OFFICE OF AUDITOR OF STATE

STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834
www.auditor.iowa.gov

Rob Sand
Auditor of State

NEWS RELEASE

FOR RELEASE: June 15, 2026

Contact: Brian Brustkern – (515) 281-5834

Auditor of State Rob Sand today released an audit report on Poweshiek County, Iowa.

FINANCIAL HIGHLIGHTS:

The County's revenues totaled $24,377,029 for the year ended June 30, 2025, an 18.0% increase. Expenses for County operations for the year ended June 30, 2025 totaled $19,696,689, a 9.6% increase. The significant increase in revenues is due to contributions by the Iowa Department of Transportation for roads projects.

AUDIT FINDINGS:

Sand reported nine findings related to the receipt and expenditure of taxpayer funds. They are found on pages 86 through 93 of this report. The findings address a lack of segregation of duties, material adjustments needed to properly record capital assets and accounts payable and the lack of a complete bank reconciliation for the Employee Group Health Insurance account. In addition, the budget was exceeded for the debt service function. Sand provided the County with recommendations to address each of these findings.

Four of the findings discussed above are repeated from the prior year. The County Board of Supervisors and other elected officials have a fiduciary responsibility to provide oversight of the County's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

A copy of the audit report is available for review on the Auditor of State's website at Audit Reports – Auditor of State.

# # #

POWESHIEK COUNTY

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2025

2510-0079-B00F

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834
www.auditor.iowa.gov

Rob Sand
Auditor of State

May 21, 2026

Officials of Poweshiek County
Montezuma, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Poweshiek County for the year ended June 30, 2025. The audit was performed pursuant to Chapter 11.6 of the Code of Iowa and in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of Poweshiek County throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

Rob Sand
Auditor of State

Table of Contents

Poweshiek County

Officials

(Before January 2025)

Name	Title	Term Expires
Diana Dawley	Board of Supervisors	Jan 2025
Jason Roudabush	Board of Supervisors	Jan 2027
Jeff Tindle	Board of Supervisors	Jan 2027
Melissa Eilander	County Auditor	Jan 2025
Sandy Ross	County Treasurer	Jan 2027
Lora Wyckoff (Appointed Jan 2024)	County Recorder	Nov 2026
Thomas Kriegel	County Sheriff	Jan 2025
Bart Klaver	County Attorney	Jan 2027
Amy Stevenson	County Assessor	Jan 2028

(After January 2025)

Name	Title	Term Expires
Jason Roudabush	Board of Supervisors	Jan 2027
Jeff Tindle	Board of Supervisors	Jan 2027
Jacki Bolen	Board of Supervisors	Jan 2029
Melissa Eilander	County Auditor	Jan 2029
Sandy Ross	County Treasurer	Retired Jun 2025
Lora Wyckoff (Appointed Jan 2024)	County Recorder	Nov 2026
Matthew Maschmann	County Sheriff	Jan 2029
Bart Klaver	County Attorney	Jan 2027
Amy Stevenson	County Assessor	Jan 2028

OFFICE OF AUDITOR OF STATE

STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834
www.auditor.iowa.gov

Rob Sand
Auditor of State

Independent Auditor's Report

To the Officials of Poweshiek County:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Poweshiek County, Iowa, as of and for the year ended June 30, 2025, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Poweshiek County as of June 30, 2025 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Poweshiek County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Poweshiek County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Poweshiek County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Poweshiek County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 7 through 13 and 63 through 71 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Poweshiek County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2024 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information in Schedules 1 through 5 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 21, 2026 on our consideration of Poweshiek County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Poweshiek County's internal control over financial reporting and compliance.

Brian R. Brustkern, CPA
Deputy Auditor of State

May 21, 2026

Management’s Discussion and Analysis

Poweshiek County provides this Management’s Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2025. We encourage readers to consider this information in conjunction with the County’s financial statements, which follow.

2025 FINANCIAL HIGHLIGHTS

- Revenues of the County’s governmental activities increased 18.0%, or approximately $3,709,000 from fiscal year 2024 to fiscal year 2025. Capital grants, contributions and restricted interest increased approximately $2,511,000, and tax increment financing increased approximately $1,184,000. The increase in capital grants and contributions was due primarily to an increase in infrastructure assets contributed by the Iowa Department of Transportation. The increase in tax increment financing was due to tax increment financing collections to repay secondary roads for road projects in Urban Renewal District 4.

- Program expenses of the County’s governmental activities increased 9.6%, or approximately $1,719,000 from fiscal year 2024 to fiscal year 2025. Public Safety and legal services increased approximately $1,192,000, primarily due to increases in payroll and increases in compensated absences and pension liabilities. Nonprogram services increased approximately $188,000 due to increases in medical claims in the internal service fund. Roads and transportation expenses increased approximately $164,000.

- The County’s net position at June 30, 2025, increased 8.0%, or approximately $4,680,000, over the June 30, 2024, balance.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management’s Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the County’s financial activities.

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Poweshiek County as a whole and present an overall view of the County’s finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Poweshiek County’s operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Poweshiek County acts solely as an agent or custodian for the benefit of those outside of County government (Custodial Funds).

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the County’s budget for the year, the County’s proportionate share of the net pension liability (asset) and related contributions, as well as presenting the Schedule of Changes in the County’s Total OPEB Liability, Related Ratios and Notes.

Supplementary Information provides detailed information about the nonmajor governmental funds and the individual Custodial Funds.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information which helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The Statement of Net Position presents financial information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flow until future fiscal years.

The County's governmental activities are presented in the Statement of Net Position and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, interest on long-term debt and non-program activities. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The County has three kinds of funds:

1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds and the balances left at year-end which are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Rural Services and Secondary Roads, 3) the Debt Service Fund and 4) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets which can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources which can be spent in the near future to finance the County's programs.

   The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

2) The proprietary fund accounts for the County's Internal Service, Employee Group Health Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

   The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

3) Fiduciary funds are used to report assets held in a trust or custodial capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Custodial Funds which account for 911 surcharges, emergency management services and the County Assessor, to name a few.

The required financial statements for fiduciary funds include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

Reconciliations between the government-wide financial statements and the governmental fund financial statements follow the governmental fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. Poweshiek County's combined net position at the end of fiscal year 2025 totaled approximately $63 million, compared to approximately $58 million at the end of fiscal year 2024. The analysis that follows focuses on the changes in the net position of governmental activities.

Net Position of Governmental Activities
(Expressed in Thousands)

Condensed Statement of Net Position	June 30, 2025	June 30, 2024
Current and other assets	$ 30,452	30,246
Capital assets	52,908	48,160
Total assets	83,360	78,406
Deferred outflows of resources	1,429	1,607
Long-term liabilities	9,202	9,340
Other liabilities	1,335	849
Total liabilities	10,537	10,189
Deferred inflows of resources	11,091	11,343
Net position:		
Net investment in capital assets	47,927	42,773
Restricted	12,434	12,590
Unrestricted	2,800	3,118
Total net position	$ 63,161	58,481

Net position of Poweshiek County's governmental activities increased 8.0% (approximately $63 million compared to approximately $58 million).

The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings, and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased approximately $5,154,000, or 12.0%, over the prior year. This increase is primarily due to infrastructure assets contributed by the Iowa Department of Transportation for road projects.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category decreased approximately $156,000, or 1.2%.

Unrestricted net position – the part of net position which can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased approximately $318,000, or 10.2%, from the prior year. The decrease is primarily due to an increase in compensated absences and the net pension liabilities.

Changes in Net Position of Governmental Activities
(Expressed in Thousands)

Condensed Statement of Activities		June 30, 2025	June 30, 2024
Revenues:			
Program Revenues:			
Charges for service	$	2,232	1,894
Operating grants, contributions and restricted interest		4,795	4,928
Capital grants, contributions and restricted interest		4,117	1,606
General Revenues:			
Property tax		8,891	8,672
Tax increment financing		1,424	240
Penalty and interest on property tax		58	51
State tax credits		452	449
Local option sales tax		1,239	1,345
Unrestricted investment earnings		736	770
American Rescue Plan Act		167	114
Other general revenues		266	599
Total revenues		24,377	20,668
Program Expenses:			
Public safety and legal services		4,932	3,740
Physical health and social services		440	360
County environment and education		2,012	2,023
Roads and transportation		8,599	8,435
Governmental services to residents		884	825
Administration		1,812	1,742
Non-program		963	775
Interest and other fees on long-term debt		55	78
Total expenses		19,697	17,978
Change in net position		4,680	2,690
Net position beginning of year		58,481	55,791
Net position end of year	$	63,161	58,481

Revenues for governmental activities increased approximately $3,709,000 from the prior year. Capital grants this year increased approximately $2,511,000, or 156.4%, from the prior year, primarily due to an increase in Farm to Market projects contributed by the Iowa Department of Transportation. tax increment financing revenue increased approximately $1,184,000, or 493.3% primarily due to tax increment financing collection increasing to repay secondary roads expenditures. Expenditures for governmental activities increased approximately $1,719,000, or 9.6% from the prior year. Expenditures for public safety and legal services increased approximately $1,192,000, or 31.9% over the prior year due primarily to increases in the Sheriff's Department payroll expenditures, an increase in compensated absences liabilities due to GASB 101 implementation and an increase in the net pension liability during the fiscal year.

The cost of all governmental activities this year was approximately $19.7 million compared to approximately $18.0 million last year. However, as shown in the Statement of Activities on page 18, the amount taxpayers ultimately financed for these activities was approximately $8.6 million because some of the cost was paid by those directly benefiting from the programs (approximately $2.2 million) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately $8.9 million). Overall, the County's governmental program revenues, including intergovernmental aid and charges for service, increased in fiscal year 2025 from approximately $8,428,000 to approximately $11,144,000. As discussed above, the County received more in contributions of infrastructure paid for by the Iowa Department of Transportation.

INDIVIDUAL MAJOR FUND ANALYSIS

As Poweshiek County completed the year, its governmental funds reported a combined fund balance of approximately $15.8 million, a decrease of approximately $300,000 from last year's total of approximately $16.1 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately $67,000, or 1.0%, compared to the prior year. Expenditures increased approximately $564,000 or 8.6%, compared to the prior year. The ending fund balance decreased approximately $303,000 from the prior year to approximately $4,312,000. The increase in revenue is due primarily to an increase in charges for services due to an increase in the amount the county retains to motor vehicle registration fees and an increase in inmate housing for other counties. The increase in expenditures is due primarily to an approximately $231,000 increase in public safety due to more personnel than in the prior fiscal year and an approximately $153,000 increase in county environment and education due to an increase in equipment purchases, maintenance and economic development expenditures over the prior fiscal year.

- Special Revenue, Rural Services Fund revenues increased approximately $77,000, or 1.8%, over the prior year. Expenditures increased approximately $216,000, or 14.0%. The increase in revenues is primarily due to an increase in property tax receipts. The increase in expenditures is primarily due to increases in public safety and legal services expense due to training new law enforcement officers. The Rural Services Fund ending fund balance decreased approximately $108,000 from the prior year to approximately $738,000.

- Special Revenue, Secondary Roads Fund revenues increased approximately $35,000 or less than 1%, from the prior year. Expenditures decreased approximately $389,000, or 4.7%, from the prior year primarily due to decreases in road maintenance projects, equipment parts, and non-capital bridge and culvert projects. The Secondary Roads Fund ending fund balance decreased approximately $268,000 from the prior year to approximately $4,698,000.

- Special Revenue, Local Option Sales Tax (LOST) Fund revenue decreased approximately $106,000, or 7.8% from the prior year. Transfers out to the Debt Service and Secondary Roads Funds decreased approximately $386,000, or 38.5%. The LOST Fund ending fund balance increased approximately $623,000 over the prior year to approximately $4,277,000.

- Special Revenue, Urban Renewal Fund revenues increased approximately $1,188,000, or 466.7% from the prior year. The increase is primarily due to changes in Tax Increment Financing receipts. Expenditures decreased approximately $355,000 due to urban renewal project costs decreasing from the prior year. The Urban Renewal Fund ending fund balance increased approximately $431,000 from the prior year to a deficit of approximately $884,000.

- Debt Service Fund revenues decreased approximately $100,000, from approximately $1,023,000 in fiscal year 2024 to approximately $923,000 in fiscal year 2025. The decrease in revenues was primarily due to a decrease in the amount of interest received in fiscal year 2025. Expenditures decreased approximately $2,000, from approximately $1,264,000 in fiscal year 2024 to approximately $1,262,000 in fiscal year 2025. The ending fund balance increased approximately $78,000 over the prior year to approximately $416,000.

- The Capital Projects Fund received approximately $7,000 of federal and state grants in fiscal year 2025. Expenditures decreased approximately $581,000 or 41.7% over the prior year, due to payments related to the emergency services communications project. The ending fund balance decreased approximately $807,000 from the prior year to approximately $16,000.

BUDGETARY HIGHLIGHTS

Over the course of the year, Poweshiek County amended its budget two times. The first amendment was made in January 2025 and resulted in an increase in budgeted disbursements covering five different functions. The second amendment was made in April 2025 and resulted in an increase in the budgeted disbursements in two functions. The budgeted amendments were made to address increased expenditures on the radio communication project, an increase in juvenile court costs, medical examiner fees, and audit fees.

Total expenditures were $1,927,647 less than the amended budget. Actual disbursements for the public safety and legal expenses and administration functions were approximately $504,000 and $426,000, respectively, less than budgeted due to fewer inmates in corrections and fewer repairs than expected and opioid money budgeted but not used, respectively.

Even with the budget amendments, the County exceeded the budgeted amounts in the debt service function for the year ended June 30, 2025.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025, Poweshiek County had approximately $53 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net increase (including additions and deletions) of approximately $5 million, or 10%, over last year.

Capital Assets of Governmental Activities at Year-End
(Expressed in Thousands)

Capital Assets	June 30, 2025	June 30, 2024
Land	$ 2,093	2,093
Construction in progress	11,263	13,997
Buildings	6,418	6,651
Improvements other than buildings	118	125
Equipment and vehicles	5,401	4,692
Right-to-use leased assets	79	86
Right-to-use subscription assets	193	-
Infrastructure	27,343	20,516
Total	$ 52,908	48,160

Major Additions (in thousands)	Amount
Capital assets contributed by the Iowa Department of Transportation	$ 4,118
County funded Secondary Roads Infrastructure	284
Purchase of six vehicles for Secondary Roads	1,058
Racom warning sirens construction in progress	814
County Sheriff and Conservation vehicles	485
Tyler Tax Software Subscription	242
Total	$ 7,001

The County had depreciation/amortization expense of approximately $2,262,000 for fiscal year 2025 and total accumulated depreciation/amortization of approximately $22,501,000 at June 30, 2025. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

Long-Term Debt

At June 30, 2025, Poweshiek County had approximately $4,937,000 of long-term debt outstanding, compared to $5,907,000 at June 30, 2024.

Outstanding Debt of Governmental Activities at Year-End
(Expressed in Thousands)

Outstanding Debt		June 30, 2025	June 30,2024
General obligation refunding bonds	$	875	1,435
General obligation communications bond		3,795	4,385
Lease agreements		80	87
IT subscription liability		187	-
Total	$	4,937	5,907

Debt decreased as a result of the County making scheduled principal payments on bond, notes and right-to-use lease and IT subscription agreements outstanding. During the year, principal payments totaled $1,281,976.

The County carries a general obligation bond rating of Aa3 assigned by national rating agencies. The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. The County's outstanding general obligation debt of $4,670,000 (excluding unamortized premiums) is significantly below its constitutional debt limit of approximately $150 million. Additional information about the County's long-term debt is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Poweshiek County's elected and appointed officials considered many factors when setting the fiscal year 2025 budget, tax rates and fees charged for various county activities. One of those factors is the economy. Unemployment in the County now stands at 3.9% versus 2.7% a year ago. This compares with the State's unemployment rate of 3.7% and the national rate of 4.1%.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Poweshiek County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Poweshiek County Auditor's Office, 302 E Main Street, Montezuma, Iowa 50171-0057.

Basic Financial Statements

Government-wide Financial Statements

Poweshiek County

Statement of Net Position

June 30, 2025

Account Balance	Governmental Activities
Assets	
Cash, cash equivalents and pooled investments	$ 18,426,089
Receivables:	
Property tax:	
Delinquent	1,195
Succeeding year	9,298,000
Succeeding year tax increment financing	919,000
Penalty and interest on property tax	8,363
Accounts	8,565
Accrued interest	83,488
Opioid settlement	296,542
Due from other governments	604,863
Inventories	569,005
Prepaid insurance	236,536
Capital assets not being depreciated/amortized	13,355,746
Capital assets, net of accumulated depreciation/amortization	39,552,750
Total assets	83,360,142
Deferred Outflows of Resources	
Pension related deferred outflows	1,140,718
OPEB related deferred outflows	289,017
Total deferred outflows of resources	1,429,735

Poweshiek County

Statement of Net Position

June 30, 2025

Account Balance	Governmental Activities
Liabilities	
Accounts payable	796,380
Accrued interest payable	7,312
Salaries and benefits payable	304,823
Due to other governments	157,957
Unearned revenue	69,043
Long-term liabilities:	
Portion due and payable within one year	
General obligation notes and bonds	1,170,000
Lease agreement	23,532
Subscription agreement	42,470
Compensated absences	351,764
OPEB liability	87,682
Portion due or payable after one year:	
General obligation notes and bonds	3,739,830
Lease agreement	56,868
Subscription agreement	144,705
Compensated absences	666,918
OPEB liability	1,000,730
Net pension liability	1,917,383
Total liabilities	10,537,397
Deferred Inflows of Resources	
Unavailable revenue:	
Property tax revenue	9,298,000
Tax increment financing revenue	919,000
Pension related deferred inflows	105,331
OPEB related deferred inflows	69,043
Total deferred inflows of resources	10,391,374
Net Position	
Net investment in capital assets	47,926,644
Restricted for:	
Supplemental levy purposes	280,493
Rural services purposes	469,811
Secondary roads purposes	4,256,288
Conservation land acquisition	166,368
Landfill postclosure care	1,754,284
Debt service	415,834
Capital improvements	4,276,739
Opioid abatement	500,256
Other purposes	314,459
Unrestricted	2,799,927
Total net position	$ 63,161,103

See notes to financial statements.

Poweshiek County

Statement of Activities

Year ended June 30, 2025

Class of Transaction	Expenses	Program Revenues Charges for Service	Program Revenues Operating Grants, Contributions and Restricted Interest	Program Revenues Capital Grants, Contributions and Restricted Interest	Net (Expense) Revenue and Changes in Net Position
Functions/Programs					
Governmental Activities:					
Public safety and legal services	$ 4,931,667	598,840	11,982	-	(4,320,845)
Physical health and social services	439,516	34,741	131,499	-	(273,276)
County environment and education	2,012,020	119,244	62,416	-	(1,830,360)
Roads and transportation	8,599,054	149,399	4,352,269	4,117,368	19,982
Governmental services to residents	884,353	450,732	2,248	-	(431,373)
Administration	1,811,721	23,410	-	-	(1,788,311)
Non-program	963,041	855,479	-	-	(107,562)
Interest on long-term debt	55,317	-	234,176	-	178,859
Total	$ 19,696,689	2,231,845	4,794,590	4,117,368	(8,552,886)
General Revenues:					
Property tax and other county tax levied for:					
General purposes					8,237,663
Non-program					653,791
Tax increment financing					1,423,577
Penalty and interest on property tax					58,010
State tax credits					452,260
Local option sales tax					1,239,115
Hotel/motel tax					50,389
Unrestricted investment earnings					735,875
Gain on disposition of capital assets					98,702
American Rescue Plan Act					167,062
Miscellaneous					116,782
Total general revenues					13,233,226
Change in net position					4,680,340
Net position beginning of year					58,480,763
Net position end of year					$ 63,161,103

See notes to financial statements.

Governmental Fund Financial Statements

Poweshiek County

Balance Sheet
Governmental Funds

June 30, 2025

Account Balance		General	Special Revenue Rural Services	Special Revenue Secondary Roads	Special Revenue Local Option Sales Tax
Assets					
Cash, cash equivalents and pooled investments	$	4,625,636	770,110	3,159,489	4,144,286
Receivables:					
Property tax					
Delinquent		823	271	-	-
Succeeding year		4,648,000	4,000,000	-	-
Succeeding year tax increment financing		-	-	-	-
Penalty and interest on property tax		8,363	-	-	-
Accounts		5,925	1,914	726	-
Accrued interest		83,488	-	-	-
Opioid settlement		-	-	-	-
Due from other governments		85,288	35,058	351,625	132,453
Advance to other funds		-	-	1,011,281	-
Inventories		-	-	569,005	-
Prepaid insurance		73,665	38,017	124,854	-
Total assets	$	9,531,188	4,845,370	5,216,980	4,276,739
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	$	149,232	61,229	396,832	-
Salaries and benefits payable		138,382	45,157	121,284	-
Due to other governments		157,075	256	626	-
Unearned revenue		69,043	-	-	-
Advance from other funds		-	-		-
Total liabilities		513,732	106,642	518,742	-

Poweshiek County

Balance Sheet
Governmental Funds

June 30, 2025

Account Balance	Special Revenue Urban Renewal	Debt Service	Capital Projects	Nonmajor	Total
Assets					
Cash, cash equivalents and pooled investments	127,010	415,733	15,690	2,202,097	15,460,051
Receivables:					
Property tax					
Delinquent	-	101	-	-	1,195
Succeeding year	-	650,000	-	-	9,298,000
Succeeding year tax increment financing	919,000	-	-	-	919,000
Penalty and interest on property tax	-	-	-	-	8,363
Accounts	-	-	-	-	8,565
Accrued interest	-	-	-	-	83,488
Opioid settlement	-	-	-	296,542	296,542
Due from other governments	-	-	-	439	604,863
Advance to other funds	-	-	-	-	1,011,281
Inventories	-	-	-	-	569,005
Prepaid insurance	-	-	-	-	236,536
Total assets	1,046,010	1,065,834	15,690	2,499,078	28,496,889
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	-	-	-	1,087	608,380
Salaries and benefits payable	-	-	-	-	304,823
Due to other governments	-	-	-	-	157,957
Unearned revenue	-	-	-	-	69,043
Advance from other funds	1,011,281	-	-	-	1,011,281
Total liabilities	1,011,281	-	-	1,087	2,151,484

Poweshiek County

Balance Sheet
Governmental Funds

June 30, 2025

Account Balance	General	Special Revenue Rural Services	Special Revenue Secondary Roads	Special Revenue Local Option Sales Tax
Deferred Inflows of Resources:				
Unavailable revenue:				
Succeeding year property tax	4,648,000	4,000,000	-	-
Succeeding year tax increment financing	-	-	-	-
Other	57,099	271	-	-
Total deferred inflows of resources	4,705,099	4,000,271	-	-
Fund Balances:				
Nonspendable:				
Inventories	-	-	569,005	-
Prepaid insurance	73,665	38,017	124,854	-
Restricted for:				
Supplemental levy purposes	280,493	-	-	-
Rural services purposes	-	700,440	-	-
Secondary roads purposes	-	-	4,004,379	-
Capital improvements	-	-	-	4,276,739
Landfill postclosure care	-	-	-	-
Debt service	-	-	-	-
Conservation land acquisition	166,368	-	-	-
Capital projects	-	-	-	-
Opioid abatement	-	-	-	-
Other purposes	71,008	-	-	-
Unassigned	3,720,823	-	-	-
Total fund balances	4,312,357	738,457	4,698,238	4,276,739
Total liabilities, deferred inflows of resources and fund balances	$ 9,531,188	4,845,370	5,216,980	4,276,739

Poweshiek County

Balance Sheet
Governmental Funds

June 30, 2025

Account Balance	Special Revenue Urban Renewal	Debt Service	Capital Projects	Nonmajor	Total
Deferred Inflows of Resources:					
Unavailable revenue:					
Succeeding year property tax	-	650,000	-	-	9,298,000
Succeeding year tax increment financing	919,000	-	-	-	919,000
Other	-	101	-	296,542	354,013
Total deferred inflows of resources	919,000	650,101	-	296,542	10,571,013
Fund Balances**:**					
Nonspendable:					
Inventories	-	-	-	-	569,005
Prepaid insurance	-	-	-	-	236,536
Restricted for:					
Supplemental levy purposes	-	-	-	-	280,493
Rural services purposes	-	-	-	-	700,440
Secondary roads purposes	-	-	-	-	4,004,379
Capital improvements	-	-	-	-	4,276,739
Landfill postclosure care	-	-	-	1,754,284	1,754,284
Debt service	-	415,733	-	-	415,733
Conservation land acquisition	-	-	-	-	166,368
Capital projects	-	-	15,690	-	15,690
Opioid abatement	-	-	-	203,714	203,714
Other purposes	-	-	-	243,451	314,459
Unassigned	(884,271)	-	-	-	2,836,552
Total fund balances	(884,271)	415,733	15,690	2,201,449	15,774,392
Total liabilities, deferred inflows of resources and fund balances	1,046,010	1,065,834	15,690	2,499,078	28,496,889

See notes to financial statements.

Poweshiek County

Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position

June 30, 2025

Reconciliation of the Balance Sheet	Amount
Total governmental fund balances (page 23)	$ 15,774,392
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets is $75,409,800 and the accumulated depreciation/amortization is $22,501,304.	52,908,496
Other long-term assets are not available to pay current year expenditures, and therefore, are recognized as deferred inflows of resources in the governmental funds.	354,013
The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.	2,778,038
Pension and OPEB related deferred outflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds.	1,429,735
Pension and OPEB related deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds.	(874,377)
Long-term liabilities, including bonds payable, compensated absences payable, net pension liability, total OPEB liability, IT subscription liability, lease agreements payable and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds.	(9,209,194)
Net position of governmental activities (page 17)	$ 63,161,103

See notes to financial statements.

Poweshiek County

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Year ended June 30, 2025

Class of Transaction	General	Special Revenue Rural Services	Special Revenue Secondary Roads	Special Revenue Local Option Sales Tax
Revenues:				
Property and other county tax	$ 4,470,619	3,816,954	-	-
Tax increment financing	-	-	-	-
Local option sales tax	-	-	-	1,239,115
Penalty and interest on property tax	55,993	-	-	-
Intergovernmental	726,838	447,214	4,393,157	-
Licenses and permits	100	22,375	88,764	-
Charges for service	703,624	26,987	-	-
Use of money and property	716,897	-	303	-
Miscellaneous	64,490	13,377	31,288	-
Total revenues	6,738,561	4,326,907	4,513,512	1,239,115
Expenditures:				
Operating:				
Public safety and legal services	3,134,569	1,404,984	-	-
Physical health and social services	348,937	58,645	-	-
County environment and education	623,426	202,963	-	-
Roads and transportation	-	-	7,779,327	-
Governmental services to residents	820,538	6,202	-	-
Administration	1,866,755	84,972	-	-
Non-program	133,009	-	-	-
Debt service	-	-	-	-
Capital projects	168,598	-	114,137	-
Total expenditures	7,095,832	1,757,766	7,893,464	-
Excess (deficiency) of revenues over (under) expenditures	(357,271)	2,569,141	(3,379,952)	1,239,115
Other financing sources (uses):				
Sale of capital assets	3,285	-	27,510	-
Transfers in	-	-	3,084,187	-
Transfers out	(207,361)	(2,676,826)	-	(616,591)
Lease agreements	16,284	-	-	-
Subscription agreements	241,811	-	-	-
Total other financing sources (uses)	54,019	(2,676,826)	3,111,697	(616,591)
Change in fund balances	(303,252)	(107,685)	(268,255)	622,524
Fund balances beginning of year	4,615,609	846,142	4,966,493	3,654,215
Fund balances end of year	$ 4,312,357	738,457	4,698,238	4,276,739

Poweshiek County

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Year ended June 30, 2025

Class of Transaction	Special Revenue Urban Renewal	Debt Service	Capital Projects	Nonmajor	Total
Revenues:					
Property and other county tax	-	653,690	-	-	8,941,263
Tax increment financing	1,423,577	-	-	-	1,423,577
Local option sales tax	-	-	-	-	1,239,115
Penalty and interest on property tax	-	-	-	-	55,993
Intergovernmental	-	35,457	6,940	39,654	5,649,260
Licenses and permits	-	-	-	-	111,239
Charges for service	-	-	-	3,517	734,128
Use of money and property	18,616	234,176	-	12,611	982,603
Miscellaneous	-	-	-	47,234	156,389
Total revenues	1,442,193	923,323	6,940	103,016	19,293,567
Expenditures:					
Operating:					
Public safety and legal services	-	-	-	-	4,539,553
Physical health and social services	-	-	-	27,498	435,080
County environment and education	1,011,281	-	-	16,791	1,854,461
Roads and transportation	-	-	-	-	7,779,327
Governmental services to residents	-	-	-	7,835	834,575
Administration	-	-	-	-	1,951,727
Non-program	-	-	-	-	133,009
Debt service	-	1,261,648	-	-	1,261,648
Capital projects	-	-	814,303	-	1,097,038
Total expenditures	1,011,281	1,261,648	814,303	52,124	19,886,418
Excess (deficiency) of revenues over (under) expenditures	430,912	(338,325)	(807,363)	50,892	(592,851)
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	30,795
Transfers in	-	416,591	-	-	3,500,778
Transfers out	-	-	-	-	(3,500,778)
Lease agreements	-	-	-	-	16,284
Subscription agreements	-	-	-	-	241,811
Total other financing sources (uses)	-	416,591	-	-	288,890
Change in fund balances	430,912	78,266	(807,363)	50,892	(303,961)
Fund balances beginning of year	(1,315,183)	337,467	823,053	2,150,557	16,078,353
Fund balances end of year	(884,271)	415,733	15,690	2,201,449	15,774,392

See notes to financial statements.

Poweshiek County

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities

Year ended June 30, 2025

Reconciliation of the Statement of Changes to the Statement of Activities	Amount
Change in fund balances - Total governmental funds (page 26)	$ (303,961)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation/amortization expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed capital assets exceeded depreciation/amortization expense in the current year, as follows:	
Expenditures for capital assets	2,566,181
Capital assets contributed by the Iowa Department of Transportation	4,118,328
Right-to-use leased capital assets	16,284
Right-to-use subscription assets	241,811
Depreciation/amortization expense	(2,262,453)
Total	4,680,151
In the Statement of Activities, the gain on disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources.	67,907
Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are recognized as deferred inflows of resources in the governmental funds, as follows:	
Property Tax	580
Other	(57,082)
Total	(56,502)
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year repayments exceeded issuances, as follows:	
Issued	(258,095)
Repaid	1,281,976
Total	1,023,881
The current year County IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position.	536,395
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:	
Compensated absences	(716,197)
Interest on long-term debt	1,917
Landfill postclosure	30,000
OPEB reduction	345,090
Pension expense	(1,055,739)
Total	(1,394,929)
The Internal Service Fund is used by management to charge the costs of partial self-funding of the County's health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities.	127,398
Change in net position of governmental activities (page 18)	$ 4,680,340

See notes to financial statements.

Proprietary Fund Financial Statements

Poweshiek County

Statement of Net Position
Proprietary Fund

June 30, 2025

Account Balance		Internal Service - Employee Group Health
Current Assets		
Cash and cash equivalents	$	416,038
Investments		2,550,000
Total current assets		2,966,038
Current Liabilities		
Accounts payable		188,000
Net Position		
Restricted for employee health	$	2,778,038

See notes to financial statements.

Poweshiek County

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund

Year ended June 30, 2025

Class of Transaction	Internal Service - Employee Group Health
Operating revenues:	
Reimbursements from operating funds	$ 1,267,578
Reimbursements from employees and others	360,032
Insurance reimbursements	410,613
Total operating revenues	2,038,223
Operating expenses:	
Medical claims	$ 1,466,393
Insurance premiums	347,571
Administrative fees	160,948
Miscellaneous	3,890
Total operating expenses	1,978,802
Operating income	59,421
Non-operating revenues:	
Interest income	67,977
Net income	127,398
Net position beginning of year	2,650,640
Net position end of year	$ 2,778,038

See notes to financial statements.

Poweshiek County

Statement of Cash Flows
Proprietary Fund

Year ended June 30, 2025

Classification	Internal Service - Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	$ 1,267,578
Cash received from employees and others	360,032
Cash received from Insurance reimbursements	410,613
Cash paid to suppliers for services	(1,958,802)
Net cash provided by operating activities	79,421
Cash flows from investing activities:	
Interest on investments	67,977
Increase in cash and cash equivalents	147,398
Cash and cash equivalents beginning of year	268,640
Cash and cash equivalents end of year	$ 416,038
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 59,421
Adjustment to reconcile operating income to net cash provided by operating activities:	
Change in accounts payable	20,000
Net cash provided by operating activities	$ 79,421

See notes to financial statements.

Fiduciary Fund Financial Statements

Poweshiek County

Statement of Fiduciary Net Position – Custodial Funds

June 30, 2025

Account Balance	Amount
Assets	
Cash, cash equivalents and pooled investments:	
County Treasurer	$ 2,754,120
Other County Officials	57,456
Receivables:	
Property tax:	
Delinquent	6,587
Succeeding year	35,422,000
Accounts	59,312
Special assessment	61,324
Total assets	38,360,799
Liabilities	
Accounts payable	11,450
Salaries and benefits payable	24,568
Due to other governments	878,994
Trusts payable	17,083
Compensated absences	100,315
Total liabilities	1,032,410
Deferred Inflows of Resources	
Unavailable revenues	35,422,000
Net Position	
Restricted for individuals, organizations and other governments	$ 1,906,389

See notes to financial statements.

Poweshiek County

Statement of Changes in Fiduciary Net Position – Custodial Funds

June 30, 2025

Class of Transactions	Amount
Additions:	
Property and other county tax	$ 35,260,132
911 surcharge	242,088
State tax credits	2,041,136
Office fees and collections	569,019
Auto licenses, use tax and postage	8,181,802
Assessments	37,874
Trusts	1,034,644
Miscellaneous	458,473
Total additions	47,825,168
Deductions:	
Agency remittances:	
To other funds	520,674
To other governments	46,119,662
Trusts paid out	1,038,682
Total deductions	47,679,018
Change in net position	146,150
Net position beginning of year	1,760,239
Net position end of year	$ 1,906,389

See notes to financial statements.

(1) Summary of Significant Accounting Policies

Poweshiek County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance and general administrative services.

The County's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Poweshiek County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on the organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County. The County has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations – The County participates in several jointly governed organizations which provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Poweshiek County Assessor's Conference Board, Poweshiek County Emergency Management Services Commission and Poweshiek County Joint 911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Custodial Funds of the County.

The County also participates in the following jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: Drug Task Force Agreement, South Central Iowa Solid Waste Agency and Poweshiek Area Development Corporation.

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

The Statement of Net Position presents the County's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. Net position restricted through enabling legislation consists of $1,754,284 for landfill post-closure care.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds, the proprietary fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the county outside of incorporated city areas.

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, transfers from the General Fund and the Special Revenue, Rural Services Fund and other revenues to be used for secondary road construction and maintenance.

The Local Options Sales Tax Fund is used to account for revenues from the tax authorized by referendum and to be used for authorized local option sales tax activities.

The Urban Renewal Fund is used to account for tax increment financing collections and the repayment of tax increment financing indebtedness.

The Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the County's general long-term debt.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

Additionally, the County reports the following funds:

Proprietary Fund – An Internal Service Fund is utilized to account for the financing of goods or services purchased by one department of the County and provided to other departments or agencies on a cost reimbursement basis.

Fiduciary Funds – Custodial Funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under lease agreements are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the County's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund is charges to customers for sales and services. Operating expenses for the Internal Service Fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County maintains its financial records on the cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position

The following accounting policies are followed in preparing the financial statements:

Cash, Cash Equivalents and Pooled Investments – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust and non-negotiable certificates of deposit which are stated at amortized cost. Investments at June 30, 2025 include $5,350,000 non-negotiable certificates of deposit not meeting the definition of cash equivalents.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax and tax increment financing receivables represent taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax and tax increment financing receivables have been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which they are levied.

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2023 assessed property valuations; is for the tax accrual period July 1, 2024 through June 30, 2025 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in April 2024.

Penalty and Interest on Property Tax Receivable – Penalty and interest on property tax receivable represents the amount of penalty and interest that was due and payable but has not been collected.

Opioid Settlement Receivable – The County will receive payments from certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct in the marketing and sale of opioids and failure to monitor for, detect and prevent diversion of the drugs. The County is required to use these funds for activities to remediate the opioid crisis and treat or mitigate opioid use disorder and related disorders through prevention, harm reduction and recovery services.

Advances to/from Other Funds – Non-current portions of long-term interfund loan receivables are reported as advances and if there is no constraint on the use of the funds are offset equally by a nonspendable fund balance which indicates they do not constitute expendable available financial resources and, therefore, are not available to liquidate current obligations.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

<u>Capital Assets</u> – Capital assets are tangible and intangible assets, which include property, furniture and equipment and infrastructure assets are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under "Leases" below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price which would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair which do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class		Amount
Intangibles	$	100,000
Infrastructure		50,000
Land and buildings		35,000
Land improvements		25,000
Right-to-use leased assets		5,000
Right-to-use subscription assets		100,000
Equipment and vehicles		10,000

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right-to-use leased equipment and infrastructure are depreciated/amortized using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings	25 - 50
Land improvements	10 - 50
Infrastructure	30 - 50
Intangibles	5 - 20
Right-to-use leased assets	2 - 20
Right-to-use subscription assets	2 - 20
Equipment	3 - 20
Vehicles	5 - 15

<u>Leases</u> – **County as Lessee** – Poweshiek County is the lessee for noncancellable leases of equipment. The County has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how Poweshiek County determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

> Poweshiek County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
>
> The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

<u>Subscription-Based Information Technology Arrangements (SBITA)</u> – Poweshiek County has entered into a contract that conveys control of the right-to-use information technology software. The County has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements. The County recognized IT subscription liabilities with an initial, individual value of $100,000, or more.

At the commencement of the IT subscription term, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the IT subscription liability is reduced by the principal portion of payments made. The right-to-use an IT subscription asset is initially measured as the sum of the initial IT subscription liability, adjusted for payments made at or before the commencement date, plus capitalization implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the right-to-use IT subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to IT subscription arrangements include how Poweshiek County determines the discount rate it uses to discount the expected payments to present value, term and payments.

> Poweshiek County uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate.
>
> The IT subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

The County monitors changes in circumstances that would require a remeasurement of its IT subscription and will remeasure the right-to-use IT subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use IT subscription assets are reported with other capital assets and IT subscription liabilities are reported with long-term debt on the statement of net position.

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments and contributions from the County after the measurement date but before the end of the County's reporting period.

Due to Other Governments – Due to other governments represents taxes and other revenues collected by the County and payments for services which will be remitted to other governments.

Unearned Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Unearned revenue in the government-wide and governmental fund financial statements represents the amount of assets which have been recognized, but the related revenue has not been recognized since the County has not made a qualifying expenditure. Unearned revenue consists of unspent American Rescue Plan Act proceeds.

Trusts Payable – Trusts payable represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation, sick leave, holidays, personal days, bereavement leave, and compensatory hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when each of the following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2025

Long-Term Liabilities – In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on Poweshiek County's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the fund financial statements consist of property tax receivable and other receivables not collected within sixty days after year end and succeeding year property tax and tax increment financing receivables which will not be recognized until the year for which they are levied.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivables that will not be recognized until the year for which they are levied and unrecognized items not yet charged to pension expense.

Fund Balance – In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Unassigned – All amounts not included in the preceding classifications.

Net Position – The net position of the Internal Service, Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2025, disbursements exceeded the amounts budgeted in the debt service function.

(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2025 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of $12,441,460. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated.

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2025 is as follows:

Transfer to	Transfer from	Amount
Special Revenue:		
Secondary Roads	General	$ 207,361
Secondary Roads	Special Revenue:	
	Rural Services	2,676,826
Secondary Roads	Local Option Sales Tax	200,000
Debt Service	Local Option Sales Tax	416,591
Total	Transfers	$ 3,500,778

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

(4) Capital Assets

Capital assets activity for the year ended June 30, 2025 was as follows:

Governmental Activities:	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Capital assets not being depreciated/amortized:				
Land	$ 2,092,671	-	-	2,092,671
Construction in progress	13,996,550	5,216,540	7,950,015	11,263,075
Total capital assets not being depreciated/amortized	16,089,221	5,216,540	7,950,015	13,355,746
Capital assets being depreciated/amortized:				
Buildings	10,022,728	-	-	10,022,728
Improvements other than buildings	297,278	-	-	297,278
Equipment and vehicles	12,143,160	1,542,720	571,170	13,114,710
Right-to-use leased equipment	115,466	16,284	10,561	121,189
Right-to-use subscription asset	-	241,811	-	241,811
Infrastructure, road network	30,306,323	7,950,015	-	38,256,338
Total capital assets being depreciated/amortized	52,884,955	9,750,830	581,731	62,054,054
Less accumulated depreciation/amortization for:				
Buildings	3,371,463	233,743	-	3,605,206
Improvements other than buildings	171,760	7,190	-	178,950
Equipment and vehicles	7,450,894	827,410	564,326	7,713,978
Right-to-use leased equipment	28,992	23,416	10,561	41,847
Right-to-use subscription asset	-	48,362	-	48,362
Infrastructure, road network	9,790,629	1,122,332	-	10,912,961
Total accumulated depreciation/amortization	20,813,738	2,262,453	574,887	22,501,304
Total capital assets being depreciated/amortized, net	32,071,217	7,488,377	6,844	39,552,750
Governmental activities capital assets, net	$ 48,160,438	12,704,917	7,956,859	52,908,496

Depreciation/amortization expense was charged to the following functions:

Governmental Activities:	Amount
Public safety and legal services	$ 358,798
Physical health and social services	5,514
County environment and education	102,851
Roads and transportation	1,681,450
Governmental services to residents	2,193
Administration	111,647
Total depreciation/amortization expense - governmental activities	$ 2,262,453

(5) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2025, is as follows:

Fund	Description	Amount
General	Services	$ 157,075
Special Revenue:		
Rural Services	Services	256
Secondary Roads	Services	626
Total for governmental funds	Services	157,957
Custodial:		
Schools	Collections	$ 125,950
Community Colleges	Collections	15,812
Corporations	Collections	84,521
Townships	Collections	643
Auto License and Use Tax	Collections	568,802
All other	Collections	83,266
Total for custodial funds		$ 878,994

(6) Advances To and From Other Funds

Receivable Fund	Payable Fund	Amount
Special Revenue: Secondary Roads	Special Revenue: Urban Renewal	$ 1,011,281

The County has approved interfund loans from the Special Revenue, Secondary Roads fund to the Special Revenue, Urban Renewal Fund to pay for road improvements in the urban renewal area. The amounts will be repaid with tax increment financing receipts as they are collected. During fiscal year 2025 the Special Revenue, Urban Renewal Fund repaid $1,329,702 of the advance, leaving a balance at June 30, 2025 of $1,011,281.

(7) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2025 is as follows:

Long Term Debt	Balance Beginning of Year	Increases**	Decreases#	Balance End of Year*	Due Within One Year
General Obligation Bonds	$ 6,114,244	-	1,204,414	4,909,830	1,170,000
Lease agreements	87,042	16,284	22,926	80,400	23,532
Subscription liability	-	241,811	54,636	187,175	42,470
Compensated absences	302,485	716,197	-	1,018,682	351,764
Estimated liability for landfill postclosure	30,000	-	30,000	-	-
Net pension liability	1,528,277	389,106	-	1,917,383	-
Total OPEB liability	1,277,969	157,388	346,945	1,088,412	87,682
Total	$ 9,340,017	1,520,786	1,658,921	9,201,882	1,675,448

* The unamortized premium on the bonds was $239,830 at June 30, 2025.
# Includes $54,414 of current year premium amortization on bonds.
** The change in compensated absences liability is presented as a net change.

General Obligation Refunding Bonds

On July 1, 2020, the County issued $3,585,000 of general obligation refunding bonds, Series 2020, for the current refunding of $3,670,000 general obligation refunding bonds issued March 29, 2012. The bonds bear an interest rate of 2.00% per annum. During the year ended June 30, 2025, the County paid principal of $560,000 and paid interest of $28,700 on the bonds.

General Obligation Emergency Communication Bond

On February 17, 2021, the County issued $6,060,000 of general obligation emergency communications bonds, Series 2021A. The bonds were issued to pay the costs of acquiring and installing emergency services communications systems and equipment. The bonds bear interest at rates ranging from 1.15% to 2.00% per annum. During the year ended June 30, 2025, the County paid principal of $590,000 and paid interest of $82,048.

A summary of the County's June 30, 2025 general obligation indebtedness is as follows:

Refunding Bonds
Issued July 1, 2020

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2026	2.00%	$ 570,000	17,500	587,500
2027	2.00%	305,000	6,100	311,100
2028		-	-	-
2029		-	-	-
2030		-	-	-
2031		-	-	-
Totals		875,000	23,600	898,600
Unamortized premium		43,326		
Total payable		$ 918,326		

Communications Equipment Bond
Issued February 17, 2021

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2026	2.00%	$ 600,000	70,248	670,248
2027	2.00%	615,000	58,248	673,248
2028	2.00%	625,000	45,948	670,948
2029	2.00%	640,000	33,448	673,448
2030	2.00%	650,000	20,648	670,648
2031	1.15%	665,000	7,648	672,648
Totals		3,795,000	236,188	4,031,188
Unamortized premium		196,504		
Total payable		$ 3,991,504		

General Obligation Bonds Totals			
Year Ending June 30,	Principal	Interest	Total
2026	$ 1,170,000	87,748	1,257,748
2027	920,000	64,348	984,348
2028	625,000	45,948	670,948
2029	640,000	33,448	673,448
2030	650,000	20,648	670,648
2031	665,000	7,648	672,648
Totals	4,670,000	259,788	4,929,788
Unamortized premium	239,830		
Total payable	$ 4,909,830		

Lease Agreements

On April 16, 2020, the County entered into a lease agreement for a postage system. An initial lease liability was recorded in the amount of $10,561. The agreement requires quarterly payments of $733, with an implicit interest rate of 2.0% and final payment due January 16, 2025. During the year ended June 30, 2025, the County retired the final payment of $2,176 in principal and interest of $23 on the lease.

On January 7, 2022, the County entered into a lease agreement for the County Treasurer printer system. An initial lease liability was recorded in the amount of $12,344. The agreement requires monthly payments of $216 over five years, with an implicit interest rate of 2.0% and final payment due January 7, 2027. During the year ended June 30, 2025, principal and interest paid were $2,484 and $108, respectively.

On June 23, 2022, the County entered into a lease agreement for the County Recorder printer system. Payments and the lease term did not begin until the lease was delivered in October 2022. An initial lease liability was recorded in the amount of $10,965. The agreement requires monthly payments of $192 over five years, with an implicit interest rate of 2.0% and final payment due October 8, 2027. During the year ended June 30, 2025, principal and interest paid were $2,178 and $126, respectively.

On April 10, 2023, the County entered into a lease agreement for the County Attorney printer system. An initial lease liability was recorded in the amount of $21,659. The agreement requires monthly payments of $379 over five years, with an implicit interest rate of 2.0% and final payment due March 10, 2028. During the year ended June 30, 2025, principal and interest paid were $4,259 and $289, respectively.

On January 1, 2024, the County Sheriff's Office entered into a lease agreement for the printer system. An initial lease liability was recorded in the amount of $59,938. The agreement requires monthly payments of $1,003 over five years three months, with implicit interest rate of 2.0% and final payment due March 1, 2029. During the year ended June 30, 2025, principal and interest paid were $11,047 and $989, respectively.

On April 16, 2025, the County Treasurer entered into a lease agreement for a postage system. An initial lease liability was recorded in the amount of $16,284. The agreement requires quarterly payments of $851, with an implicit interest rate of 1.7% and final payment due January 16, 2030. During the year ended June 30, 2025, principal and interest paid were $782 and $69, respectively.

Future principal and interest lease payments as of June 30, 2025 are as follows:

County Treasurer Printer

Year Ending June 30,	Principal	Interest	Total
2026	$ 2,535	57	2,592
2027	1,502	10	1,512
2028	-	-	-
2029	-	-	-
2030	-	-	-
Totals	$ 4,037	67	4,104

County Recorder Printer

Year Ending June 30,	Principal	Interest	Total
2026	$ 2,222	82	2,304
2027	2,266	38	2,304
2028	765	3	768
2029	-	-	-
2030	-	-	-
Totals	$ 5,253	123	5,376

County Attorney Printer

Year Ending June 30,	Principal	Interest	Total
2026	$ 4,344	204	4,548
2027	4,432	116	4,548
2028	3,383	28	3,411
2029	-	-	-
2030	-	-	-
Totals	$ 12,159	348	12,507

County Sheriff Printer

Year Ending June 30,	Principal	Interest	Total
2026	$ 11,270	766	12,036
2027	11,497	539	12,036
2028	11,730	306	12,036
2029	8,952	75	9,027
2030	-	-	-
Totals	$ 43,449	1,686	45,135

County Treasurer Postage Machine			
Year Ending June 30,	Principal	Interest	Total
2026	$ 3,161	243	3,404
2027	3,215	189	3,404
2028	3,270	134	3,404
2029	3,326	78	3,404
2030	2,530	23	2,553
Totals	$ 15,502	667	16,169

Total County Leases			
Year Ending June 30,	Principal	Interest	Total
2026	$ 23,532	1,352	24,884
2027	22,912	892	23,804
2028	19,148	471	19,619
2029	12,278	153	12,431
2030	2,530	23	2,553
Totals	$ 80,400	2,891	83,291

IT Subscription Liability

On July 1, 2024, the county entered into an IT subscription service plan with Tyler Technologies, Inc. for enterprise assessment and tax software. An initial IT subscription liability was recorded in the amount of $241,811. The agreement requires annual payments of $54,636 over five years with an initial payment made July 1, 2024 for $54,636, with an implicit interest rate of 6.5% and final payment due July 1, 2028. During the year ended June 30, 2025, the County paid principal of $54,636 on the agreement. Future principal and interest payments as of June 30, 2025 are as follows:

Tyler Software			
Year Ending June 30,	Principal	Interest	Total
2026	$ 42,470	12,167	54,637
2027	45,232	9,405	54,637
2028	48,171	6,466	54,637
2029	51,302	3,335	54,637
Totals	$ 187,175	31,373	218,548

(8) Pension Plan

Plan Description – IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer-defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at PO Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

Sheriffs and Deputies and Protection Occupation members may retire at normal retirement age, which is generally at age 55. Sheriffs and Deputies and Protection Occupation members may retire any time after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate a Sheriffs and Deputies member's monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of special service, plus an additional 2.5% of average salary for more than 22 years of special service but not more than 30 years of service.
- 1.5% compound cost-of-living adjustment (COLA) for members who retire on or after July 1, 2024, who are at least age 50 when they terminate employment and have at least 22 years of special service.
- The member's highest three-year average salary.

The formula used to calculate a Protection Occupation member's monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of special service, plus an additional 1.5% of average salary for more than 22 years of special service but not more than 30 years of service.
- The member's highest three-year average salary.

If a Regular member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions – Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2025, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriffs and Deputies members and the County each contributed 8.51% of covered payroll, for a total rate of 17.02%. Protection Occupation members contributed 6.21% of covered payroll and the County contributed 9.31% of covered payroll, for a total rate of 15.52%.

The County's contributions to IPERS for the year ended June 30, 2025 totaled $536,395.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2025, the County reported a liability of $1,917,383 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2024, the County's proportion was 0.052654%, which was an increase of 0.018795% over its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the County recognized pension expense of $1,055,739. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflow and Inflow Sources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 363,632	1,021
Changes of assumptions	-	48,101
Net difference between projected and actual earnings on IPERS' investments	47,111	-
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	193,580	56,209
County contributions subsequent to the measurement date	536,395	-
Total	$ 1,140,718	105,331

$536,395 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,		Amount
2026	$	(230,706)
2027		660,462
2028		85,071
2029		(29,791)
2030		13,956
Total	$	498,992

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Actuarial Assumptions	Description
Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rate of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2024 valuation were based on the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	3.52%
International equity	13.0%	5.18%
Global smart beta equity	5.0%	4.12%
Core plus fixed income	25.5%	3.04%
Public credit	3.0%	4.53%
Cash	1.0%	1.69%
Private equity	17.0%	8.89%
Private real assets	9.0%	4.25%
Private credit	5.5%	6.62%
Total	100.0%	

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

Sensitivity of Proportionate Share	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	$ 5,523,646	1,917,383	(1,097,201)

IPERS Fiduciary Net Position – Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to IPERS – All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2025.

(9) Other Postemployment Benefits (OPEB)

Plan Description – The County administers a single-employer benefit plan which provides medical, prescription drug and dental benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits – Individuals who are employed by Poweshiek County and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical, prescription drug and dental benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2025, the following employees were covered by the benefit terms:

Description	Employees
Inactive employees or beneficiaries currently receiving benefit payments	13
Active employees	85
Total	98

Total OPEB Liability – The County's total OPEB liability of $1,088,412 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2024, rolled forward to June 30, 2025.

Actuarial Assumptions – The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Actuarial Assumptions	Descriptions
Rate of inflation (effective June 30, 2025)	2.60% per annum.
Rates of salary increase (effective June 30, 2025)	3.25% per annum, including inflation.
Discount rate (effective June 30, 2025)	5.20% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2025)	8.00% initial rate decreasing by 1.00% annually to an ultimate rate of 4.50%.

Discount Rate – The discount rate used to measure the total OPEB liability was 5.20% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA Public Plan 2010 tables. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability	Total OPEB Liability
Total OPEB liability beginning of year	$ 1,277,969
Changes for the year:	
Service cost	67,565
Interest	52,628
Differences between expected and actual experiences	(154,047)
Changes in assumptions	37,195
Benefit payments	(192,898)
Net changes	(189,557)
Total OPEB liability end of year	$ 1,088,412

Changes of assumptions reflect a change in the discount rate from 4.21% in fiscal year 2024 to 5.20% in fiscal year 2025.

<u>Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate</u> – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (4.20%) or 1% higher (6.20%) than the current discount rate.

Sensitivity of Discount Rate	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB liability	$ 1,148,865	1,088,412	1,029,889

<u>Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates</u> – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be it were calculated using healthcare cost trend rates that are 1% lower (7.00%) or 1% higher (9.00%) than the current healthcare cost trend rates.

Sensitivity of Discount Rate	1% Decrease (7.00%)	Healthcare Cost Trend Rate (8.00%)	1% Increase (9.00%)
Total OPEB liability	$ 990,115	1,088,412	1,198,774

<u>OPEB Reduction, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB</u> – For the year ended June 30, 2025, the County recognized OPEB reduction of $345,090. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

Deferred Outflow and Inflow Sources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 190,159	718,627
Changes in assumptions	98,858	50,419
Total	$ 289,017	769,046

The amount reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Amount
2026	$ (272,392)
2027	(66,644)
2028	(32,987)
2029	(18,351)
2030	(26,842)
Thereafter	(62,813)
	$ (480,029)

(10) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 805 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, property, employment practices liability, public officials liability, cyber liability and law enforcement liability. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate.

The Pool also provides property coverage. Members who elect such coverage make annual property operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2025 were $468,967.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, employment practices, law enforcement, cyber, and public officials' liability risks up to $500,000 per claim. Claims exceeding $500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to $500,000 each occurrence, each location. Property risks exceeding $500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the County's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2025, no liability has been recorded in the County's financial statements. As of June 30, 2025, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of $1,000,000 and $80,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(11) Employee Health Insurance Plan

The Internal Service, Employee Group Health Fund was established to account for the partial self-funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Wellmark. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of $35,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Wellmark from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2025 was $1,267,578.

Amounts payable from the Employee Group Health Fund at June 30, 2025 total $188,000, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. That reserve was $2,778,038 at June 30, 2025 and is reported as a designation of the Internal Service, Employee Group Health Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Description	Amount
Unpaid claims beginning of year	$ 168,000
Incurred claims (including claims incurred but not reported at June 30, 2025)	1,466,393
Payment on claims during the fiscal year	(1,446,393)
Unpaid claims end of year	$ 188,000

(12) Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 for employees. The 457 Plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights must be held in trust of the exclusive benefit of plan participants and beneficiaries. These funds are invested and held by an outside investment company and do not constitute a liability of the County.

(13) Post Closure Care

To comply with federal and state regulations, the County is required to complete a monitoring system plan and a closure/post closure care plan and to provide funding necessary to effect closure and post closure care, including the proper monitoring and care of the landfill after closure. Environmental Protection Agency (EPA) requirements have established closure and thirty-year post closure care requirements for all municipal solid waste landfills that receive waste after October 9, 1993. State governments are primarily responsible for implementation and enforcement of those requirements and have been given flexibility to tailor requirements to accommodate local conditions that exist. The effect of the EPA requirement is to commit landfill owners to perform certain closing functions and post closure monitoring functions as a condition for the right to operate the landfill in the current period. The EPA requirements provide when a landfill stops accepting waste, it must be covered with a minimum of twenty-four inches of earth to keep liquid away from the buried waste. Once the landfill is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas, and collecting and treating leachate (the liquid that drains out of waste) for thirty years.

Governmental Accounting Standards Board Statement No. 18 requires landfill owners to estimate total landfill closure and post closure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that year. Estimated total costs consist of four components: (1) the cost of equipment and facilities used in post closure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the post closure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually due to the potential for changes due to inflation or deflation, technology, or applicable laws or regulations. During the year ended June 30, 2025, the Poweshiek County Sanitary Landfill recognized the remaining estimate of $30,000 for post closure care.

Chapter 111 of the Iowa Administrative Code has been promulgated to implement financial assurance rules. Since the Poweshiek County Sanitary Landfill stopped waste disposal prior to the Chapter 111 effective date of August 24, 1994, financial assurance is not required for the Landfill. However, the County has accumulated resources to fund post closure care and, at June 30, 2025, $1,754,284 restricted for these purposes is reported in the Special Revenue, Sanitary Disposal Fund.

(14) Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Tax Abatements of Other Entities

Other entities within the County provided tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. For these types of projects, the entities enter into agreements with developers which require the entities, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount.

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2024, under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Brooklyn	Urban renewal and economic development projects	$ 869
City of Grinnell	Urban renewal and economic development projects	9,021

(15) Financial Condition

The Special Revenue, Urban Renewal Fund reported a fund balance deficit of $884,271 at June 30, 2025. The County plans to eliminate the deficit through the collection of tax increment financing revenues in future fiscal years.

(16) Construction Commitment

The County has entered into contracts totaling $6,299,812 for the Radio Communication Tower. As of June 30, 2025, costs of $4,046,581 have been incurred. The $2,253,231 balance remaining on the project at June 30, 2025, will be paid as work on the project progresses.

(17) Subsequent Event

In November 2025, the County issued $7,000,000 of general obligation urban renewal bonds for the purpose of paying the costs of road and drainage improvement projects authorized by the Board of Supervisors.

Required Supplementary Information

Poweshiek County

Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds

Required Supplementary Information

Year ended June 30, 2025

Class of Transaction	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Final to Actual Variance
Receipts:				
Property and other county tax	$ 11,596,334	11,493,433	11,493,433	102,901
Penalty and interest on property tax	55,993	-	-	55,993
Intergovernmental	5,472,895	4,782,819	4,792,819	680,076
Licenses and permits	110,359	21,900	21,900	88,459
Charges for service	732,193	659,185	659,185	73,008
Use of money and property	988,539	1,209,915	1,209,915	(221,376)
Miscellaneous	157,508	179,700	187,885	(30,377)
Total receipts	19,113,821	18,346,952	18,365,137	748,684
Disbursements				
Public safety and legal services	4,458,307	4,941,786	4,962,786	504,479
Physical health and social services	428,173	533,666	583,591	155,418
County environment and education	830,861	853,380	863,380	32,519
Roads and transportation	8,526,978	8,856,912	8,856,912	329,934
Governmental services to residents	826,931	886,816	886,816	59,885
Administration	1,611,772	2,023,033	2,038,033	426,261
Non-program	118,170	142,560	143,960	25,790
Debt service	1,261,648	1,260,748	1,260,748	(900)
Capital projects	1,012,776	1,080,037	1,407,037	394,261
Total disbursements	19,075,616	20,578,938	21,003,263	1,927,647
Excess (deficiency) of receipts over (under) disbursements	38,205	(2,231,986)	(2,638,126)	2,676,331
Other financing sources, net	30,795	-	-	30,795
Change in fund balances	69,000	(2,231,986)	(2,638,126)	2,707,126
Balance beginning of year	15,391,051	12,163,671	12,163,671	3,227,380
Balance end of year	$ 15,460,051	9,931,685	9,525,545	5,934,506

See accompanying independent auditor's report.

Poweshiek County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2025

Class of Transaction	Governmental Funds Cash Basis	Governmental Funds Accrual Adjustments	Governmental Funds Modified Accrual Basis
Revenues	$ 19,113,821	179,746	19,293,567
Expenditures	19,075,616	810,802	19,886,418
Net	38,205	(631,056)	(592,851)
Other financing sources, net	30,795	258,095	288,890
Beginning fund balances	15,391,051	687,302	16,078,353
Ending fund balances	$ 15,460,051	314,341	15,774,392

See accompanying independent auditor's report.

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except the Internal Service and Custodial Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by $424,325. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Assessor by the County Conference Board, for the 911 System by the Joint 911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2025, disbursements exceeded the amount budgeted in the debt service function.

Poweshiek County

Schedule of the County’s Proportionate Share of the Net Pension Liability (Asset)

Iowa Public Employees’ Retirement System
For the Last Ten Years*
(In Thousands)

Required Supplementary Information

Description		2025	2024	2023	2022	2021
County's proportion of the net pension liability (asset)		0.052654%	0.033859%	0.025963%	0.426287%**	0.040086%
County's proportionate share of the net pension liability (asset)	$	1,917	1,528	981	(1,472)	2,816
County's covered payroll	$	5,276	4,614	4,357	4,315	4,436
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll		36.33%	33.12%	22.52%	(34.11%)	63.48%
IPERS' net position as a percentage of the total pension liability (asset)		92.30%	90.13%	91.40%	100.81%	82.90%

Poweshiek County

Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)

Iowa Public Employees' Retirement System
For the Last Ten Years*
(In Thousands)

Required Supplementary Information

Description	2020	2019	2018	2017	2016
County's proportion of the net pension liability (asset)	0.036458%	0.038798%	0.043203%	0.042252%	0.039848%
County's proportionate share of the net pension liability (asset)	2,111	2,455	2,878	2,659	1,969
County's covered payroll	4,400	4,201	4,162	3,906	3,856
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	47.98%	58.44%	69.15%	68.07%	51.06%
IPERS' net position as a percentage of the total pension liability (asset)	85.45%	83.62%	82.21%	81.82%	85.19%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the proceeding year.

** Overall plan net pension asset.

See accompanying independent auditor's report.

Poweshiek County

Schedule of County Contributions

Iowa Public Employees' Retirement System
For the Last Ten Years
(In Thousands)

Required Supplementary Information

Description		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$	536	522	457	434	429	422	423	382	382	360
Contributions in relation to the statutorily required contribution		(536)	(522)	(457)	(434)	(429)	(422)	(423)	(382)	(382)	(360)
Contribution deficiency (excess)	$	-	-	-	-	-	-	-	-	-	-
County's covered payroll	$	5,414	5,276	4,614	4,357	4,315	4,436	4,400	4,201	4,162	3,906
Contributions as a percentage of covered payroll		9.90%	9.89%	9.90%	9.96%	9.94%	9.51%	9.61%	9.09%	9.18%	9.22%

See accompanying independent auditor's report.

Changes of benefit terms:

Legislation passed in 2024 modified benefit terms for current Sheriffs and Deputies. The benefit enhancements:

- Increased the benefit multiplier from 1.5% to 2.5% for years of special service between 22 and 30, thereby increasing the maximum benefit from 72% to 80% of average salary.
- Granted an automatic 1.5% compound cost-of-living adjustment (COLA) for members who retire on or after July 1, 2024, who are at least 50 when they terminate employment and have at least 22 years of special service.

Changes of assumptions:

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

Poweshiek County

Schedule of Changes in the County's Total OPEB Liability and Related Ratios

For the Last Eight Years

Required Supplementary Information

Description	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	$ 67,565	86,946	74,461	109,603	110,995	115,462	113,418	255,165
Interest cost	52,628	65,482	59,440	31,121	39,963	59,817	71,458	119,490
Difference between expected and actual experiences	(154,047)	(331,089)	174,034	162,775	(144,326)	(264,898)	(263,744)	(1,639,820)
Changes in assumptions	37,195	62,251	(3,081)	(94,825)	27,194	(4,326)	32,167	48,668
Benefit payments	(192,898)	(206,282)	(164,416)	(119,121)	(108,352)	(98,298)	(96,907)	(168,533)
Net change in total OPEB liability	(189,557)	(322,692)	140,438	89,553	(74,526)	(192,243)	(143,608)	(1,385,030)
Total OPEB liability beginning of year	1,277,969	1,600,661	1,460,223	1,370,670	1,445,196	1,637,439	1,781,047	3,166,077
Total OPEB liability end of year	$ 1,088,412	1,277,969	1,600,661	1,460,223	1,370,670	1,445,196	1,637,439	1,781,047
Covered-employee payroll	$ 5,400,923	4,822,701	4,276,061	3,907,568	3,969,687	3,844,733	4,014,008	3,897,947
Total OPEB liability as a percentage of covered-employee payroll	20.2%	26.5%	37.4%	37.4%	34.5%	37.6%	40.8%	45.7%

See accompanying independent auditor's report.

Poweshiek County

Notes to Required Supplementary Information – OPEB Liability

Year Ended June 30, 2025

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2025	5.20%
Year ended June 30, 2024	4.21%
Year ended June 30, 2023	4.13%
Year ended June 30, 2022	4.09%
Year ended June 30, 2021	2.19%
Year ended June 30, 2020	2.66%
Year ended June 30, 2019	3.51%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Supplementary Information

Poweshiek County

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2025

Account Balance	Special Revenue Resource Enhancement and Protection	Special Revenue County Recorder's Records Management	Special Revenue County Conservation Bequest	Special Revenue Conservation Easement	Special Revenue Special Law Enforcement
Assets:					
Cash, cash equivalents and pooled investments	$ 53,039	18,151	21,760	5,000	20,628
Opioid settlement receivable	-	-	-	-	-
Due from other governments	-	376	-	-	-
Total assets	$ 53,039	18,527	21,760	5,000	20,628
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	$ -	-	-	-	-
Deferred inflows of resources:					
Unavailable revenues -other	-	-	-	-	-
Fund balances:					
Restricted for:					
Landfill postclosure care	-	-	-	-	-
Opioid abatement	-	-	-	-	-
Other purposes	53,039	18,527	21,760	5,000	20,628
Total fund balances	53,039	18,527	21,760	5,000	20,628
Total liabilities, deferred inflows of resources and fund balances	$ 53,039	18,527	21,760	5,000	20,628

Poweshiek County

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2025

Account Balance	Special Revenue County Attorney Forfeiture	Special Revenue Sanitary Disposal	Special Revenue Naturalist	Special Revenue Local Government Opioid Abatement	Total
Assets:					
Cash, cash equivalents and pooled investments	117,208	1,755,308	7,289	203,714	2,202,097
Opioid settlement receivable	-	-	-	296,542	296,542
Due from other governments	-	63	-	-	439
Total assets	117,208	1,755,371	7,289	500,256	2,499,078
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	-	1,087	-	-	1,087
Deferred inflows of resources:					
Unavailable revenues -other	-	-	-	296,542	296,542
Fund balances:					
Restricted for:					
Landfill postclosure care	-	1,754,284	-	-	1,754,284
Opioid abatement	-	-	-	203,714	203,714
Other purposes	117,208	-	7,289	-	243,451
Total fund balances	117,208	1,754,284	7,289	203,714	2,201,449
Total liabilities, deferred inflows of resources and fund balances	117,208	1,755,371	7,289	500,256	2,499,078

See accompanying independent auditor's report.

Poweshiek County

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds

Year ended June 30, 2025

Class of Transaction	Special Revenue Resource Enhancement and Protection	Special Revenue County Recorder's Records Management	Special Revenue County Conservation Bequest	Special Revenue Conservation Easement	Special Revenue Special Law Enforcement
Revenues:					
Intergovernmental	$ 11,846	-	-	-	-
Charges for service	-	3,517	-	-	-
Use of money and property	1,986	993	942	-	-
Miscellaneous	-	-	-	-	-
Total revenues	13,832	4,510	942	-	-
Expenditures:					
Operating:					
Physical health and social services	-	-	-	-	-
County environment and education	-	-	-	-	-
Governmental services to residents	-	7,835	-	-	-
Total expenditures	-	7,835	-	-	-
Excess (deficiency) of revenues over (under) expenditures	13,832	(3,325)	942	-	-
Change in fund balances	13,832	(3,325)	942	-	-
Fund balances beginning of year	39,207	21,852	20,818	5,000	20,628
Fund balances end of year	$ 53,039	18,527	21,760	5,000	20,628

Poweshiek County

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds

Year ended June 30, 2025

Class of Transaction	Special Revenue County Attorney Forfeiture	Special Revenue Sanitary Disposal	Special Revenue Naturalist	Special Revenue Local Government Opioid Abatement	Total
Revenues:					
Intergovernmental	-	27,808	-	-	39,654
Charges for service	-	-	-	-	3,517
Use of money and property	-	-	-	8,690	12,611
Miscellaneous	-	-	480	46,754	47,234
Total revenues	-	27,808	480	55,444	103,016
Expenditures:					
Operating:					
Physical health and social services	-	-	-	27,498	27,498
County environment and education	-	15,457	1,334	-	16,791
Governmental services to residents	-	-	-	-	7,835
Total expenditures	-	15,457	1,334	27,498	52,124
Excess (deficiency) of revenues over (under) expenditures	-	12,351	(854)	27,946	50,892
Change in fund balances	-	12,351	(854)	27,946	50,892
Fund balances beginning of year	117,208	1,741,933	8,143	175,768	2,150,557
Fund balances end of year	117,208	1,754,284	7,289	203,714	2,201,449

See accompanying independent auditor's report.

Poweshiek County

Combining Schedule of Fiduciary Net Position – Custodial Funds

June 30, 2025

Account Balance	County Offices	Holiday Lake RIZ	Agricultural Extension Education	County Assessor	Schools	Community Colleges
Assets:						
Cash, cash equivalents and pooled investments:						
County Treasurer	$ -	1,505	1,828	411,178	125,950	15,812
Other County officials	57,456	-	-	-	-	-
Receivables:						
Property tax:						
Delinquent	-	-	51	134	3,335	364
Succeeding year	-	409,000	280,000	769,000	19,606,000	2,568,000
Accounts	-	-	-	-	-	-
Special assessment	-	-	-	-	-	-
Total assets	57,456	410,505	281,879	1,180,312	19,735,285	2,584,176
Liabilities:						
Accounts payable	-	-	-	3,171	-	-
Salaries and benefits payable	-	-	-	20,511	-	-
Due to other governments	40,373	1,505	1,828	-	125,950	15,812
Trusts payable	17,083	-	-	-	-	-
Compensated absences	-	-	-	79,400	-	-
Total liabilities	57,456	1,505	1,828	103,082	125,950	15,812
Deferred Inflows of Resources						
Unavailable revenues	-	409,000	280,000	769,000	19,606,000	2,568,000
Net Position						
Restricted for individuals, organizations and other governments	$ -	-	51	308,230	3,335	364

Poweshiek County

Combining Schedule of Fiduciary Net Position – Custodial Funds

June 30, 2025

Account Balance	Corporations	Townships	Auto License and Use Tax	911 Service	Other	Total
Assets:						
Cash, cash equivalents and pooled investments:						
County Treasurer	84,521	643	568,802	1,234,064	309,817	2,754,120
Other County officials	-	-	-	-	-	57,456
Receivables:						
Property tax:						
Delinquent	2,703	-	-	-	-	6,587
Succeeding year	11,198,000	105,000	-	-	487,000	35,422,000
Accounts	-	-	-	59,312	-	59,312
Special assessment	-	-	-	-	61,324	61,324
Total assets	11,285,224	105,643	568,802	1,293,376	858,141	38,360,799
Liabilities:						
Accounts payable	-	-	-	7,187	1,092	11,450
Salaries and benefits payable	-	-	-	-	4,057	24,568
Due to other governments	84,521	643	568,802	-	39,560	878,994
Trusts payable	-	-	-	-	-	17,083
Compensated absences	-	-	-	-	20,915	100,315
Total liabilities	84,521	643	568,802	7,187	65,624	1,032,410
Deferred Inflows of Resources						
Unavailable revenues	11,198,000	105,000	-	-	487,000	35,422,000
Net Position						
Restricted for individuals, organizations and other governments	2,703	-	-	1,286,189	305,517	1,906,389

See accompanying independent auditor's report.

Poweshiek County

Combining Schedule of Changes in Fiduciary Net Position – Custodial Funds

June 30, 2025

Class of Transactions	County Offices	Holiday Lake RIZ	Agricultural Extension Education	County Assessor	Schools	Community Colleges
Additions:						
Property and other county tax	$ -	425,388	275,228	720,363	18,950,906	2,460,237
911 surcharge	-	-	-	-	-	-
State tax credits	-	8,041	17,018	43,066	948,052	119,248
Office fees and collections	565,564	-	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-	-
Assessments	-	-	-	-	-	-
Trusts	1,034,644	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total additions	1,600,208	433,429	292,246	763,429	19,898,958	2,579,485
Deductions:						
Agency remittances:						
To other funds	196,663	-	-	-	-	-
To other governments	364,863	433,429	292,228	771,522	19,897,991	2,579,364
Trusts paid out	1,038,682	-	-	-	-	-
Total deductions	1,600,208	433,429	292,228	771,522	19,897,991	2,579,364
Changes in net position	-	-	18	(8,093)	967	121
Net position beginning of year	-	-	33	316,323	2,368	243
Net position end of year	$ -	-	51	308,230	3,335	364

Poweshiek County

Combining Schedule of Changes in Fiduciary Net Position – Custodial Funds

June 30, 2025

Class of Transactions	Corporations	Townships	Auto License and Use Tax	911 Service	Other	Total
Additions:						
Property and other county tax	11,877,331	92,291	-	-	458,388	35,260,132
911 surcharge	-	-	-	242,088	-	242,088
State tax credits	883,770	5,344	-	-	16,597	2,041,136
Office fees and collections	-	-	-	-	3,455	569,019
Auto licenses, use tax and postage	-	-	8,181,802	-	-	8,181,802
Assessments	-	-	-	-	37,874	37,874
Trusts	-	-	-	-	-	1,034,644
Miscellaneous	-	-	-	110,288	348,185	458,473
Total additions	12,761,101	97,635	8,181,802	352,376	864,499	47,825,168
Deductions:						
Agency remittances:						
To other funds	-	-	324,011	-	-	520,674
To other governments	12,760,817	97,635	7,857,791	233,497	830,525	46,119,662
Trusts paid out	-	-	-	-	-	1,038,682
Total deductions	12,760,817	97,635	8,181,802	233,497	830,525	47,679,018
Changes in net position	284	-	-	118,879	33,974	146,150
Net position beginning of year	2,419	-	-	1,167,310	271,543	1,760,239
Net position end of year	2,703	-	-	1,286,189	305,517	1,906,389

See accompanying independent auditor's report.

Poweshiek County

Schedule of Revenues By Source and Expenditures By Function – All Governmental Funds

For the Last Ten Years

Class of Transaction	2025	2024	2023	2022	2021
Revenues:					
Property and other county tax	$ 8,941,263	8,711,552	8,251,454	8,160,527	7,889,431
Tax increment financing	1,423,577	239,901	402,414	146,888	-
Local option sales tax	1,239,115	1,344,633	1,186,697	1,345,216	1,195,658
Penalty and interest on property tax	55,993	49,217	59,662	48,913	62,426
Intergovernmental	5,649,260	5,506,960	7,360,772	8,707,963	5,706,472
Licenses and permits	111,239	132,677	115,496	122,966	82,533
Charges for service	734,128	662,613	668,779	668,983	722,974
Use of money and property	982,603	1,146,915	769,911	96,490	94,650
Miscellaneous	156,389	376,115	306,936	124,975	172,984
Total	$ 19,293,567	18,170,583	19,122,121	19,422,921	15,927,128
Expenditures:					
Operating:					
Public safety and legal services	$ 4,539,553	4,107,940	3,736,493	3,422,848	3,595,484
Physical health and social services	435,080	362,684	326,929	363,392	295,945
Mental health	-	-	-	457,916	465,756
County environment and education	1,854,461	2,042,756	805,742	674,089	648,789
Roads and transportation	7,779,327	7,756,711	8,000,762	6,165,388	6,582,639
Governmental services to residents	834,575	867,788	732,572	684,112	602,480
Administration	1,951,727	1,837,278	2,942,297	3,197,826	1,255,531
Non-program	133,009	156,370	140,755	194,915	113,037
Debt service	1,261,648	1,264,248	1,399,367	1,401,058	799,962
Capital projects	1,097,038	2,005,629	2,234,281	3,135,989	1,875,925
Total	$ 19,886,418	20,401,404	20,319,198	19,697,533	16,235,548

Poweshiek County

Schedule of Revenues By Source and Expenditures By Function – All Governmental Funds

For the Last Ten Years

Class of Transaction	2020	2019	2018	2017	2016
Revenues:					
Property and other county tax	7,378,573	7,298,439	7,322,569	7,160,995	6,935,410
Tax increment financing	117,533	142,951	122,489	143,967	129,640
Local option sales tax	1,054,900	975,685	859,121	885,507	823,298
Penalty and interest on property tax	20,338	46,097	46,945	47,869	50,834
Intergovernmental	5,918,674	5,391,590	4,843,177	5,043,984	4,850,079
Licenses and permits	96,409	105,625	167,613	68,139	59,816
Charges for service	647,062	654,254	621,357	617,775	582,872
Use of money and property	284,155	390,913	234,638	266,059	116,529
Miscellaneous	167,243	267,404	433,091	321,683	141,519
Total	15,684,887	15,272,958	14,651,000	14,555,978	13,689,997
Expenditures:					
Operating:					
Public safety and legal services	3,301,671	3,175,246	3,094,293	2,986,068	2,990,207
Physical health and social services	323,175	279,656	325,026	287,841	282,499
Mental health	655,900	458,260	417,020	428,180	337,001
County environment and education	658,706	612,064	610,792	608,902	517,242
Roads and transportation	5,845,681	6,850,344	5,382,525	6,128,455	5,261,739
Governmental services to residents	701,347	653,427	655,514	614,973	652,598
Administration	1,034,011	1,180,365	1,263,348	1,258,694	1,343,275
Non-program	582,452	407,006	284,926	95,852	103,994
Debt service	744,620	748,108	745,108	841,832	843,368
Capital projects	1,052,576	466,212	775,670	445,954	551,825
Total	14,900,139	14,830,688	13,554,222	13,696,751	12,883,748

See accompanying independent auditor's report.

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834
www.auditor.iowa.gov

Rob Sand
Auditor of State

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Officials of Poweshiek County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Poweshiek County, Iowa, as of and for the year ended June 30, 2025, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 21, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Poweshiek County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Poweshiek County's internal control. Accordingly, we do not express an opinion on the effectiveness of Poweshiek County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Poweshiek County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2025-001 through 2025-003 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2025-004 and 2024-005 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Poweshiek County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters which are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance or other matters which are described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about Poweshiek County's operations for the year ended June 30, 2025 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of Poweshiek County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Poweshiek County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Poweshiek County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. Poweshiek County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Poweshiek County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Brian R. Brustkern, CPA
Deputy Auditor of State

May 21, 2026

Schedule of Findings

<u>Findings Related to the Financial Statements</u>:

INTERNAL CONTROL DEFICIENCIES:

2025-001 Segregation of Duties

Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the County's financial statements.

Condition – Generally, one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

Item	Condition	Applicable Offices
1)	Incoming mail is not opened by an employee who is not authorized to make entries to the accounting records.	Recorder, Employee Health Insurance Plan
2)	Responsibilities for collection, deposit preparation and reconciliation functions are not segregated from those for recording and accounting for cash.	Recorder, Sheriff, Employee Health Insurance Plan
3)	The person who signs checks is not independent of the person preparing checks, approving disbursements, recording cash receipts and has access to credit cards.	Employee Health Insurance Plan

Cause – The County offices noted above have a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect – Inadequate segregation of duties could adversely affect each County offices' ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, each official should review the control activities of their office to obtain the maximum internal control possible under the circumstances. Each official should utilize current personnel, including elected officials, to provide additional control through review of financial transactions, reconciliations and reports. Such reviews should be performed by independent people, and the reviews should be documented by the signature or initials of the reviewer and the date of the review.

Responses –

Employee Health Insurance Plan – The Auditor will implement a policy for the PCEHP (Poweshiek County Employee Health Plan) on internal controls with segregation of duties for receipts and disbursements.

- Collection of money receipts will be separated from the employee performing the recording function.
- Deposit preparation of money receipts will be separated from the employee performing the recording function.
- Delivery of the deposit to the banking institution will be performed by a separate employee, independent from performing recording functions
- Mail will be opened by an employee not associated with the recording of the PCEHP
- Auditor will approve all expenditures and receipts
- Check signing will be separated from the employee preparing the check.

County Recorder – With limited staff, segregation of duties is difficult. We will work with staff to obtain the maximum internal control under the current circumstances.

County Sheriff – The Sheriff's Office has reviewed our procedures involving the internal controls of incoming mail, incoming funds, preparation of bank deposits, delivery of bank deposits, reconciliation of bank records and balancing of accounts within our current software. The Sheriff or Chief Deputy collects the mail and documents the incoming funds into the Office. We also prepare a log of the checks which are received. Those funds are then given to the Civil Deputy who enters them into the accounting software and balances all the funds the Sheriff's Office controls. The Civil Deputy prepares the bank deposits and gives them back to the Sheriff or Chief Deputy and the delivery of those deposits are made. The Civil Deputy is the only staff member that accesses the accounting software and makes entries in that system. Monthly the Sheriff will receive the bank records and reconcile them with the accounting software to ensure they are correct. The Sheriff's Office does operate on a limited administrative staff, and we believe that we are operating within the guidelines provided to us by the Iowa State Auditor's Office.

Conclusion – Responses acknowledged. The Offices should also consider utilizing personnel from other offices or departments to provide additional internal control.

Poweshiek County

Schedule of Findings

Year ended June 30, 2025

2025-002 Financial Reporting

Criteria – A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the County's financial statements.

Condition – Both material and immaterial amounts of capital assets and accounts payable were not properly recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Cause – County policies do not require, and procedures have not been established, to require independent review of year-end cut-off transactions and capital asset additions to ensure the County's financial statements are accurate and reliable.

Effect – Lack of policies and procedures resulted in County employees not detecting errors in the normal course of performing their assigned functions. As a result, material adjustments to the County's financial statements were necessary.

Recommendation – The County should establish procedures to ensure all payables and capital assets are identified and properly reported in the County's financial statements.

Response – The Auditor will update the accounts payable policy to add the appropriate department head and the Auditor's Office to carefully review all transactions in July and August to ensure they are being recorded to the correct fiscal year. Further, the Auditor will review if payables need to be added to the capital asset listing.

Conclusion – Response accepted.

2025-003 Employee Group Health Insurance Bank Reconciliation

Criteria – An effective internal control system provides for internal controls related to reconciling monthly bank statements to book balances and maintaining appropriate accounting records and financial reports which provide for proper financial reporting.

Condition – The County has not been preparing a monthly bank to book reconciliation for the Employee Group Health Insurance Fund.

Cause – Policies have not been established, and procedures have not been implemented to reconcile monthly bank statements to ensure the accuracy of the book balance.

Effect – A lack of monthly bank statement reconciliations could result in misstatements of the book balance which may not be prevented or detected and corrected on a timely basis in the normal course of operations.

Recommendation – To improve financial accountability and control, a reconciliation of the book and bank balances should be prepared monthly. Any differences should be investigated and resolved in a timely matter. The reconciliations should be reviewed by an independent person and the review documented by the signature or initials of the reviewer and the date of the review.

Response – The County currently performs a bank reconciliation each month and also verifies the reconciliation against a spreadsheet kept, which puts expenses/revenues into specific categories. The County will now add another monthly reconciliation, along with these two, which will include all CD information and also have the breakdown of expenses/revenues as listed on the spreadsheet, and will also show the difference in bank balance versus book balance, as currently done in the monthly bank reconciliation. These reconciliations are performed by an employee, reviewed by the Auditor, and also reviewed by an independent employee who does not have access to the health plan. Each reviewer will indicate the date of the review on the reconciliation as well as provide their signature and/or initial.

Conclusion – Response accepted.

2025-004 Capital Assets

Criteria – An effective internal control system provides for internal controls related to ensuring proper accounting for all capital assets, including asset additions and deletions, by maintaining appropriate accounting records and ensuring the records are reviewed by an independent person.

Condition – The County does not have a procedure in place for authorization of disposal of capital assets. Three assets were identified that did not have approval prior to disposal.

Cause – County policies do not require, and procedures have not been established to require authorization of disposal of assets.

Effect – Assets may be disposed which were not properly authorized or provide the opportunity for misappropriation.

Recommendation – The County should establish procedures to ensure the disposal of all capital assets are authorized prior to disposal.

Response – The Auditor will update the capital policy to include a clause related to the disposal of capital assets. An asset deletion form will be drafted and provided to all department heads requesting completion when removing a capital asset. These forms will then be presented to the Board of Supervisors for acceptance and then provided to the auditor's office for updating the capital asset listing.

Conclusion – Response accepted.

2025-005 Timely Receipt Remittance

Criteria – An effective internal control system provides for internal controls related to ensuring the timely deposit of all incoming checks and cash.

Condition – Receipts are not always remitted to the County Treasurer within one week of receipt. Four state warrants were not redeemed until more than 20 days after the issuance date.

Cause – Policies and procedures have not been designed and implemented to ensure all incoming state warrants are remitted timely.

Effect – This condition could result in unrecorded or misstated receipts and receivables.

Recommendation – Procedures should be established to ensure all receipts are remitted to the County Treasurer timely.

Response – The County Treasurer will be speaking with all departments about the importance of getting checks to her in a timely matter.

Conclusion – Response accepted.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Other Findings Related to Required Statutory Reporting:

2025-A Certified Budget – Disbursements for the year ended June 30, 2025 exceeded the amount budgeted in the debt service function.

Recommendation – The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response – The amendment for debt service was placed under the line 'nonprogram current' by mistake. Debt service and nonprogram are both under service area '0', and this was a clerical error that was missed in review by the Auditor and employee who reviewed the amendment prior to publication. The Auditor will add to the amendment policy/procedures to have a review of all documentation and amendment in the system to catch any clerical errors in the future.

Conclusion – Response accepted.

2025-B Questionable Expenditures – In accordance with Article III, Section 31 of the Iowa Constitution and an Attorney General's opinion dated April 25, 1979, public funds may only be spent for public benefit. Certain expenditures were noted which we believe may not meet the requirements of public purpose as defined in the Attorney General's opinion since the public benefits to be derived have not been clearly documented. One credit card statement observed included a late fee of $40 and interest of $50.

Paid to	Purpose	Amount
Visa	Late fee	$ 40
Visa	Interest	50

According to the opinion, it is possible for certain expenditures to meet the test of serving a public purpose under certain circumstances, although such items will be subject to a deserved close scrutiny. The line to be drawn between a proper and improper purpose is very thin.

Recommendation – The Board of Supervisors and the County Auditor should ensure claims are paid timely to avoid late fees and interest charges.

Response – This is related to the EMA (Emergency Management Agency) credit card. The EMA ordered an AED, received an AED & paid for an AED on a credit card. The company then sent another AED, which was not ordered, and charged the credit card. The EMA requested a refund and was told it would be 5-7 days to post. When the EMA received the next month's statement, this fee was on there. EMA reached out to VISA and was advised to pay all other fees on the credit card statement, as there was a grace period after the payment due date. If by next cycle, there is a late fee or finance charges assessed, a one-time credit from VISA would be completed. This never happened, and EMA assessed the late fee/finance charges. We will need to implement a policy with credit cards to ensure departments are not going over their limit and to pay the full statement, even if the credit is being processed.

The Auditor will relay to the EMA Director the importance of maintaining the credit card and following the policy to ensure no late fees, overlimit fees, or interest charges are assessed.

Conclusion – Response accepted.

2025-C Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2025-D Business Transactions – No business transactions between the County and County officials or employees were noted.

2025-E Restricted Donor Activity – No transactions were noted between the County, County officials, County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

2025-F Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

2025-G Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

2025-H Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.

2025-I Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

2025-J Tax Increment Financing (TIF) – Payments from the Special Revenue, Tax Increment Financing (TIF) Fund properly included only payments for TIF loans and rebates. Also, Poweshiek County properly completed the Tax Increment Debt Forms 1, 2 or 3, as appropriate, to certify TIF obligations (debt), to decertify TIF debt or to request a reduced distribution of TIF.

2025-K Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1st.

2025-L Financial Condition – The Special Revenue, Urban Renewal Fund had a deficit balance of $884,271 at June 30, 2025.

Recommendation – The County should investigate alternatives to eliminate this deficit in order to return the fund to a sound financial position.

Response – The amount will be collected in the following fiscal year. In order to collect TIF, the county must create the expenditure first, and before bonding, the County's option was for the secondary road to perform the project expense and do the internal loan to pay back with TIF funds. The County continues to collect TIF funds and pay back the certified debt.

Conclusion – Response accepted.

2025-M <u>Separately Maintained Records</u> – The County Auditor maintains a separate bank account and investments for the operation of the Employee Group Health Insurance Fund. Monthly financial reports are not provided to the County Treasurer and the activity of these outside bank accounts and investments held by the County Auditor are not included in the County's computer system, the County's accounting records or the County's financial reports.

<u>Recommendation</u> – Chapter 331.552 of the Code of Iowa states, in part, the County Treasurer shall 'keep a true account of all receipts and disbursements of the county." For better accountability, financial and budgetary control, the financial activity and balances of all County accounts should be reported in the County's computer system, accounting records, and financial reports.

<u>Response</u> – Poweshiek County has been conducting its self-funded health plan for over 20 years, so this comment to change to run through the county's financial system with the Treasurer is a new process, and Poweshiek County needs to perform research. Poweshiek County is consulting with another county that is self-funded and uses the same financial software to see how they process their health insurance through the financial system and Treasurer's Office, and how the balance between Treasurer and Auditor is conducted, to comply with the Code of Iowa. We are addressing this comment and hope to have it implemented going forward.

<u>Conclusion</u> – Response accepted.

Staff

This audit was performed by:

Brian R. Brustkern, CPA, Deputy
Gwen D. Fangman, CPA, Manager
Enoch D. Duval, Senior Auditor
William J. Sallen, CPA, Senior Auditor
Matthew W. Beerman, Staff Auditor
Dillon J. Hoit, Staff Auditor
Aria G. Puetsch, Staff Auditor
Jon J. Wilson, Staff Auditor
Christopher M. Krajicek, Assistant Auditor