

## **INTERNAL SERVICE FUNDS**

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

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

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

**POLK COUNTY, IOWA**

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

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

**POLK COUNTY, IOWA**

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

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

**POLK COUNTY, IOWA**

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

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