

POLK COUNTY, IOWA

**Balance Sheet
Governmental Funds
June 30, 2016**

	General	Mental Health	Justice Center
ASSETS			
Cash and pooled investments	\$ 55,917,991	\$ 3,698,024	\$ -
Restricted assets - cash and pooled investments	-	-	48,665,794
Receivables (net):			
Taxes	342,096	41,790	-
Succeeding year property taxes	118,970,758	14,439,175	-
Special assessments	87,032	-	-
Accounts	423,472	-	-
Notes	1,967,888	-	-
Accrued interest	122,718	-	-
Due from other funds	1,062,783	52,008	-
Due from other governments	6,427,700	676,843	8,247
Due from component units	-	259,152	-
Advances to other funds	6,153	-	-
Inventories	557,787	-	-
Prepaid items	545,338	-	-
TOTAL ASSETS	\$ 186,431,716	\$ 19,166,992	\$ 48,674,041
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,758,158	\$ 1,305,076	\$ 697,010
Contract/retainage payable	-	-	772,186
Wages payable	4,273,494	7,576	-
Payroll taxes payable	696,951	1,215	-
Compensated absences payable	2,244,991	-	-
Estimated liability for claims and judgments	135,600	-	-
Due to other funds	878	-	-
Due to other governments	3,021,859	-	-
Trust payable	69,355	-	-
Unearned revenues	138,491	-	-
TOTAL LIABILITIES	12,339,777	1,313,867	1,469,196
DEFERRED INFLOWS OF RESOURCES	121,630,771	15,195,948	-
Fund balances:			
Nonspendable	970,787	-	-
Restricted	-	2,657,177	47,204,845
Committed	3,764,477	-	-
Unassigned	47,725,904	-	-
TOTAL FUND BALANCES	52,461,168	2,657,177	47,204,845
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 186,431,716	\$ 19,166,992	\$ 48,674,041

See Notes to Basic Financial Statements

Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
\$ 985,036	\$ 15,885,531	\$ 76,486,582
-	12,084,471	60,750,265
48,439	39,841	472,166
18,710,190	8,766,573	160,886,696
-	4,618	91,650
-	139,624	563,096
-	150,000	2,117,888
-	-	122,718
93,905	518	1,209,214
-	741,917	7,854,707
-	-	259,152
-	-	6,153
-	1,304,996	1,862,783
-	-	545,338
\$ 19,837,570	\$ 39,118,089	\$ 313,228,408
\$ -	\$ 6,193,531	\$ 9,953,775
-	-	772,186
-	257,642	4,538,712
-	41,801	739,967
-	-	2,244,991
-	-	135,600
-	-	878
-	-	3,021,859
-	-	69,355
-	-	138,491
-	6,492,974	21,615,814
18,851,293	9,217,346	164,895,358
-	1,304,996	2,275,783
986,277	14,736,599	65,584,898
-	11,826,022	15,590,499
-	(4,459,848)	43,266,056
986,277	23,407,769	126,717,236
\$ 19,837,570	\$ 39,118,089	\$ 313,228,408

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, 2016**

Fund balances - total governmental funds	\$	126,717,236
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	\$	347,681,259
Accumulated depreciation		<u>(164,663,915)</u>
		183,017,344
Interest payable on long-term obligations that does not require current financial resources and therefore is not reported in the funds.		
		(389,102)
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.		
		4,242,649
Revenues and other financing sources that are not available to pay for current period expenditures in the funds.		
Property taxes		462,450
Special assessments		91,565
Accounts receivable		175,049
Notes receivable from sale of capital assets (Luther Care)		150,000
Due from other governments		2,555,166
Due from other funds (Prairie Meadows property taxes)		<u>574,432</u>
		4,008,662
Long-term receivables are not available to pay for current period expenditures and therefore are not reported in the funds:		
Notes Receivable (Aviation Authority)		1,860,000
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		9,737,934
Deferred inflows of resources		(6,344,003)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds payable		(168,758,562)
Notes payable		(2,068,000)
Capital leases payable		(298,916)
Compensated absences payable		(14,020,314)
Estimated liability for claims and judgments		(784,000)
Net pension liability		<u>(40,945,077)</u>
Net position of governmental activities	\$	<u><u>95,975,851</u></u>

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POLK COUNTY, IOWA

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016**

	General	Mental Health	Justice Center
REVENUES:			
Property taxes	\$ 102,076,834	\$ 12,815,579	\$ -
Other County taxes	4,228,746	424,895	-
Interest and penalties on delinquent taxes	1,174,445	-	-
Intergovernmental	31,445,873	7,309,799	-
Licenses and permits	1,165,816	-	-
Charges for services	13,571,169	-	-
Use of money and property	2,673,987	-	138,720
Miscellaneous	1,829,835	145,034	-
TOTAL REVENUES	158,166,705	20,695,307	138,720
EXPENDITURES:			
Current:			
Public safety and legal services	69,079,418	-	-
Physical health and social services	35,624,786	-	-
Mental health	-	25,906,010	-
County environment and education	11,250,743	-	-
Roads and transportation	738,989	-	-
Government services to residents	7,244,280	-	-
Administration	32,411,998	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital projects:			
Roadway construction	-	-	-
Conservation land acquisition and development	149,769	-	-
Other capital projects	-	-	14,431,861
TOTAL EXPENDITURES	156,499,983	25,906,010	14,431,861
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,666,722	(5,210,703)	(14,293,141)
OTHER FINANCING SOURCES (USES):			
Transfers in	12,692,704	-	2,220,754
Transfers out	(9,439,424)	-	-
Proceeds from sale of capital assets	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	3,253,280	-	2,220,754
NET CHANGE IN FUND BALANCES	4,920,002	(5,210,703)	(12,072,387)
FUND BALANCE, BEGINNING	47,554,882	7,867,880	59,277,232
Change in inventory reserve	(13,716)	-	-
FUND BALANCE, ENDING	\$ 52,461,168	\$ 2,657,177	\$ 47,204,845

See Notes to Basic Financial Statements

	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
\$	18,032,629	\$ 7,729,148	\$ 140,654,190
	543,106	539,164	5,735,911
	-	-	1,174,445
	1,578,964	8,562,345	48,896,981
	-	142,982	1,308,798
	-	661,640	14,232,809
	393,996	39,634	3,246,337
	-	1,137,458	3,112,327
	<u>20,548,695</u>	<u>18,812,371</u>	<u>218,361,798</u>
	-	1,550,692	70,630,110
	-	-	35,624,786
	-	-	25,906,010
	-	1,067,582	12,318,325
	-	9,468,450	10,207,439
	-	264,637	7,508,917
	-	3,835	32,415,833
	17,138,384	47,000	17,185,384
	5,316,134	4,179	5,320,313
	-	8,744,120	8,744,120
	-	5,110,881	5,260,650
	-	4,686,369	19,118,230
	<u>22,454,518</u>	<u>30,947,745</u>	<u>250,240,117</u>
	(1,905,823)	(12,135,374)	(31,878,319)
	-	8,840,130	23,753,588
	-	(6,099,580)	(15,539,004)
	-	50,000	50,000
	<u>-</u>	<u>2,790,550</u>	<u>8,264,584</u>
	(1,905,823)	(9,344,824)	(23,613,735)
	2,892,100	32,650,506	150,242,600
	-	102,087	88,371
\$	<u>986,277</u>	\$ <u>23,407,769</u>	\$ <u>126,717,236</u>

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, 2016**

Net change in fund balances - total governmental funds \$ (23,613,735)

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 exceed depreciation/amortization in the current year:

Capital outlays, net of contributed capital	22,908,037
Capital contribution	5,397,277
Depreciation/amortization expense	(9,792,878)

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	619,997
Change in deferred inflows of resources relating to note receivable (Luther Care Services)	(50,000)
Collection of long-term receivable (Aviation Authority) recognized as revenue in the governmental funds	(335,000)

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.

7,739,108

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	724,000
Change in compensated absences	(1,025,816)
Pension expense	(3,959,074)
Amortization of bond premium/(discount)	239,133

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	138,048
Payments on long-term bonds	16,803,384
Payments on long-term notes	382,000

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	33,631
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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.

(2,068,337)

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.

88,371

Change in net position of governmental activities \$ 14,228,146

See Notes to Basic Financial Statements