

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, stop-loss premiums and OPEB costs.

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, 2016**

	Employee Insurance	Risk Management	Total
ASSETS:			
Current assets:			
Cash and pooled investments	\$ 8,316,249	\$ 3,800,000	\$ 12,116,249
Accounts receivables	154,128	-	154,128
TOTAL ASSETS	8,470,377	3,800,000	12,270,377
LIABILITIES:			
Current liabilities:			
Accounts payable	220,028	-	220,028
Estimated liability for claims and judgments	1,478,700	-	1,478,700
Total current liabilities	1,698,728	-	1,698,728
Noncurrent liabilities:			
Post employment liability (Note 22)	6,329,000	-	6,329,000
Total noncurrent liabilities	6,329,000	-	6,329,000
TOTAL LIABILITIES	8,027,728	-	8,027,728
NET POSITION			
Unrestricted	442,649	3,800,000	4,242,649
TOTAL NET POSITION	\$ 442,649	\$ 3,800,000	\$ 4,242,649

POLK COUNTY, IOWA

Combining Statement of Revenues, Expenses, and Changes in Net Position Internal Service Funds For the Year Ended June 30, 2016

	Employee Insurance	Risk Management	Total
OPERATING REVENUES:			
Charges for services	\$ 18,188,133	\$ -	\$ 18,188,133
Miscellaneous	3,464	-	3,464
Total operating revenues	18,191,597	-	18,191,597
OPERATING EXPENSES:			
Other services/charges	73,316	-	73,316
Insurance	20,182,253	-	20,182,253
Total operating expenses	20,255,569	-	20,255,569
OPERATING INCOME (LOSS)	(2,063,972)	-	(2,063,972)
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	15,635	-	15,635
Total nonoperating revenues (expenses)	15,635	-	15,635
INCOME (LOSS) BEFORE TRANSFERS	(2,048,337)	-	(2,048,337)
TRANSFERS:			
Transfers in	-	3,526,445	3,526,445
Transfers out	(20,000)	(3,526,445)	(3,546,445)
Total transfers	(20,000)	-	(20,000)
CHANGE IN NET POSITION	(2,068,337)	-	(2,068,337)
NET POSITION, BEGINNING	2,510,986	3,800,000	6,310,986
NET POSITION, ENDING	\$ 442,649	\$ 3,800,000	\$ 4,242,649

POLK COUNTY, IOWA

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2016**

	Employee Insurance	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 18,102,236	\$ -	\$ 18,102,236
Cash paid to suppliers for goods and services	(19,293,913)	-	(19,293,913)
Net cash flows from operating activities	<u>(1,191,677)</u>	-	<u>(1,191,677)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	-	3,526,445	3,526,445
Transfers out	(20,000)	(3,526,445)	(3,546,445)
Net cash flows from noncapital financing activities	<u>(20,000)</u>	-	<u>(20,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	15,635	-	15,635
Net cash flows from investing activities	<u>15,635</u>	-	<u>15,635</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,196,042)	-	(1,196,042)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	9,512,291	3,800,000	13,312,291
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 8,316,249</u>	<u>\$ 3,800,000</u>	<u>\$ 12,116,249</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (loss)	\$ (2,063,972)	\$ -	\$ (2,063,972)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
(Increase) decrease in accounts receivable	(89,361)	-	(89,361)
Increase (decrease) in accounts payable	34,756	-	34,756
Increase (decrease) in estimated liability for claims and judgments	117,900	-	117,900
Increase (decrease) in post employment liability	809,000	-	809,000
Net cash flows from operating activities	<u>\$ (1,191,677)</u>	<u>\$ -</u>	<u>\$ (1,191,677)</u>