
Transfers out	-	(102,538)	-	-
Total transfers	<u>-</u>	<u>(102,538)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(228,310)</u>	<u>(256,324)</u>	<u>(376,759)</u>	<u>(49,437)</u>
TOTAL NET POSITION - BEGINNING	<u>62,512</u>	<u>2,217,471</u>	<u>11,904,445</u>	<u>2,974,416</u>
TOTAL NET POSITION - ENDING	<u>\$ (165,798)</u>	<u>\$ 1,961,147</u>	<u>\$ 11,527,686</u>	<u>\$ 2,924,979</u>

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

\$ 259,920	\$ 783,187
-	869,298
-	287,731
-	12,080
<u>259,920</u>	<u>1,952,296</u>

485,995	1,782,217
700	138,692
-	101,114
50,370	474,988
-	4,493
-	(48,534)
-	659,891
<u>537,065</u>	<u>3,112,861</u>

<u>(277,145)</u>	<u>(1,160,565)</u>
------------------	--------------------

-	199,682
196,386	214,912
-	(143,080)
<u>196,386</u>	<u>271,514</u>

<u>(80,759)</u>	<u>(889,051)</u>
-----------------	------------------

-	(102,538)
<u>-</u>	<u>(102,538)</u>

(80,759)	(991,589)
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<u>536,629</u>	<u>17,695,473</u>
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<u>\$ 455,870</u>	<u>\$ 16,703,884</u>
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POLK COUNTY, IOWA

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2020**

	Air Quality	Conservation Enterprises	Hamilton Urban Drainage District
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 416,282	\$ 297,719	\$ 118,391
Cash received from operating grants	698,074	-	-
Cash paid to suppliers for goods and services	(140,219)	(207,322)	(318,457)
Cash paid to employees	(1,105,727)	(447)	(11,480)
Net cash flows from operating activities	<u>(131,590)</u>	<u>89,950</u>	<u>(211,546)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Repayment on advance from other funds	-	(239,828)	-
Transfers out	-	(102,538)	-
Net cash flows from noncapital financing activities	<u>-</u>	<u>(342,366)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal paid on long-term debt	-	-	-
Interest paid on long-term debt	-	(35,172)	-
Purchase of capital assets	(37,258)	-	-
Repayments on capital note receivable	-	-	-
Net cash flows from capital and related financing activities	<u>(37,258)</u>	<u>(35,172)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	2,406	5,451	732
Net cash flows from investing activities	<u>2,406</u>	<u>5,451</u>	<u>732</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(166,442)	(282,137)	(210,814)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	292,161	651,422	214,869
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 125,719</u>	<u>\$ 369,285</u>	<u>\$ 4,055</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (loss)	\$ (230,716)	\$ (124,065)	\$ (577,173)
Components of operating income (loss) not included in operating activities			
Depreciation	91,335	203,255	365,301
Amortization	-	-	-
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
(Increase) decrease in special assessments receivable	-	-	(674)
(Increase) decrease in accounts receivable	-	9,988	-
(Increase) decrease in due from other governments	(171,224)	-	-
(Increase) decrease in deferred outflows of resources	34,965	-	-
Increase (decrease) in accounts payable	-	1,219	1,000
Increase (decrease) in wages payable	5,445	(382)	-
Increase (decrease) in payroll taxes payable	926	(65)	-
Increase (decrease) in compensated absences payable	128,049	-	-
Increase (decrease) in net pension liability	(77,454)	-	-
Increase (decrease) in deferred inflows of resources	87,084	-	-
Net cash flows from operating activities	<u>\$ (131,590)</u>	<u>\$ 89,950</u>	<u>\$ (211,546)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Disposal of fully depreciated capital assets	\$ (6,575)	\$ -	\$ -

	Urban Sewer	Iowa Tax & Tags	Total Nonmajor Enterprise Funds
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\$	-	\$ 259,920	\$ 1,092,312
	-	-	698,074
	-	(51,070)	(717,068)
	-	(452,621)	(1,570,275)
	-	(243,771)	(496,957)

	-	-	(239,828)
	-	-	(102,538)
	-	-	(342,366)

	(275,000)	-	(275,000)
	(109,000)	-	(144,172)
	-	-	(37,258)
	78,056	-	78,056
	(305,944)	-	(378,374)

	9,937	196,386	214,912
	9,937	196,386	214,912

	(296,007)	(47,385)	(1,002,785)
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	1,640,888	732,602	3,531,942
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\$	1,344,881	\$ 685,217	\$ 2,529,157
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\$	48,534	\$ (277,145)	\$ (1,160,565)
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	-	-	659,891
	(48,534)	-	(48,534)

	-	-	(674)
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	-	-	9,988
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	-	-	(171,224)
--	---	---	-----------

	-	14,487	49,452
--	---	--------	--------

	-	-	2,219
--	---	---	-------

	-	3,106	8,169
--	---	-------	-------

	-	507	1,368
--	---	-----	-------

	-	11,285	139,334
--	---	--------	---------

	-	(32,089)	(109,543)
--	---	----------	-----------

	-	36,078	123,162
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\$	-	\$ (243,771)	\$ (496,957)
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\$	-	\$ -	\$ (6,575)
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INTERNAL SERVICE FUNDS

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

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

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

POLK COUNTY, IOWA

**Combining Statement of Net Position
Internal Service Funds
June 30, 2020**

	Employee Insurance	Risk Management	Total
ASSETS:			
Current assets:			
Cash and pooled investments	\$ 13,507,083	\$ 5,000,000	\$ 18,507,083
Accounts receivables	633,011	-	633,011
Prepaid items	7,416	-	7,416
TOTAL ASSETS	14,147,510	5,000,000	19,147,510
LIABILITIES:			
Current liabilities:			
Accounts payable	197,619	-	197,619
Estimated liability for claims and judgments	2,174,600	-	2,174,600
Total current liabilities	2,372,219	-	2,372,219
TOTAL LIABILITIES	2,372,219	-	2,372,219
NET POSITION			
Unrestricted	11,775,291	5,000,000	16,775,291
TOTAL NET POSITION	\$ 11,775,291	\$ 5,000,000	\$ 16,775,291

POLK COUNTY, IOWA

**Combining Statement of Revenues, Expenses, and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2020**

	Employee Insurance	Risk Management	Total
OPERATING REVENUES:			
Charges for services	\$ 22,608,202	\$ -	\$ 22,608,202
Miscellaneous	562	-	562
Total operating revenues	<u>22,608,764</u>	<u>-</u>	<u>22,608,764</u>
OPERATING EXPENSES:			
Supplies	52,345	-	52,345
Other services/charges	54,930	-	54,930
Insurance	19,874,405	-	19,874,405
Total operating expenses	<u>19,981,680</u>	<u>-</u>	<u>19,981,680</u>
OPERATING INCOME (LOSS)	<u>2,627,084</u>	<u>-</u>	<u>2,627,084</u>
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	81,747	-	81,747
Total nonoperating revenues (expenses)	<u>81,747</u>	<u>-</u>	<u>81,747</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>2,708,831</u>	<u>-</u>	<u>2,708,831</u>
TRANSFERS:			
Transfers in	-	3,944,552	3,944,552
Transfers out	(20,000)	(3,944,552)	(3,964,552)
Total transfers	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
CHANGE IN NET POSITION	<u>2,688,831</u>	<u>-</u>	<u>2,688,831</u>
NET POSITION, BEGINNING	<u>9,086,460</u>	<u>5,000,000</u>	<u>14,086,460</u>
NET POSITION, ENDING	<u>\$ 11,775,291</u>	<u>\$ 5,000,000</u>	<u>\$ 16,775,291</u>

POLK COUNTY, IOWA

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2020**

	Employee Insurance	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from internal customers - other funds	\$ 22,792,837	\$ -	\$ 22,792,837
Cash paid to suppliers for goods and services	(20,999,516)	-	(20,999,516)
Net cash flows from operating activities	<u>1,793,321</u>	-	<u>1,793,321</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	-	3,944,552	3,944,552
Transfers out	(20,000)	(3,944,552)	(3,964,552)
Net cash flows from noncapital financing activities	<u>(20,000)</u>	-	<u>(20,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	90,132	-	90,132
Net cash flows from investing activities	<u>90,132</u>	-	<u>90,132</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,863,453	-	1,863,453
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	11,643,630	5,000,000	16,643,630
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 13,507,083</u>	<u>\$ 5,000,000</u>	<u>\$ 18,507,083</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (loss)	\$ 2,627,084	\$ -	\$ 2,627,084
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
(Increase) decrease in accounts receivable	175,433	-	175,433
(Increase) decrease in due from other governments	8,640	-	8,640
(Increase) decrease in prepaid items	1,876	-	1,876
Increase (decrease) in accounts payable	32,788	-	32,788
Increase (decrease) in estimated liability for claims and judgments	(1,052,500)	-	(1,052,500)
Net cash flows from operating activities	<u>\$ 1,793,321</u>	<u>\$ -</u>	<u>\$ 1,793,321</u>

AGENCY FUNDS

Agency 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 payroll tax withholding, partial property tax payments, tax sale redemptions and other taxing entities' tax collections and disbursements

Trust & Agency Trust Funds Held - Accounts for activity of water and drainage districts, TIF, employee parking, Sheriff condemnation and donated funds.

County Assessor Expense - Accounts for general activity of County Assessor's Office.

E911 Service - Accounts for the activity of the Polk County E911 Service Board as outlined in Chapter 34A of the Code of Iowa.

GIMS Implementation - Accounts for the GIMS Implementation Project that is financed jointly by the County Assessor and Polk County.

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.

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.

POLK COUNTY, IOWA

**Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2020**

	Trust & Agency Treasurer	Trust & Agency Trust Funds Held	County Assessor Expense	E911 Service
ASSETS:				
Cash and pooled investments	\$ 22,061,799	\$ 493,833	\$ 2,843,537	\$ 4,785,223
Receivables (net):				
Taxes	14,538,850	1,006	127,116	-
Special assessments	7,717,121	58	-	-
Accounts	-	-	-	168,559
Due from other governments	-	-	-	430,357
Prepays	-	-	-	48,274
TOTAL ASSETS	\$ 44,317,770	\$ 494,897	\$ 2,970,653	\$ 5,432,413
LIABILITIES:				
Accounts payable	\$ -	\$ 6,786	\$ 27,500	\$ 405,691
Wages payable	-	-	96,998	-
Payroll taxes payable	168,782	-	16,287	-
Due to other governments	44,148,988	296,328	1,312,226	5,026,722
Trusts payable	-	191,783	-	-
Compensated absences payable	-	-	1,154,642	-
Total OPEB liability	-	-	363,000	-
TOTAL LIABILITIES	\$ 44,317,770	\$ 494,897	\$ 2,970,653	\$ 5,432,413

GIMS Implementation	Emergency Management	Seized Funds Unforfeited	Mine Task Force	Total Agency Funds
\$ 686,201	\$ 223,396	\$ 473,746	\$ 598,701	\$ 32,166,436
-	-	-	-	14,666,972
-	-	-	-	7,717,179
-	-	-	-	168,559
-	57,465	-	-	487,822
-	-	-	-	48,274
\$ 686,201	\$ 280,861	\$ 473,746	\$ 598,701	\$ 55,255,242
\$ -	\$ 237,628	\$ -	\$ -	\$ 677,605
-	10,692	-	-	107,690
-	1,804	-	-	186,873
686,201	-	473,746	598,701	52,542,912
-	-	-	-	191,783
-	30,737	-	-	1,185,379
-	-	-	-	363,000
\$ 686,201	\$ 280,861	\$ 473,746	\$ 598,701	\$ 55,255,242

POLK COUNTY, IOWA

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
TRUST & AGENCY TREASURER:				
ASSETS:				
Cash and pooled investments	\$ 19,638,964	\$ 2,422,835	\$ -	\$ 22,061,799
Taxes receivable	4,130,559	10,408,291	-	14,538,850
Special assessments receivable	7,682,965	34,156	-	7,717,121
TOTAL ASSETS	\$ 31,452,488	\$ 12,865,282	\$ -	\$ 44,317,770
LIABILITIES:				
Payroll taxes payable	\$ 160,983	\$ 7,799	\$ -	\$ 168,782
Due to other governments	31,291,505	12,857,483	-	44,148,988
TOTAL LIABILITIES	\$ 31,452,488	\$ 12,865,282	\$ -	\$ 44,317,770

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
TRUST & AGENCY TRUST FUNDS HELD:				
ASSETS:				
Cash and pooled investments	\$ 894,025	\$ -	\$ (400,192)	\$ 493,833
Taxes receivable	-	1,006	-	1,006
Special assessments receivable	93	-	(35)	58
TOTAL ASSETS	\$ 894,118	\$ 1,006	\$ (400,227)	\$ 494,897
LIABILITIES:				
Accounts payable	\$ -	\$ 6,786	\$ -	\$ 6,786
Due to other governments	\$ 317,398	\$ -	\$ (21,070)	\$ 296,328
Trusts payable	576,720	-	(384,937)	191,783
TOTAL LIABILITIES	\$ 894,118	\$ 6,786	\$ (406,007)	\$ 494,897

POLK COUNTY, IOWA

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
COUNTY ASSESSOR EXPENSE:				
ASSETS:				
Cash and pooled investments	\$ 2,523,255	\$ 320,282	\$ -	\$ 2,843,537
Taxes receivable	49,725	77,391	-	127,116
TOTAL ASSETS	\$ 2,572,980	\$ 397,673	\$ -	\$ 2,970,653
LIABILITIES:				
Accounts payable	\$ 16,839	\$ 10,661	\$ -	\$ 27,500
Wages payable	68,912	28,086	-	96,998
Payroll taxes payable	11,592	4,695	-	16,287
Due to other governments	858,626	453,600	-	1,312,226
Compensated absences payable	1,238,011	-	(83,369)	1,154,642
Total OPEB liability	379,000	-	(16,000)	363,000
TOTAL LIABILITIES	\$ 2,572,980	\$ 497,042	\$ (99,369)	\$ 2,970,653

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
E911 SERVICE:				
ASSETS:				
Cash and pooled investments	\$ 4,439,409	\$ 345,814	\$ -	\$ 4,785,223
Accounts receivable	345,000	-	(176,441)	168,559
Due from other governments	491,664	-	(61,307)	430,357
Prepays	105,723	-	(57,449)	48,274
TOTAL ASSETS	\$ 5,381,796	\$ 345,814	\$ (295,197)	\$ 5,432,413
LIABILITIES:				
Accounts payable	\$ 205,084	\$ 200,607	\$ -	\$ 405,691
Due to other governments	5,176,712	-	(149,990)	5,026,722
TOTAL LIABILITIES	\$ 5,381,796	\$ 200,607	\$ (149,990)	\$ 5,432,413

POLK COUNTY, IOWA

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
GIMS IMPLEMENTATION:				
ASSETS:				
Cash and pooled investments	\$ 686,202	\$ -	\$ (1)	\$ 686,201
TOTAL ASSETS	\$ 686,202	\$ -	\$ (1)	\$ 686,201
LIABILITIES:				
Due to other governments	\$ 686,202	\$ -	\$ (1)	\$ 686,201
TOTAL LIABILITIES	\$ 686,202	\$ -	\$ (1)	\$ 686,201

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
EMERGENCY MANAGEMENT:				
ASSETS:				
Cash and pooled investments	\$ 187,357	\$ 36,039	\$ -	\$ 223,396
Accounts receivable	30,597	-	(30,597)	-
Due from other governments	108,600	-	(51,135)	57,465
TOTAL ASSETS	\$ 326,554	\$ 36,039	\$ (81,732)	\$ 280,861
LIABILITIES:				
Accounts payable	\$ 38,340	\$ 199,288	\$ -	\$ 237,628
Wages payable	9,052	1,640	-	10,692
Payroll taxes payable	1,526	278	-	1,804
Due to other governments	234,572	-	(234,572)	-
Compensated absences payable	43,064	-	(12,327)	30,737
TOTAL LIABILITIES	\$ 326,554	\$ 201,206	\$ (246,899)	\$ 280,861

POLK COUNTY, IOWA

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
SEIZED FUNDS UNFORFEITED:				
ASSETS:				
Cash and pooled investments	\$ 95,404	\$ 378,342	\$ -	\$ 473,746
Accounts receivable	36,101	-	(36,101)	-
TOTAL ASSETS	\$ 131,505	\$ 378,342	\$ (36,101)	\$ 473,746
LIABILITIES:				
Due to other governments	\$ 131,505	\$ 342,241	\$ -	\$ 473,746
TOTAL LIABILITIES	\$ 131,505	\$ 342,241	\$ -	\$ 473,746

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
MINE TASK FORCE:				
ASSETS:				
Cash and pooled investments	\$ 639,998	-	\$ (41,297)	\$ 598,701
TOTAL ASSETS	\$ 639,998	-	\$ (41,297)	\$ 598,701
LIABILITIES:				
Due to other governments	\$ 639,998	-	\$ (41,297)	\$ 598,701
TOTAL LIABILITIES	\$ 639,998	-	\$ (41,297)	\$ 598,701

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POLK COUNTY, IOWA

Statement of Net Position

Component Units

June 30, 2020

	PCHS	IEC Hotel Corp	Total
ASSETS			
Cash and pooled investments	\$ 5,219,760	\$ 1,850,037	\$ 7,069,797
Receivables (net)	119,390	651,974	771,364
Inventories	-	34,779	34,779
Prepaid items	64,445	247,838	312,283
Restricted assets - cash and pooled investments	-	9,156,374	9,156,374
Capital assets not being depreciated	1,338,040	-	1,338,040
Capital assets being depreciated, net	2,031,522	96,670,833	98,702,355
TOTAL ASSETS	8,773,157	108,611,835	117,384,992
LIABILITIES			
Accounts payable and other current liabilities	535,653	2,031,569	2,567,222
Due to primary government	170,775	90,103	260,878
Interest payable	-	962,749	962,749
Unearned revenues	71,246	486,941	558,187
Due within one year:			
Compensated absences payable	74,098	-	74,098
Certificate of participation	-	1,167,994	1,167,994
Due in more than one year:			
Compensated absences payable	22,239	-	22,239
Certificate of participation	-	60,198,365	60,198,365
Certificate of participation - due to primary government	-	27,750,000	27,750,000
Derivative instruments - interest rate swaps	-	2,801,179	2,801,179
Due to manager - Hilton Management, LLC	-	2,650,000	2,650,000
TOTAL LIABILITIES	874,011	98,138,900	99,012,911
NET POSITION			
Net investment in capital assets	3,369,562	7,554,474	10,924,036
Restricted for:			
PCHS/Foundation	2,271,952	-	2,271,952
IEC Hotel Corp	-	4,153,702	4,153,702
Unrestricted (deficit)	2,257,632	(1,235,241)	1,022,391
TOTAL NET POSITION	\$ 7,899,146	\$ 10,472,935	\$ 18,372,081

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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			
	2011	2012	2013	2014
Governmental activities:				
Net investment in capital assets	\$ 70,770,518	\$ 72,748,920	\$ 75,133,663	\$ 75,766,185
Restricted	5,726,045	3,281,414	5,923,114	20,238,049
Unrestricted	21,606,897	17,192,311	22,900,184	18,315,610
Total governmental activities net position	\$ 98,103,460	\$ 93,222,645	\$ 103,956,961	\$ 114,319,844
Business-type activities:				
Net investment in capital assets	\$ 240,462,094	\$ 237,474,012	\$ 228,985,935	\$ 227,164,549
Restricted	518,126	769,038	362,825	398,723
Unrestricted	21,991,857	24,470,612	27,365,867	23,792,875
Total business-type activities net position	\$ 262,972,077	\$ 262,713,662	\$ 256,714,627	\$ 251,356,147
Primary government:				
Net investment in capital assets	\$ 311,232,612	\$ 310,222,932	\$ 304,119,598	\$ 302,930,734
Restricted	6,244,171	4,050,452	6,285,939	20,636,772
Unrestricted	43,598,754	41,662,923	50,266,051	42,108,485
Total primary government net position	\$ 361,075,537	\$ 355,936,307	\$ 360,671,588	\$ 365,675,991

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						
2015	2016	2017	2018	2019	2020	
\$ 79,649,467	\$ 95,782,354	\$ 112,687,170	\$ 126,040,376	\$ 141,619,244	\$ 153,716,269	
13,961,534	6,856,842	6,845,261	5,186,531	8,649,668	7,881,994	
(11,863,296)	(6,663,345)	6,624,617	19,475,079	31,904,684	50,714,327	
\$ 81,747,705	\$ 95,975,851	\$ 126,157,048	\$ 150,701,986	\$ 182,173,596	\$ 212,312,590	
\$ 227,920,658	\$ 210,891,115	\$ 195,501,228	\$ 187,999,398	\$ 261,586,814	\$ 255,720,433	
683,568	892,818	862,445	895,917	619,985	637,860	
23,032,612	29,905,022	40,943,677	45,181,140	48,925,819	46,018,192	
\$ 251,636,838	\$ 241,688,955	\$ 237,307,350	\$ 234,076,455	\$ 311,132,618	\$ 302,376,485	
\$ 307,570,125	\$ 306,673,469	\$ 308,188,398	\$ 314,039,774	\$ 403,206,058	\$ 409,436,702	
14,645,102	7,749,660	7,707,706	6,082,448	9,269,653	8,519,854	
11,169,316	23,241,677	47,568,294	64,656,219	80,830,503	96,732,519	
\$ 333,384,543	\$ 337,664,806	\$ 363,464,398	\$ 384,778,441	\$ 493,306,214	\$ 514,689,075	

POLK COUNTY, IOWA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Expenses:				
Governmental activities:				
Public safety and legal services	\$ 68,350,314	\$ 67,744,452	\$ 68,677,335	\$ 71,564,875
Physical health and social services	41,244,404	37,511,827	34,703,552	35,070,940
Mental health	50,553,729	59,804,417	22,325,002	24,158,157
County environment and education	14,837,634	13,238,065	12,768,084	13,923,732
Roads and transportation	22,090,050	18,363,729	18,338,223	19,312,228
Governmental services to residents	7,118,535	7,242,640	7,077,482	7,129,232
Administration	30,581,581	33,049,043	28,625,011	28,335,206
Interest on long-term debt	4,206,456	4,169,828	5,313,966	5,846,733
Total governmental activities expenses	238,982,703	241,124,001	197,828,655	205,341,103
Business-type activities:				
Air Quality	1,079,530	1,173,421	1,218,911	1,154,638
Sanitary Sewer	1,056,837	948,773	788,708	726,280
Prairie Meadows Racetrack/Casino	9,083,738	10,402,872	11,052,660	10,167,216
Conservation Enterprises	42,543	41,911	47,968	40,327
Hamilton Urban Drainage District	411,290	684,977	263,778	270,242
Iowa Events Center	20,735,311	22,844,444	24,891,371	24,405,542
Urban Sewer	205,105	196,872	277,454	313,883
Community Based Case Management	-	-	-	-
Iowa Tax & Tags	-	60,282	211,165	295,583
Total business-type activities expenses	32,614,354	36,293,270	38,752,015	37,373,711
Total government expenses	\$ 271,597,057	\$ 277,417,271	\$ 236,580,670	\$ 242,714,814
Program revenues:				
Governmental activities:				
Charges for services:				
Public safety and legal services	\$ 13,788,614	\$ 13,041,721	\$ 14,325,269	\$ 13,781,722
Physical health and social services	1,185,162	1,418,367	1,236,642	1,042,590
Mental health	7,756,232	9,390,080	10,376,168	6,890,136
County environment and education	1,411,631	1,865,141	1,809,500	1,834,621
Roads and transportation	473,411	470,974	420,451	483,746
Governmental services to residents	6,259,696	6,900,219	7,488,249	7,285,121
Administration	1,658,836	1,598,869	1,900,040	1,932,024
Interest on long-term debt	9,946	14,487	54,200	49,843
Operating grants and contributions	55,560,468	55,514,496	23,227,618	29,067,248
Capital grants and contributions	392,162	700,644	1,902,755	262,332
Total governmental activities program revenues	88,496,158	90,914,998	62,740,892	62,629,383
Business-type activities:				
Charges for services:				
Air Quality	254,186	270,256	294,919	348,214
Sanitary Sewer	558,604	884,718	868,268	826,236
Prairie Meadows Racetrack/Casino	27,084,294	26,393,924	26,000,000	26,000,000
Conservation Enterprises	191,808	209,111	194,267	198,941
Hamilton Urban Drainage District	140,369	120,850	141,121	120,206
Iowa Events Center	8,982,061	12,542,142	10,990,697	12,459,738
Iowa Tax & Tags	-	7,502	337,895	367,059
Operating grants and contributions	827,478	1,304,873	963,837	1,465,466
Capital grants and contributions	76,576,666	723,977	128,250	128,250
Total business-type activities program revenues	114,615,466	42,457,353	39,919,254	41,914,110
Total government program revenues	\$ 203,111,624	\$ 133,372,351	\$ 102,660,146	\$ 104,543,493

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 69,683,428	\$ 72,778,579	\$ 73,081,038	\$ 78,520,169	\$ 83,348,793	\$ 90,042,251	
35,364,307	37,352,964	38,587,870	40,425,914	42,640,579	42,236,354	
28,533,670	25,906,010	20,756,146	21,978,560	24,067,294	23,791,649	
13,510,577	14,719,318	15,252,013	16,879,257	18,610,621	21,273,906	
18,860,843	21,057,936	17,130,748	19,694,797	18,066,871	20,012,591	
7,344,942	7,974,904	8,053,559	8,411,110	8,489,741	9,753,363	
32,774,134	32,949,752	37,599,287	38,473,412	44,075,188	38,746,860	
3,882,745	5,286,682	5,192,766	5,760,430	5,053,602	7,631,720	
209,954,646	218,026,145	215,653,427	230,143,649	244,352,689	253,488,694	
1,219,921	1,180,789	1,275,213	1,345,230	1,222,773	1,516,296	
1,365,289	6,450,974	1,609,984	1,772,545	1,712,523	2,470,020	
11,602,938	10,602,938	10,602,938	10,602,938	12,154,762	15,679,920	
170,279	191,492	98,970	488,317	460,606	446,968	
294,484	400,587	598,185	496,291	481,026	696,238	
25,689,294	29,382,506	27,350,775	27,469,180	28,041,271	25,818,408	
94,523	88,586	68,475	85,705	72,663	59,374	
-	1,592,258	6,759,608	3,994,485	-	-	
350,977	349,629	389,877	453,119	464,909	537,065	
40,787,705	50,239,759	48,754,025	46,707,810	44,610,533	47,224,289	
\$ 250,742,351	\$ 268,265,904	\$ 264,407,452	\$ 276,851,459	\$ 288,963,222	\$ 300,712,983	

\$ 13,176,295	\$ 14,045,975	\$ 16,245,042	\$ 18,787,052	\$ 20,313,908	\$ 21,157,832	
1,036,902	1,078,182	1,272,939	1,216,522	1,427,520	1,277,481	
7,029,275	4,113,979	2,249,219	5,957,472	5,692,061	5,470,234	
1,879,130	2,057,031	2,299,210	2,148,206	2,009,876	2,674,304	
941,450	552,046	566,585	630,431	796,889	820,541	
7,273,173	8,058,455	8,381,909	8,636,445	8,488,177	9,399,389	
1,794,169	1,748,225	1,678,242	2,527,924	1,746,943	1,784,795	
51,062	49,385	38,474	53,444	54,503	55,509	
26,488,420	21,941,825	22,040,570	21,811,485	21,242,714	21,302,676	
2,919,497	6,129,377	10,987,863	9,969,031	12,493,459	8,072,602	
62,589,373	59,774,480	65,760,053	71,738,012	74,266,050	72,015,363	

346,417	367,062	376,783	380,689	392,685	409,362	
966,901	787,032	1,051,006	984,610	1,252,629	995,879	
26,000,000	24,729,652	24,947,712	25,334,064	26,077,019	26,314,372	
195,157	203,609	196,126	205,482	287,451	287,731	
144,566	125,580	115,451	118,447	118,114	113,905	
15,072,784	16,167,111	15,192,487	15,581,819	17,133,251	12,949,284	
386,463	414,508	440,354	468,029	248,045	259,920	
5,505,719	2,592,193	8,076,897	5,108,887	1,000,639	869,298	
128,250	1,644,344	498,250	928,250	77,719,463	231,682	
48,746,257	47,031,091	50,895,066	49,110,277	124,229,296	42,431,433	
\$ 111,335,630	\$ 106,805,571	\$ 116,655,119	\$ 120,848,289	\$ 198,495,346	\$ 114,446,796	

(continued)

POLK COUNTY, IOWA

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

	Fiscal Year			
	2011	2012	2013	2014
Net (expense)/revenue:				
Governmental activities	\$ (150,486,545)	\$ (150,209,003)	\$ (135,087,763)	\$ (142,711,720)
Business-type activities	82,001,112	6,103,801	1,167,239	4,540,399
Total government net expense	\$ (68,485,433)	\$ (144,105,202)	\$ (133,920,524)	\$ (138,171,321)
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes	\$ 124,436,158	\$ 128,391,593	\$ 126,597,379	\$ 131,914,045
Other county taxes	5,278,538	5,590,186	5,471,136	5,476,275
Interest on property taxes	1,819,683	1,326,266	1,264,536	1,381,536
State replacements	2,522,012	2,507,895	3,042,129	3,860,426
Use of money and property	286,009	227,504	379,474	255,759
Miscellaneous	1,562,930	490,821	1,261,848	2,068,364
Gain on sale of capital assets	-	-	-	-
Capital transfers	-	-	425,367	-
Transfers	7,518,245	6,793,923	7,380,210	9,761,697
Total governmental activities	143,423,575	145,328,188	145,822,079	154,718,102
Business-type activities:				
Use of money and property	95,835	49,145	178,934	54,995
Miscellaneous	320,846	382,562	460,369	860,639
Capital transfers - Loss on transfer of capital assets	-	-	(425,367)	-
Transfers	(7,518,245)	(6,793,923)	(7,380,210)	(9,761,697)
Total business-type activities	(7,101,564)	(6,362,216)	(7,166,274)	(8,846,063)
Total government	\$ 136,322,011	\$ 138,965,972	\$ 138,655,805	\$ 145,872,039
Change in net position:				
Governmental activities	\$ (7,062,970)	\$ (4,880,815)	\$ 10,734,316	\$ 12,006,382
Business-type activities	74,899,548	(258,415)	(5,999,035)	(4,305,664)
Total primary government	\$ 67,836,578	\$ (5,139,230)	\$ 4,735,281	\$ 7,700,718

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ (147,365,273)	\$ (158,251,665)	\$ (149,893,374)	\$ (158,405,637)	\$ (170,086,639)	\$ (181,473,331)
7,958,552	(3,208,668)	2,141,041	2,402,467	79,618,763	(4,792,856)
\$ (139,406,721)	\$ (161,460,333)	\$ (147,752,333)	\$ (156,003,170)	\$ (90,467,876)	\$ (186,266,187)

\$ 136,363,181	\$ 140,709,005	\$ 149,208,819	\$ 154,947,225	\$ 170,244,856	\$ 178,520,086
5,705,541	5,735,911	5,768,801	5,726,777	5,831,727	6,177,617
1,412,664	1,174,445	1,199,698	1,131,465	1,258,286	638,379
8,034,434	12,873,398	13,342,460	13,456,415	13,744,982	13,859,458
309,077	709,823	1,233,182	3,231,716	4,597,174	3,957,120
1,734,376	3,082,645	1,227,068	1,097,395	777,263	2,105,056
-	-	259,350	-	-	-
-	-	-	-	-	-
7,429,240	8,194,584	7,835,193	7,403,582	5,103,961	6,354,609
160,988,513	172,479,811	180,074,571	186,994,575	201,558,249	211,612,325

74,169	637,627	725,529	992,382	1,946,088	1,969,165
572,344	817,742	587,018	777,838	595,273	422,167
-	-	-	-	-	-
(7,429,240)	(8,194,584)	(7,835,193)	(7,403,582)	(5,103,961)	(6,354,609)
(6,782,727)	(6,739,215)	(6,522,646)	(5,633,362)	(2,562,600)	(3,963,277)
\$ 154,205,786	\$ 165,740,596	\$ 173,551,925	\$ 181,361,213	\$ 198,995,649	\$ 207,649,048

\$ 13,623,240	\$ 14,228,146	\$ 30,181,197	\$ 28,588,938	\$ 31,471,610	\$ 30,138,994
1,175,825	(9,947,883)	(4,381,605)	(3,230,895)	77,056,163	(8,756,133)
\$ 14,799,065	\$ 4,280,263	\$ 25,799,592	\$ 25,358,043	\$ 108,527,773	\$ 21,382,861

(concluded)

POLK COUNTY, IOWA

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

	Fiscal Year			
	2011	2012	2013	2014
General Fund:				
Nonspendable	\$ 835,122	\$ 1,108,645	\$ 1,431,512	\$ 1,317,221
Committed	3,989,810	3,700,119	3,753,815	3,585,015
Unassigned	34,510,331	28,872,644	35,680,321	37,877,628
Total General Fund	\$ 39,335,263	\$ 33,681,408	\$ 40,865,648	\$ 42,779,864
Mental Health Fund:				
Restricted	\$ 765,412	\$ -	\$ 2,030,563	\$ 6,837,252
Unassigned	-	(4,132,905)	-	-
Total Mental Health Fund	\$ 765,412	\$ (4,132,905)	\$ 2,030,563	\$ 6,837,252
Justice Center Fund:				
Restricted	\$ -	\$ -	\$ -	\$ -
Total Justice Center Fund	\$ -	\$ -	\$ -	\$ -
Debt Service Fund:				
Restricted	\$ -	\$ -	\$ 68,561,227	\$ 216,764
Total Debt Service Fund	\$ -	\$ -	\$ 68,561,227	\$ 216,764
All other governmental funds:				
Nonspendable	\$ 777,178	\$ 925,036	\$ 712,871	\$ 943,020
Restricted	4,960,633	3,281,414	3,273,535	13,184,033
Committed	9,099,102	9,819,630	10,254,039	10,993,740
Unassigned	(3,968,513)	(3,939,663)	(4,642,695)	(2,138,711)
Total all other governmental funds	\$ 10,868,400	\$ 10,086,417	\$ 9,597,750	\$ 22,982,082

Note: Only major funds are identified on this schedule

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 1,199,934	\$ 970,787	\$ 1,057,617	\$ 1,166,044	\$ 4,646,907	\$ 4,642,422	
3,265,208	3,764,477	4,053,969	3,878,749	3,602,523	5,539,649	
43,089,740	47,725,904	48,872,607	64,151,132	73,735,438	83,543,134	
<u>\$ 47,554,882</u>	<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>	
\$ 7,867,880	\$ 2,657,177	\$ 1,874,559	\$ 1,182,742	\$ 3,484,129	\$ 3,053,968	
-	-	-	-	-	-	
<u>\$ 7,867,880</u>	<u>\$ 2,657,177</u>	<u>\$ 1,874,559</u>	<u>\$ 1,182,742</u>	<u>\$ 3,484,129</u>	<u>\$ 3,053,968</u>	
\$ 59,277,232	\$ 47,204,845	\$ 49,375,218	\$ -	\$ -	\$ -	
<u>\$ 59,277,232</u>	<u>\$ 47,204,845</u>	<u>\$ 49,375,218</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 2,892,100	\$ 986,277	\$ 1,641,237	\$ -	\$ -	\$ 370,404	
<u>\$ 2,892,100</u>	<u>\$ 986,277</u>	<u>\$ 1,641,237</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 370,404</u>	
\$ 1,202,909	\$ 1,304,996	\$ 1,351,278	\$ 1,271,431	\$ 1,094,583	\$ 1,241,346	
18,971,785	14,736,599	11,853,501	30,005,817	41,904,349	28,626,348	
13,979,456	11,826,022	12,353,201	13,063,392	12,874,590	13,217,277	
(1,503,644)	(4,459,848)	(2,707,165)	(4,721,524)	(1,611,672)	(225,407)	
<u>\$ 32,650,506</u>	<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>	

POLK COUNTY, IOWA

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

	Fiscal Year			
	2011	2012	2013	2014
Revenues:				
Property taxes	\$ 124,413,365	\$ 128,308,790	\$ 126,477,853	\$ 132,115,444
Other County taxes	5,278,538	5,590,186	5,471,136	5,476,275
Interest and penalties on delinquent taxes	1,819,683	1,326,266	1,264,536	1,381,536
Intergovernmental	76,304,288	77,268,575	46,892,346	48,896,738
Licenses and permits	757,224	861,128	943,393	913,075
Charges for service	11,456,931	12,437,290	13,685,542	13,215,481
Use of money and property	2,247,819	2,179,875	2,525,369	2,641,287
Miscellaneous	2,028,618	2,263,643	1,539,340	2,679,952
Total revenues	224,306,466	230,235,753	198,799,515	207,319,788
Expenditures:				
Public safety and legal services	63,358,077	64,519,393	64,362,370	67,550,790
Physical health and social services	39,832,954	36,865,531	33,295,027	33,590,597
Mental health	50,553,729	59,804,417	22,325,002	24,158,157
County environment and education	12,074,726	12,465,007	11,135,437	11,426,422
Roads and transportation	12,565,672	10,569,001	9,271,079	9,937,351
Governmental services to residents	6,712,037	6,960,701	7,048,801	7,066,217
Administration	30,370,108	33,214,441	28,112,537	29,091,437
Debt service:				
Principal	7,510,000	8,351,000	8,428,000	10,904,000
Interest and fiscal charges	4,397,923	4,195,012	6,093,333	6,015,812
Capital Projects:				
Roadway construction	4,960,179	5,715,542	4,834,470	5,684,678
Conservation land acquisition and development	3,352,335	1,503,474	2,679,744	10,850,138
Other capital projects	9,470,498	4,290,359	5,057,647	8,455,989
Total expenditures	245,158,238	248,453,878	202,643,447	224,731,588
Excess of revenues over expenditures	(20,851,772)	(18,218,125)	(3,843,932)	(17,411,800)
Other financing sources (uses):				
Transfers in	20,475,572	19,575,415	18,034,274	22,707,352
Transfers out	(12,937,327)	(12,761,492)	(10,639,985)	(12,925,655)
Capital contributions	392,162	-	-	-
Payment to refunded bond escrow agent	-	-	-	(66,570,000)
Issuance of notes receivable	-	-	-	-
Issuance of capital leases	669,366	-	692,111	-
Issuance of bonds	15,485,000	-	76,114,616	25,335,000
Issuance of refunding bonds	-	-	-	-
Premium (discount) on bonds issued	298,790	-	1,019,219	270,129
Insurance recovery from 2008 flood	112,066	-	-	-
Proceeds from sale of capital assets	281,032	-	311,766	-
Total other financing sources (uses)	24,776,661	6,813,923	85,532,001	(31,183,174)
Net change in fund balances	\$ 3,924,889	\$ (11,404,202)	\$ 81,688,069	\$ (48,594,974)
Total expenditures	\$ 245,158,238	\$ 248,453,878	\$ 202,643,447	\$ 224,731,588
Less: capital expenditures	(10,231,060)	(7,053,056)	(6,885,814)	(18,623,440)
Total non capital expenditures	\$ 234,927,178	\$ 241,400,822	\$ 195,757,633	\$ 206,108,148
Debt service as % of noncapital expenditures	5.07%	5.20%	7.42%	8.21%

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 136,555,746	\$ 140,654,190	\$ 149,192,233	\$ 154,907,645	\$ 170,236,493	\$ 177,466,490	
5,705,541	5,735,911	5,768,801	5,726,777	5,831,727	6,177,617	
1,412,664	1,174,445	1,199,698	1,131,465	1,258,286	638,379	
52,671,977	48,896,981	53,391,833	54,684,871	60,047,045	55,918,397	
1,073,810	1,308,798	1,342,246	1,412,582	1,184,341	1,494,380	
13,753,759	14,232,809	15,457,944	16,532,428	17,204,963	17,357,972	
2,880,975	3,246,337	4,175,894	5,819,127	7,714,424	7,554,364	
2,787,165	3,112,327	3,565,298	3,244,957	2,341,663	2,748,881	
216,841,637	218,361,798	234,093,947	243,459,852	265,818,942	269,356,480	
67,742,641	70,630,110	71,194,297	73,982,865	79,376,445	85,122,459	
33,988,406	35,624,786	36,130,845	37,924,736	40,193,882	39,468,371	
28,533,670	25,906,010	20,756,146	21,978,560	24,067,294	23,791,649	
12,320,129	12,318,325	13,533,835	14,049,618	15,779,209	18,168,176	
10,217,643	10,207,439	13,251,960	10,458,021	12,198,866	14,047,438	
7,086,477	7,508,917	7,586,381	7,760,563	7,970,669	9,104,059	
31,075,332	32,415,833	33,015,233	34,397,839	39,245,415	37,650,125	
14,249,647	17,185,384	14,309,378	13,181,000	14,223,000	15,095,000	
3,718,837	5,320,313	5,152,889	5,689,646	5,088,006	6,350,862	
5,650,385	8,744,120	5,451,872	6,530,818	4,147,518	3,811,751	
6,895,682	5,260,650	7,807,817	12,949,544	14,754,893	5,107,993	
11,171,287	19,118,230	13,743,491	29,300,855	21,253,993	18,596,029	
232,650,136	250,240,117	241,934,144	268,204,065	278,299,190	276,313,912	
(15,808,499)	(31,878,319)	(7,840,197)	(24,744,213)	(12,480,248)	(6,957,432)	
20,447,563	23,753,588	34,201,466	24,562,657	27,188,510	33,093,904	
(12,998,323)	(15,539,004)	(26,346,273)	(17,340,379)	(22,664,549)	(26,719,295)	
-	-	-	-	-	-	
(640,000)	-	(64,819,767)	(14,630,000)	-	(52,745,000)	
-	-	-	-	-	(30,515,000)	
-	-	2,326,428	-	161,127	1,200,808	
84,207,560	-	-	-	33,925,000	30,515,000	
-	-	56,730,000	12,235,000	-	48,070,000	
2,003,138	-	8,351,001	248,178	3,813,421	5,090,112	
-	-	-	-	-	-	
59,100	50,000	359,350	50,000	-	-	
93,079,038	8,264,584	10,802,205	5,125,456	42,423,509	7,990,529	
\$ 77,270,539	\$ (23,613,735)	\$ 2,962,008	\$ (19,618,757)	\$ 29,943,261	\$ 1,033,097	
\$ 232,650,136	\$ 250,240,117	\$ 241,934,144	\$ 268,204,065	\$ 278,299,190	\$ 276,313,912	
(17,279,105)	(22,908,037)	(23,033,094)	(38,092,157)	(34,439,663)	(22,356,535)	
\$ 215,371,031	\$ 227,332,080	\$ 218,901,050	\$ 230,111,908	\$ 243,859,527	\$ 253,957,377	
8.34%	9.90%	8.89%	8.20%	7.92%	8.44%	

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
2011	2013	\$ 21,246,394,370	\$ 6,414,910,960	\$ 391,966,160	\$ -	\$ 259,609,210
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	(b) 2020	27,624,292,685	7,385,180,659	662,507,721	1,103,803,326	290,425,534
2019	2021	30,557,110,589	8,035,519,062	758,215,891	1,296,164,889	218,057,759
2020	2022	N/A (c)	N/A (c)	N/A (c)	N/A (c)	N/A (c)

Source: 2019 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) 2018 Calendar Year Assessment is for taxes due in fiscal year 2019/2020
 - (c) 2020 Calendar Year Assessment is for taxes due in fiscal year 2021/2022 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)
\$	43,165,437	\$ 160,573,870	\$ (34,269,194)	\$ 28,482,350,813	6.81
	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	6.94
	47,993,133	172,579,843	(31,844,999)	29,812,404,309	7.17
	53,959,901	173,036,987	(30,796,208)	31,784,972,700	7.30
	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
	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	2020			2011		
	2018 Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	2009 Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Mid American Energy	\$ 619,572,488	1	2.6%	\$ 91,614,240	6	0.4%
Microsoft Corporation	215,621,208	2	0.9%	-	-	-
Principal Life Insurance Co	161,759,970	3	0.7%	229,703,280	1	1.3%
Prairie Meadows	158,764,757	4	0.7%	107,717,400	5	0.6%
Nationwide Mutual Insurance Co	151,308,090	5	0.6%	189,201,310	2	1.1%
Principal Mutual Life Insurance Co	114,236,010	6	0.5%	-	-	-
Wellmark Inc	110,043,900	7	0.5%	-	-	-
Wells Fargo Financial Inc	102,226,590	8	0.4%	123,896,560	4	0.7%
Employers Mutual Life Insurance Co	80,324,550	9	0.3%	-	-	-
Magellan Pipeline	72,296,515	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	\$ 1,786,154,078		7.5%	\$ 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
2011	\$ 127,415,609	\$ 126,836,381	99.5%	\$ 56,052	\$ 126,892,433	99.6%
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%

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

POLK COUNTY, IOWA

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

	Year Taxes are Payable				
	2011	2012	2013	2014	2015
Countywide service rates:					
General Basic	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50
General Supplemental	1.92	1.95	1.92	1.97	2.00
MH/DD Service	0.79	0.77	0.79	0.76	0.75
Debt Service	0.61	0.59	0.60	0.71	0.92
Total Countywide Rate	6.82	6.81	6.81	6.94	7.17
Rural service rates	4.55	4.55	4.55	4.55	4.55
Total Rural Rate	11.37	11.36	11.36	11.49	11.72
City rates:					
Alleman	8.77	10.23	10.45	10.05	11.03
Altoona	9.14	9.14	9.14	9.14	9.94
Ankeny	11.18	11.18	12.03	12.03	11.90
Bondurant	14.18	14.13	14.08	14.04	13.99
Carlisle	13.81	13.80	13.80	13.80	14.14
Clive	9.54	9.54	9.99	9.99	9.99
Des Moines	16.58	16.58	16.92	16.92	16.92
Elkhart	10.04	9.90	9.77	8.83	8.78
Granger	15.42	15.99	15.76	15.68	14.91
Grimes	12.91	12.90	12.91	12.91	12.91
Johnston	11.27	11.10	11.29	11.15	11.34
Mitchellville	14.73	14.73	14.80	14.40	14.00
Norwalk	14.60	16.35	15.69	15.69	15.69
Pleasant Hill	11.65	11.65	11.66	11.65	11.65
Polk City	7.90	7.90	7.90	7.90	7.90
Runnells	10.89	10.90	10.92	10.84	11.16
Sheldahl	3.18	3.20	2.99	2.68	2.82
Urbandale	9.32	9.52	9.62	9.57	9.72
Windsor Heights	13.31	13.31	13.31	13.90	15.35
West Des Moines	12.05	12.05	12.05	12.05	12.05
School District Rates:					
North Polk	18.27	19.85	19.99	20.00	19.99
Southeast Polk	21.81	21.66	21.66	21.66	21.66
Bondurant-Farrar	19.99	19.83	19.24	18.33	18.49
Ankeny	22.35	21.07	20.59	20.33	20.18
Carlisle	20.97	20.65	18.58	17.91	17.91
West Des Moines	13.94	13.85	13.30	13.26	13.27
Des Moines Independent	17.64	18.35	18.35	18.35	18.15
Saydel	13.98	13.98	13.48	12.88	12.88
Johnston	17.35	17.35	17.35	17.35	18.36
Woodward-Granger	19.78	19.75	19.49	19.11	19.07
Dallas	17.50	17.50	17.51	17.84	17.85
Urbandale	17.64	18.35	18.35	18.35	18.15
Urbandale	17.64	17.64	17.64	17.67	17.55
Other:					
Area XI Community College	0.56	0.59	0.58	0.69	0.66
Broadlawns County Hospital	2.92	2.92	2.98	3.00	3.12
Ag. Extension	0.04	0.04	0.04	0.04	0.04
Assessor	0.28	0.25	0.24	0.28	0.28

Source: 2018/2019 Tax Rates Payable Fiscal Year Ended June 30, 2020 obtained from Polk County Tax/GIS Department

Year Taxes are Payable				
2016	2017	2018	2019	2020
\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50
2.18	2.28	2.34	2.44	2.50
0.71	0.70	0.67	0.63	0.60
0.91	0.82	0.79	0.73	0.70
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

10.79	9.69	9.63	9.54	9.49
9.94	9.94	9.94	9.94	9.94
11.85	11.75	11.65	10.75	10.35
13.94	13.88	13.83	13.78	13.73
14.64	14.65	14.89	14.89	14.89
9.99	10.14	10.14	10.14	10.14
16.92	16.92	17.04	17.24	16.64
8.98	8.37	10.09	10.10	10.10
14.62	15.87	16.87	15.80	15.42
12.91	12.91	12.91	12.91	12.81
11.50	11.40	11.38	11.52	11.64
14.00	13.88	13.85	13.83	9.45
15.69	15.69	15.42	15.40	15.40
11.65	11.65	11.65	11.65	11.50
7.90	7.90	7.90	9.91	9.91
11.26	11.77	11.78	11.77	11.72
2.82	2.81	2.99	6.07	6.27
9.82	9.92	10.02	10.02	10.52
15.08	15.66	16.96	16.58	16.52
12.00	12.00	12.00	11.79	10.99

19.94	19.30	19.16	19.07	18.99
20.66	20.31	19.48	16.50	15.58
18.33	19.10	19.10	19.10	19.00
19.77	19.36	18.51	17.95	17.52
17.91	17.91	17.85	17.85	17.85
13.24	13.26	13.26	13.27	13.16
18.43	18.50	18.56	18.60	18.60
12.76	12.76	12.89	12.89	12.89
18.35	11.40	18.32	18.35	18.35
19.06	18.97	18.97	18.97	18.95
17.95	12.91	19.99	19.97	17.68
18.43	18.50	18.56	18.60	18.60
17.75	17.74	17.75	17.99	17.98

0.68	0.72	0.67	0.69	0.65
3.21	2.77	2.77	2.77	2.77
0.04	0.04	0.04	0.04	0.04
0.28	0.27	0.27	0.25	0.25

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				
2011	\$ 105,954,533	\$ 429,000	\$ 2,047,367	\$ 140,495,304	\$ 18,115,588	\$ 267,041,792	1.35%	\$ 620.10	
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	1.06%	558.20	
2020	174,203,773	395,000	1,056,235	74,416,957	22,736,000	272,807,965	1.06%	556.57	

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

Note: 2019 and 2020 percentages calculated using 2018 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		
2011	\$ 246,449,837	\$ 1,650,202	\$ 244,799,635	0.86%	\$ 568.46
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	N/A (a)	506.46

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

Note: (a) 2020 Calendar Year Assessment is for taxes due in fiscal year 2021/2022 and is not yet available.

POLK COUNTY, IOWA

Direct and Overlapping Governmental Activities Debt As of June 30, 2020

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.

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POLK COUNTY, IOWA

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

	Fiscal Year			
	2011	2012	2013	2014
Debt limit	\$ 1,446,817,962	\$ 1,466,049,660	\$ 1,424,117,541	\$ 1,438,524,316
Less: Total net debt applicable to limit	(460,916,297)	(448,152,913)	(505,676,659)	(301,626,160)
Legal debt margin	<u>\$ 985,901,665</u>	<u>\$ 1,017,896,747</u>	<u>\$ 918,440,882</u>	<u>\$ 1,136,898,156</u>
Total net debt applicable to the limit as a percentage of debt limit	31.86%	30.57%	35.51%	20.97%

Notes: (a) Calendar year 2018 assessed value is paid in fiscal year 2020

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

Legal debt margin Calculation for Calendar Year 2018 Assessed Value (a)	\$ 37,302,547,160
Debt limit (5% of assessed value)	1,865,127,358
Less: Debt applicable to debt limit (b)	<u>(272,807,965)</u>
Legal debt margin	<u>\$ 1,592,319,393</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 1,454,997,573	\$ 1,490,620,215	\$ 1,589,248,635	\$ 1,627,157,619	\$ 1,808,173,651	\$ 1,865,127,358
(316,593,053)	(297,892,448)	(281,073,758)	(261,986,286)	(271,958,109)	(272,807,965)
<u>\$ 1,138,404,520</u>	<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>
21.76%	19.98%	17.69%	16.10%	15.04%	14.63%

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	
2011	430,640	19,829,971	45,336	241,600	6.1%	6.1%
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	*	*	279,900	2.7%	2.4%
2020	490,161	*	*	263,100	10.0%	8.4%

Source: (a) U.S. Census Bureau
 (b) U.S. Bureau of Economic Analysis
 (c) Iowa Workforce Development LMI Division website

Note: Population increased from 2011-2020 by 14%

* Information not available

POLK COUNTY, IOWA

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

Employer	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Wells Fargo & Co.	13,500	1	4.38%	11,700	1	4.37%
Unity Point Health (Iowa Health Des Moines)	8,026	2	2.61%	7,300	3	2.73%
Principal Financial Group	6,500	3	2.11%	6,728	4	2.51%
Hy-Vee Food Corp.	6,400	4	2.08%	2,000	8	-
Nationwide/Allied Insurance	4,525	5	1.47%	4,370	7	1.63%
Mercy Hospital Medical Center	4,276	6	1.39%	4,950	5	1.85%
John Deere	3,500	7	1.14%	-	-	-
Vermeer Corporation	2,900	8	0.94%	-	-	-
Corteva Agriscience	2,500	9	0.81%	-	-	-
JBS USA	2,300	10	0.75%	-	-	-
Pioneer Hi-Bred International Inc.	-	-	-	1,900	10	0.71%
State of Iowa	N/A (a)	-	-	8,700	2	3.25%
City of Des Moines	N/A (a)	-	-	1,967	9	0.74%
Des Moines Public Schools	N/A (a)	-	-	4,745	6	1.77%
Total	54,427		17.66%	54,360		20.31%

Source: The Greater Des Moines Partnership

Note: (a) Governmental entities information not available for 2020

POLK COUNTY, IOWA

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

Function / Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public safety	472	461	462	468	476	482	507	507	523	527
Human services	171	151	155	154	154	154	158	159	161	162
Roads and engineering	67	61	61	61	61	62	61	62	63	62
Administration	157	151	149	149	148	147	149	152	157	159
Other	379	356	363	372	377	384	395	399	408	408
Total	1,246	1,180	1,190	1,204	1,216	1,229	1,270	1,279	1,312	1,318

Source: County Budget Office

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POLK COUNTY, IOWA

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function / Program	Fiscal Year			
	2011	2012	2013	2014
Public safety and legal services:				
Sheriff:				
# of E911 calls	54,517	49,335	53,674	48,289
# of civil papers served	45,583	50,148	40,661	40,387
# of average daily jail population	929	942	922	943
# of bookings	18,347	19,607	19,329	18,706
Medical Examiner:				
# of death investigations	1,056	1,148	1,215	1,285
# of autopsies	224	275	242	252
Physical health and social services:				
Health Department:				
# of patient visits to STD clinic	3,890	3,543	6,128	2,932
Public Works:				
# of septic/well permits	352	303	134	275
Veteran Affairs:				
# of clients interviewed	5,706	4,233	4,388	5,076
# of vouchers issued	4,329	3,087	2,557	1,373
Mental Health:				
# of individuals served	9,643	10,662	10,947	6,205
# of individuals receiving ongoing/intensive svc	3,681	3,143	4,085	3,689
County environment and education:				
Public Works:				
# of requests of service for weed eradication	4,298	2,672	4,358	1,859
# of lots cleaned up	42	5	4	26
Roads and transportation:				
Public Works:				
# of gravel miles maintained	168	168	169	169
# of paved miles maintained	536	548	539	540
Governmental services to residents:				
Treasurer:				
# of titles	147,011	149,262	153,606	164,532
# of registrations	646,533	645,576	657,739	680,155
Auditor / Elections:				
# of registered voters	260,800	270,386	277,940	287,268

Source: County records

Fiscal Year					
2015	2016	2017	2018	2019	2020
50,392	49,146	45,943	58,324	63,953	69,227
52,211	48,747	40,328	47,538	50,233	48,564
925	919	987	978	1,027	939
17,678	17,765	17,912	18,858	17,887	15,779
1,285	1,287	1,470	1,560	1,720	2,007
275	286	305	244	302	275
2,969	3,056	3,010	3,344	2,531	2,359
69	71	153	81	93	60
6,344	6,351	5,261	4,395	4,039	5,163
1,105	765	870	864	923	890
7,895	7,163	5,146	4,551	5,155	4,305
3,901	4,010	3,855	3,761	2,360	2,425
1,940	1,956	1,863	1,576	2,127	1,588
11	13	12	6	6	2
169	167	163	163	162	162
540	543	539	539	540	540
172,535	174,398	178,259	180,222	189,362	156,009
699,249	709,083	723,098	732,917	739,184	720,217
286,793	300,054	300,545	306,599	309,387	334,056

POLK COUNTY, IOWA

Capital Asset Statistics by Function/Program Last Ten Fiscal Years

Function / Program	Fiscal Year			
	2011	2012	2013	2014
Public safety and legal services:				
Sheriff:				
# of vehicles	91	104	87	87
# of buildings	3	3	3	3
Correctional facility capacities	1,500	1,500	1,500	1,500
County Attorney				
# of vehicles	7	7	14	14
Medical Examiner				
# of vehicles	1	2	2	2
Physical health and social services:				
Health Department:				
# of vehicles	3	1	1	1
CF&Y Svcs				
# of vehicles	8	7	5	5
# of senior centers/meal sites	7	7	7	7
County environment and education:				
Conservation				
# of parks managed	7	7	7	7
# of vehicles	49	49	52	53
# of buildings	5	5	5	7
Planning and Development				
# of vehicles	19	14	13	12
Roads and transportation:				
Secondary Roads				
# of vehicles	61	60	60	61
# of buildings	6	7	7	6
# of secondary roads miles managed (a)	731	730	731	741
# of bridges	137	137	137	137
Administration				
General Services				
# of vehicles	29	29	29	28
# of buildings maintained	22	23	24	25

Source: County records

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

* Information not available yet

Fiscal Year					
2015	2016	2017	2018	2019	2020
95	95	102	104	103	114
3	3	3	4	4	4
1,500	1,500	1,500	1,500	1,500	1,500
14	14	14	15	16	18
2	2	2	3	3	3
1	1	1	1	1	1
6	6	6	6	6	7
7	7	8	8	8	8
7	7	7	7	7	7
55	59	56	57	60	67
8	8	8	8	9	10
12	10	10	12	12	12
65	63	65	64	68	70
6	6	6	6	6	7
742	741	728	727	*	*
137	137	137	136	136	136
29	30	31	31	32	32
24	24	25	25	25	25

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POLK COUNTY, IOWA

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Mental Health - Polk County Region
For the Year Ended June 30, 2020**

		Mental Health
REVENUES:		
Property taxes	\$	13,797,269
Other county taxes		391,751
Intergovernmental revenues:		
State tax replacement credits	\$	1,090,870
Other intergovernmental revenues	5,470,234	6,561,104
Miscellaneous		158,451
TOTAL REVENUES		20,908,575
EXPENDITURES:		
Services to persons with:		
Mental illness		15,255,645
Intellectual disabilities		807,974
Other developmental disabilities		3,038,720
General administration:		
Direct administration		1,375,578
County provided case management		106,016
TOTAL EXPENDITURES		20,583,933
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		324,642
FUND BALANCE, BEGINNING		3,484,129
FUND BALANCE, ENDING	\$	3,808,771

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	*	*

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 2020	Year 2019 Taxable Valuation	Taxable Value Within Issuer	Percentage Applicable	Amount Applicable
City rates:					
Alleman	\$ 45,000	\$ 25,797,035	\$ 25,797,035	100.00%	\$ 45,000
Altoona	104,135,000	1,330,874,964	1,330,874,964	100.00%	104,135,000
Ankeny	121,040,000	4,181,496,732	4,181,496,732	100.00%	121,040,000
Bondurant	15,245,000	274,569,120	274,569,120	100.00%	15,245,000
Carlisle	4,021,711	175,987,874	31,824,114	18.08%	727,251
Clive	25,205,000	1,626,711,206	1,137,946,158	69.95%	17,631,853
Des Moines	427,411,132	9,365,412,911	9,348,595,129	99.82%	426,643,616
Elkhart	3,406,000	32,433,806	32,433,806	100.00%	3,406,000
Granger	2,150,000	76,175,634	17,911,516	23.51%	505,539
Grimes	33,010,000	1,045,706,010	1,042,928,174	99.73%	32,922,312
Johnston	98,469,000	1,771,260,739	1,771,260,739	100.00%	98,469,000
Mitchellville	918,000	58,497,193	56,889,709	97.25%	892,774
Norwalk	28,915,000	616,339,523	3,121	0.00%	146
Pleasant Hill	21,120,000	690,846,648	690,846,648	100.00%	21,120,000
Polk City	5,630,000	294,375,189	294,375,189	100.00%	5,630,000
Runnells	-	16,355,398	16,355,398	100.00%	-
Sheldahl	-	10,617,973	5,377,714	50.65%	-
Urbandale	83,710,000	3,534,664,135	2,730,197,596	77.24%	64,658,149
West Des Moines	203,320,000	6,096,904,788	3,550,948,150	58.24%	118,417,263
Windsor Heights	18,985,000	294,670,669	294,670,669	100.00%	18,985,000
School District Rates:					
Ankeny	71,090,000	4,436,725,756	4,436,725,756	100.00%	71,090,000
Ballard	27,180,000	533,895,349	2,386,148	0.45%	121,476
Bondurant-Farrar	21,900,000	560,568,892	556,631,283	99.30%	21,746,168
Carlisle	19,770,000	403,834,934	138,751,683	34.36%	6,792,678
Collins-Maxwell	-	192,400,509	29,426,378	15.29%	-
Dallas Center-Grimes	71,035,000	1,255,109,233	1,044,742,042	83.24%	59,128,918
Des Moines	-	9,295,844,351	9,219,973,328	99.18%	-
Johnston	43,015,000	2,825,945,089	2,825,945,089	100.00%	43,015,000
Madrid	6,615,000	158,269,670	18,731,153	11.83%	782,883
North Polk	13,290,000	524,231,484	518,937,455	98.99%	13,155,789
PCM	8,030,000	33,138,366	1,035,124	0.31%	25,101
Saydel	3,730,000	1,019,126,867	1,019,126,867	100.00%	3,730,000
Southeast Polk	13,145,000	2,438,532,359	2,427,984,490	99.57%	13,088,141
Urbandale	60,655,000	1,503,529,197	1,503,529,197	100.00%	60,655,000
West Des Moines	5,245,000	5,378,077,168	5,325,334,188	99.02%	5,193,562
Woodward Granger	12,845,000	319,532,344	77,704,384	24.32%	3,123,668
Other:					
Area XI Community College	105,475,000	54,207,834,621	29,146,964,565	53.77%	56,712,763
Heartland AEA #11	-	54,207,834,621	29,146,964,565	53.77%	-
				Total	\$ 1,408,835,049

Source: Iowa Department of Revenue/Piper Jeffray

Note: Report required by Continuing Disclosure Statement

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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