

POLK COUNTY, IOWA

Required Supplementary Information Schedule of Funding Progress For the Year Ended June 30, 2016

Entity	Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded UAAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Polk County	2012	7/1/2011	\$ -	\$ 8,450,000	\$ 8,450,000	0.0%	\$ 73,552,000	11.5%
County Assessor	2012	7/1/2011	-	266,000	266,000	0.0%	2,006,000	13.3%
Polk County	2013	7/1/2011	-	8,450,000	8,450,000	0.0%	71,516,000	11.8%
County Assessor	2013	7/1/2011	-	266,000	266,000	0.0%	1,984,000	13.4%
Polk County	2014	7/1/2013	-	7,793,000	7,793,000	0.0%	73,599,000	10.6%
County Assessor	2014	7/1/2013	-	275,000	275,000	0.0%	1,931,000	14.2%
Polk County	2015	7/1/2013	-	7,793,000	7,793,000	0.0%	75,587,000	10.3%
County Assessor	2015	7/1/2013	-	275,000	275,000	0.0%	2,058,000	13.4%
Polk County	2016	7/1/2015	-	12,090,000	12,090,000	0.0%	77,282,000	15.6%
County Assessor	2016	7/1/2015	-	398,000	398,000	0.0%	2,138,000	18.6%

See Note 22 in the accompanying Notes to the Financial Statements for the plan description, funding policy, annual OPEB cost and Net OPEB Obligation, funding status and funding progress.

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, 2016**

	Fiscal Year	
	2015	2016
County's collective proportion of the net pension liability	0.7715637%	0.8449138%
County's collective proportionate share of the net pension liability	\$ 30,599,492	\$ 41,742,830
County's covered-employee payroll	\$ 80,989,791	\$ 83,272,164
County's collective proportionate share of the net pension liability as a percentage of its covered-employee payroll	37.78%	50.13%
Plan fiduciary net position as a percentage of the total pension liability	87.61%	85.19%

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.

POLK COUNTY, IOWA

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

	Fiscal Year			
	2007	2008	2009	2010
Statutorily required contribution	\$ 3,835,785	\$ 4,136,545	\$ 5,036,111	\$ 5,665,569
Contributions in relation to the statutorily required contribution	(3,835,785)	(4,136,545)	(5,036,111)	(5,665,569)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	N/A	N/A	N/A	N/A
Contributions as a percentage of covered - employee payroll	N/A	N/A	N/A	N/A

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

See Notes to Required Supplementary Information.

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 6,264,772	\$ 6,885,782	\$ 7,178,473	\$ 7,499,317	\$ 7,705,776	\$ 7,897,049
(6,264,772)	(6,885,782)	(7,178,473)	(7,499,317)	(7,705,776)	(7,897,049)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
N/A	N/A	N/A	\$ 80,989,791	\$ 83,272,164	\$ 85,876,171
N/A	N/A	N/A	9.26%	9.25%	9.20%

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Notes to the Required Supplementary Information Pension Liability For the Year Ended June 30, 2016

Changes of Benefit Terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Changes of Assumptions:

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.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate in the calculation of the UAL amortization payments.

POLK COUNTY, IOWA

Required Supplementary Information Budgetary Comparison Schedule All Governmental Funds For the Year Ended June 30, 2016

	Original Budget	Amended Budget	Actual	Variance
REVENUES:				
Property taxes	\$ 140,456,400	\$ 140,456,400	\$ 140,668,890	\$ 212,490
Other County taxes	5,869,317	5,869,317	5,738,423	(130,894)
Interest and penalty on delinquent taxes	1,282,000	1,360,000	1,218,357	(141,643)
Intergovernmental	54,656,795	53,532,200	49,208,912	(4,323,288)
Licenses and permits	891,150	1,041,150	1,275,103	233,953
Charges for services	13,154,750	13,814,361	13,781,100	(33,261)
Use of money and property	3,123,226	5,363,849	5,367,226	3,377
Miscellaneous	2,605,590	3,178,511	3,194,306	15,795
Total receipts	222,039,228	224,615,788	220,452,317	(4,163,471)
EXPENDITURES:				
Current:				
Public safety and legal services	72,112,651	71,880,948	70,121,781	1,759,167
Physical health and social services	36,196,586	38,268,364	34,762,750	3,505,614
Mental health	27,670,983	28,344,609	26,249,674	2,094,935
County environment and education	12,503,448	15,168,773	14,223,848	944,925
Roads and transportation	10,098,782	10,411,528	10,060,591	350,937
Government services to residents	7,622,671	7,626,792	7,474,894	151,898
Administration	31,560,350	33,034,299	32,181,469	852,830
Debt service	23,037,045	22,505,771	22,505,696	75
Capital projects	36,286,344	46,295,623	31,626,047	14,669,576
Total disbursements	257,088,860	273,536,707	249,206,750	24,329,957
OTHER FINANCING SOURCES (USES):				
General long-term debt proceeds	33,976,156	100,000	-	(100,000)
Proceeds from sale of capital assets	105,000	122,988	123,980	992
Transfers in (out)	7,911,192	9,016,689	8,214,584	(802,105)
Total other financing sources (uses)	41,992,348	9,239,677	8,338,564	(901,113)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES - BUDGETARY BASIS				
	\$ 6,942,716	\$ (39,681,242)	(20,415,869)	\$ 19,265,373
RECONCILIATION TO GAAP BASIS:				
Basis differences:				
Increase (decrease) in accrual basis assets/deferred outflows			9,803,623	
(Increase) decrease in accrual basis liabilities/deferred inflows			(13,001,489)	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses - GAAP basis			(23,613,735)	
Fund balance at beginning of year - GAAP basis			150,242,600	
Changes in inventory reserves			88,371	
Fund balance at end of year - GAAP basis			\$ 126,717,236	

POLK COUNTY, IOWA

Notes to the Required Supplementary Information Budgetary Reporting For the Year Ended June 30, 2016

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, 2016 there were two supplemental appropriations resulting in an increase in total disbursements of \$16,447,847.

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 the County Extension Office, by the County Agricultural Extension Council; for Emergency Management, by the County Emergency Management Commission; and for the County Assessor, by the County Assessor Conference Board.