

POLK COUNTY, IOWA

**Balance Sheet
Governmental Funds
June 30, 2019**

	General	Mental Health	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and pooled investments	\$ 79,780,518	\$ 4,100,515	\$ 32,274,176	\$ 116,155,209
Restricted assets - cash and pooled investments	-	-	26,851,613	26,851,613
Receivables (net):				
Taxes	403,275	41,595	87,460	532,330
Succeeding year property taxes	146,740,262	14,874,092	29,490,966	191,105,320
Special assessments	183,410	-	10,208	193,618
Accounts	301,021	-	70,532	371,553
Notes	2,801,060	-	-	2,801,060
Accrued interest	624,505	-	41,244	665,749
Due from other funds	441,774	44,779	86,969	573,522
Due from other governments	6,833,669	-	972,314	7,805,983
Due from component units	-	28,170	-	28,170
Advances to other funds	3,517,168	-	-	3,517,168
Inventories	568,084	-	1,064,495	1,632,579
Prepaid items	742,843	-	30,088	772,931
TOTAL ASSETS	\$ 242,937,589	\$ 19,089,151	\$ 90,980,065	\$ 353,006,805
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,726,779	\$ 644,804	\$ 6,812,236	\$ 10,183,819
Wages payable	1,769,114	-	96,558	1,865,672
Payroll taxes payable	295,225	-	16,088	311,313
Compensated absences payable	2,708,024	-	-	2,708,024
Estimated liability for claims and judgments	379,000	-	-	379,000
Due to other funds	577	-	-	577
Due to other governments	3,362,959	-	-	3,362,959
Trust payable	87,566	-	-	87,566
Unearned revenues	267,753	-	-	267,753
TOTAL LIABILITIES	11,596,997	644,804	6,924,882	19,166,683
DEFERRED INFLOWS OF RESOURCES	149,355,724	14,960,218	29,793,333	194,109,275
Fund balances:				
Nonspendable	4,646,907	-	1,094,583	5,741,490
Restricted	-	3,484,129	41,904,349	45,388,478
Committed	3,602,523	-	12,874,590	16,477,113
Unassigned	73,735,438	-	(1,611,672)	72,123,766
TOTAL FUND BALANCES	81,984,868	3,484,129	54,261,850	139,730,847
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 242,937,589	\$ 19,089,151	\$ 90,980,065	\$ 353,006,805

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, 2019**

Fund balances - total governmental funds	\$	139,730,847
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	\$	456,199,902
Accumulated depreciation		<u>(193,542,301)</u>
		262,657,601
Interest payable on long-term obligations that does not require current financial resources and therefore is not reported in the funds.		
		(471,882)
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.		
		14,086,460
Revenues and other financing sources that are not available to pay for current period expenditures in the funds.		
Property taxes		528,466
Special assessments		192,422
Accounts receivable		107,346
Due from other governments		1,602,776
Due from other funds (Prairie Meadows property taxes)		<u>572,945</u>
		3,003,955
Long-term receivables are not available to pay for current period expenditures and therefore are not reported in the funds:		
Notes Receivable (Aviation Authority)		780,000
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		22,224,200
Deferred inflows of resources (Pension)		(7,322,656)
Deferred inflows of resources (OPEB)		(268,411)
Deferred inflows of resources (Gain on refunding)		(804,367)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds payable		(160,757,203)
Notes payable		(835,000)
Capital leases payable		(729,268)
Compensated absences payable		(14,494,118)
Estimated liability for claims and judgments		(7,468,000)
Total OPEB liability		(12,948,000)
Net pension liability		<u>(54,210,562)</u>
Net position of governmental activities	\$	<u><u>182,173,596</u></u>

POLK COUNTY, IOWA

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019**

	General	Mental Health	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Property taxes	\$ 129,558,944	\$ 13,661,912	\$ 27,015,637	\$ 170,236,493
Other County taxes	4,459,310	367,280	1,005,137	5,831,727
Interest and penalties on delinquent taxes	1,258,286	-	-	1,258,286
Intergovernmental	37,276,901	6,807,657	15,962,487	60,047,045
Licenses and permits	1,050,901	-	133,440	1,184,341
Charges for services	16,345,856	-	859,107	17,204,963
Use of money and property	6,978,275	-	736,149	7,714,424
Miscellaneous	1,361,741	370,166	609,756	2,341,663
TOTAL REVENUES	198,290,214	21,207,015	46,321,713	265,818,942
EXPENDITURES:				
Current:				
Public safety and legal services	77,830,924	-	1,545,521	79,376,445
Physical health and social services	40,192,620	-	1,262	40,193,882
Mental health	3,171,666	20,895,628	-	24,067,294
County environment and education	14,484,768	-	1,294,441	15,779,209
Roads and transportation	860,504	-	11,338,362	12,198,866
Government services to residents	7,720,538	-	250,131	7,970,669
Administration	39,245,415	-	-	39,245,415
Debt service:				
Principal	-	-	14,223,000	14,223,000
Interest and fiscal charges	-	-	5,088,006	5,088,006
Capital projects:				
Roadway construction	-	-	4,147,518	4,147,518
Conservation land acquisition and development	258,181	-	14,496,712	14,754,893
Other capital projects	-	-	21,253,993	21,253,993
TOTAL EXPENDITURES	183,764,616	20,895,628	73,638,946	278,299,190
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	14,525,598	311,387	(27,317,233)	(12,480,248)
OTHER FINANCING SOURCES (USES):				
Transfers in	14,439,883	1,990,000	10,758,627	27,188,510
Transfers out	(16,323,706)	-	(6,340,843)	(22,664,549)
Issuance of capital leases	161,127	-	-	161,127
Issuance of bonds	-	-	33,925,000	33,925,000
Premium/(discount) on bonds issued	-	-	3,813,421	3,813,421
TOTAL OTHER FINANCING SOURCES (USES)	(1,722,696)	1,990,000	42,156,205	42,423,509
NET CHANGE IN FUND BALANCES	12,802,902	2,301,387	14,838,972	29,943,261
FUND BALANCE, BEGINNING	69,195,925	1,182,742	39,619,116	109,997,783
Change in inventory reserve	(13,959)	-	(196,238)	(210,197)
FUND BALANCE, ENDING	\$ 81,984,868	\$ 3,484,129	\$ 54,261,850	\$ 139,730,847

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, 2019**

Net change in fund balances - total governmental funds	\$	29,943,261
Amounts reported for governmental activities in the statement of net position are different because:		
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. The following is the detail of the amount by which capital outlays and capital contributions exceed depreciation/amortization in the current year:</p>		
Capital outlays		34,439,663
Capital contribution		6,330,776
Depreciation/amortization expense		(12,119,045)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
Change in deferred inflows of resources		(1,178,463)
Collection of long-term receivable (Aviation Authority) recognized as revenue in the governmental funds		(385,000)
<p>The current year County employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position.</p>		
		9,117,251
<p>Expenses in the statement of activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.</p>		
Change in estimated liabilities for claims and judgments		(3,730,000)
Change in compensated absences		106,598
Pension expense		(9,226,960)
OPEB expense		(786,785)
<p>Debt proceeds provide current financial resources to governmental funds. Issuing debt increases long-term liabilities in the government-wide statement of net position. Repayments are an expenditure in the governmental funds. Repayment reduces long-term liabilities in the government-wide statement of net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Change in capital leases		450,312
Payments on long-term bonds		13,785,000
Payments on long-term notes		438,000
Proceeds on long-term debt		(33,925,000)
Premium/(discount) on the issuance of debt		(3,813,421)
Amortization of bond premium/(discount)		1,065,605
Amortization of gain on refunding of debt		107,242
<p>Interest expense on long-term debt is reported in the government-wide statement of activities.</p>		
<p>Interest payable does not require the use of current financial resources. This related interest expense is not reported as an expenditure in the governmental funds.</p>		
Change in interest payable on debt		(72,838)
<p>Internal service funds are used by management to charge the costs of insurance. The change in net position is reported with governmental activities.</p>		
		1,135,611
<p>Inventory in the governmental funds has been recorded as an expenditure when paid, however, the statement of activities will not report these items as expenditures until the period when the corresponding net position is exhausted.</p>		
		<u>(210,197)</u>
Change in net position of governmental activities	\$	<u><u>31,471,610</u></u>