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CEDAR COUNTY, IOWA

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

JUNE 30, 2025

CEDAR COUNTY, IOWA

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CEDAR COUNTY, IOWA

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Bradley Gaul	Board of Supervisors	January 2026
Mike Bixler	Board of Supervisors	January 2026
Jon Bell	Board of Supervisors	January 2028
Jeff Kaufmann	Board of Supervisors	January 2028
Bruce Barnhart	Board of Supervisors	January 2028
Nicolette Welch	County Auditor	January 2028
Sandy Delaney	County Treasurer	January 2026
Melissa Bahnsen	County Recorder	January 2026
Warren Wethington	County Sheriff	January 2028
Adam Blank	County Attorney	January 2026
Cari Dauber	County Assessor	January 2028



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Kenneth E. Crosser, CPA
April D. Crosser, CPA
Michael J. Podliska, CPA
Adam L. Sturm, CPA

INDEPENDENT AUDITOR'S REPORT

To the Officials of
Cedar County, Iowa

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 Cedar 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 Cedar County, Iowa 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 Financial Statements section of our report. We are required to be independent of Cedar County, Iowa 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 Cedar County, Iowa'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 judgement 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 judgement 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 the Cedar County, Iowa'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cedar County, Iowa'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 5 through 10 and 46 through 55 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 Cedar County, Iowa'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 six years ended June 30, 2024, (which are not presented herein) and expressed unmodified opinions on those financial statements. Other auditor's previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the three years ended June 30, 2018 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), 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 6 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 January 20, 2026, on our consideration of Cedar County, Iowa'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 Cedar County, Iowa's internal control over financial reporting and compliance.

ANDERSON, LARKIN & CO., P.C.

Ottumwa, Iowa
January 20, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Cedar County, Iowa provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal 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

- County revenue increased 0.4%, or \$113,067 from fiscal year 2024 to 2025.
- County program expenses were 13.3%, or \$2,934,212 more in fiscal year 2025 than in 2024.
- The County's net position increased 0.9%, or \$556,353 during the year ended June 30, 2025.

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 Cedar County, Iowa 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 Cedar County, Iowa'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 Cedar County, Iowa 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. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

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 flows 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 that 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. A 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 that account for emergency management, 911 service board and the County Assessor, to name a few.

The required financial statements for fiduciary funds are a Statement of Fiduciary Net Position and 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. The analysis that follows focuses on the changes in net position for governmental activities.

Net Position of Governmental Activities

	June 30, 2025	June 30, 2024 (As Restated)
Current and other assets	\$ 24,259,860	\$ 24,779,057
Capital assets	59,386,627	58,764,769
Total assets	<u>83,646,487</u>	<u>83,543,826</u>
Deferred outflows of resources	<u>1,605,590</u>	<u>2,123,130</u>
Long-term liabilities	11,920,344	12,224,545
Other liabilities	1,010,097	1,657,770
Total liabilities	<u>12,930,441</u>	<u>13,882,315</u>
Deferred inflows of resources	<u>12,523,914</u>	<u>12,543,272</u>
Net position:		
Net investment in capital assets	52,079,923	50,825,646
Restricted	6,670,230	6,685,655
Unrestricted	1,047,569	1,730,068
Total net position	<u>\$ 59,797,722</u>	<u>\$ 59,241,369</u>

Net position of the County's governmental activities increased by 0.9% (\$59,797,722 compared to \$59,241,369).

The largest portion of the County's net position is the investment 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.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The decrease in restricted net position is primarily due to a decrease in unspent debt proceeds.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – decreased from \$1,730,068 at June 30, 2024 to \$1,047,569 at June 30, 2025 a decrease of 39.5%. The decrease is primarily due to an increase in investment in capital assets.

Changes in Net Position of Governmental Activities

	Year Ended June 30,	
	2024	
	<u>2025</u>	<u>(Not Restated)</u>
Revenues:		
Program receipts:		
Charges for service	\$ 2,594,384	\$ 2,251,422
Operating grants, contributions and restricted interest	5,491,338	5,589,847
Capital grants, contributions and restricted interest	3,692,445	5,373,758
General receipts:		
Property tax	11,307,304	9,761,079
Local option sales tax	1,422,964	1,209,608
Unrestricted investment earnings	334,334	330,536
Other general revenues	753,827	967,279
Total revenues	<u>25,596,596</u>	<u>25,483,529</u>
Program Expenses:		
Public safety and legal services	6,636,398	5,405,400
Physical health and social services	1,793,681	1,666,015
County environment and education	2,338,339	1,909,817
Roads and transportation	10,987,128	9,716,876
Governmental services to residents	644,198	657,131
Administration	2,538,241	2,632,800
Non-program	7,519	12,660
Interest on long-term debt	94,739	105,332
Total Expenses	<u>25,040,243</u>	<u>22,106,031</u>
Change in net position	556,353	3,377,498
Net position beginning of year, as restated	<u>59,241,369</u>	<u>56,298,400</u>
Net position end of year	<u>\$ 59,797,722</u>	<u>\$ 59,675,898</u>

The results of governmental activities for the year resulted in Cedar County, Iowa's net position increasing by \$556,353. Revenues for governmental activities increased by \$113,067 from the prior year, including increases in property tax. Expenditures increased by \$2,934,212 including increases in public safety and legal services, and roads and transportation expenses.

The cost of all governmental activities this year was \$25,040,243 compared to \$22,106,031 last year. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities was only \$13,262,076 because some of the cost was paid by those directly benefited from the programs \$2,594,384 or by other governments and organizations that subsidized certain programs with grants and contributions \$9,183,783.

INDIVIDUAL MAJOR FUND ANALYSIS

As Cedar County, Iowa completed the year, its governmental funds reported a combined fund balance of \$10,954,622, which is a increase of \$342,430 from last year's total of \$10,612,192. The following are the main reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased by 16.0% and expenditures increased by 8.3%, when compared to the prior year. The ending fund balance showed an increase from the prior year of \$330,391 (prior year decrease was \$372,601) from \$5,402,102 to \$5,732,493.
- The Secondary Roads Fund balance decreased \$228,532 (\$173,444 increase in prior year) causing a change in fund balance from \$3,503,000 to \$3,274,468. The decrease was primarily due to a decreases in revenues.
- The Rural Services Fund ending fund balance increased from the prior year by \$77,637 (\$396,857 decrease in prior year) to \$1,092,424. The increase was primarily due to an increase in revenues.
- The Capital Projects Fund ending fund balance increased \$10,000 to \$30,647. The increase was to transfers in.

BUDGETARY HIGHLIGHTS

Over the course of the year, Cedar County, Iowa amended its budget once. As a result of the amendment, budgeted disbursements increased \$72,806 (including an increase of \$51,000 for county environment and education expenditures) as a result of the budget amendment.

The County's receipts were \$6,045 more than budgeted, a variance of 0.02%. The most significant variance resulted from the County receiving less intergovernmental and more use of money and property receipts than anticipated. After the budget amendments, actual disbursements were \$4,331,986 less than the amounts budgeted. This includes \$1,020,542 and \$2,352,877 in the public safety and legal services and capital projects functions, respectively.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025 Cedar County, Iowa had \$59,386,627 invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, and roads and bridges. This is a net increase (including additions, deletions and depreciation) of \$621,858 or 1.1% more than the prior year.

Capital Assets of Governmental Activities at Year End

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Land	\$ 2,250,386	\$ 2,250,386
Construction in progress	78,846	-
Buildings	6,440,818	10,069,085
Improvements other than buildings	1,940,219	2,383,179
Machinery and equipment	7,104,416	3,475,729
Right-to-use leased equipment	6,446	18,565
Infrastructure	<u>41,565,496</u>	<u>40,567,825</u>
Total	<u>\$ 59,386,627</u>	<u>\$ 58,764,769</u>
The major additions for each year included:		
Buildings	\$ -	\$ 3,260,058
Construction in progress	78,846	-
Improvements other than buildings	-	30,000
Machinery and equipment	1,366,196	1,112,959
Infrastructure	<u>3,245,730</u>	<u>5,016,110</u>
Total	<u>\$ 4,690,772</u>	<u>\$ 9,419,127</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

The County had depreciation expense of \$3,847,393 in fiscal year 2025 and total accumulated depreciation as of June 30, 2025 of \$54,160,821.

Long-term Liabilities

At June 30, 2025 the County had \$11,920,344 in other long-term liabilities compared to \$12,224,545 at June 30, 2024, as shown below.

Outstanding Long-Term Liabilities of Governmental Activities at Year End

	<u>June 30, 2025</u>	<u>June 30, 2024</u> <u>(As Restated)</u>
General obligation bonds	\$ 7,300,000	\$ 7,920,000
Lease agreements	6,704	19,123
Drainage warrants	-	8,491
Compensated absences	1,109,918	1,025,734
Net pension liability	2,867,140	2,632,189
Total OPEB liability	636,582	619,008
Total	<u>\$ 11,920,344</u>	<u>\$ 12,224,545</u>

The Constitution of the State of Iowa limits the amount of general obligation debt that counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. The County is well below its constitution debt limit of \$76,764,216. Other obligations include compensated absences, lease agreements, drainage warrants, net pension liability and total OPEB liability. Additional information about the County's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Cedar County, Iowa's elected, and appointed officials and citizens considered many factors when setting the fiscal year 2026 budget, tax rates, and the fees charged for the various County activities. One of those factors is the economy. Unemployment in the County now stands at 3.4% versus 2.8% a year ago. This compares with the State's unemployment rate of 3.7% and the national rate of 4.4%.

Inflation in the State is lower than the national Consumer Price Index increase. The State's CPI increase was 2.7% for fiscal year 2025 compared with the national increase of 18.4%.

These indicators were taken into account when adopting the budget for fiscal year 2026. Amounts available for appropriation in the operating budget are increasing by \$1,363,208 compared to the final fiscal year 2025 budget. Property and other county tax revenues are expected to make up the majority of this increase. Budgeted disbursements are expected to increase by \$729,234 compared to the final fiscal year 2025 budget. Capital projects expenditures make up the majority of this increase. The County has added no major new programs or initiatives to the fiscal year 2026 budget.

If these estimates are realized, the County's fund balance is expected to decrease \$4,135,029 by the close of fiscal year 2026.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Cedar County, Iowa'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 Cedar County Auditor's Office, 400 Cedar Street, Tipton, Iowa 52772.

BASIC FINANCIAL STATEMENTS

CEDAR COUNTY, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2025

Governmental
Activities

ASSETS:

Cash, cash equivalents and pooled investments	\$ 10,128,897
Receivables:	
Property tax:	
Delinquent	10,724
Succeeding year	12,147,876
Accounts	303,150
Accrued interest	20,206
Due from other governments	685,064
Inventories	768,759
Prepaid expenses	195,184
Capital assets, net of accumulated depreciation	59,386,627
Total assets	<u>83,646,487</u>

DEFERRED OUTFLOWS OF RESOURCES:

Pension related deferred outflows	1,568,484
OPEB related deferred outflows	37,106
Total deferred outflows of resources	<u>1,605,590</u>

LIABILITIES:

Accounts payable	244,275
Salaries and benefits payable	230,373
Due to other governments	22,271
Incurred but not reported claims	35,000
Unearned revenues	470,715
Accrued interest payable	7,463
Long-term liabilities:	
Portion due or payable within one year:	
Lease agreements	6,704
General obligation bonds	630,000
Compensated absences	1,056,888
Portion due or payable after one year:	
General obligation bonds	6,670,000
Compensated absences	53,030
Net pension liability	2,867,140
Total OPEB liability	636,582
Total liabilities	<u>12,930,441</u>

DEFERRED INFLOWS OF RESOURCES:

Unavailable property tax revenue	12,147,876
OPEB related deferred inflows	199,619
Pension related deferred inflows	176,419
Total deferred inflows of resources	<u>12,523,914</u>

NET POSITION:

Net investment in capital assets	52,079,923
Restricted for:	
Supplemental levy	1,201,442
Secondary roads	3,274,468
Rural services	1,092,424
Capital projects	30,647
Resource enhancement and protection	47,808
Drainage improvement	50,534
Public health	26,088
Conservation	76,281
Other purposes	870,538
Unrestricted	1,047,569
Total net position	<u>\$ 59,797,722</u>

CEDAR COUNTY, IOWA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
	Expenses				
<u>FUNCTIONS/PROGRAMS:</u>					
Governmental activities:					
Public safety and legal services	\$ 6,636,398	\$ 367,426	\$ 102	\$ -	\$ (6,268,870)
Physical health and social services	1,793,681	636,905	122,372	-	(1,034,404)
County environment and education	2,338,339	764,799	93,518	161,481	(1,318,541)
Roads and transportation	10,987,128	320,732	4,962,221	3,245,730	(2,458,445)
Governmental services to residents	644,198	495,080	12	-	(149,106)
Administration	2,538,241	9,442	313,113	285,234	(1,930,452)
Non-program	7,519	-	-	-	(7,519)
Interest on long-term debt	94,739	-	-	-	(94,739)
Total	\$ <u>25,040,243</u>	\$ <u>2,594,384</u>	\$ <u>5,491,338</u>	\$ <u>3,692,445</u>	<u>(13,262,076)</u>
<u>GENERAL REVENUES:</u>					
Property and other County tax levied for:					
General purposes					10,561,454
Debt service					745,850
Local option sales tax					1,422,964
Penalty and interest on property tax					58,605
State tax credits and replacements					694,995
Unrestricted investment earnings					334,334
Miscellaneous					227
Total general revenues					<u>13,818,429</u>
Change in net position					556,353
<u>NET POSITION</u> - Beginning of year, as restated					<u>59,241,369</u>
<u>NET POSITION</u> - End of year					\$ <u>59,797,722</u>

CEDAR COUNTY, IOWA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

		Special Revenue	
	General	Secondary Roads	Rural Services
ASSETS			
Cash, cash equivalents and pooled investments	\$ 6,170,048	\$ 2,168,457	\$ 927,032
Receivables:			
Property tax:			
Delinquent	7,934	-	2,061
Succeeding year	8,544,195	-	2,803,253
Accounts	62,065	5,598	-
Accrued interest	20,099	-	-
Due from other governments	60,111	442,314	182,639
Prepaid expenses	36,636	-	-
Inventories	-	768,759	-
TOTAL ASSETS	\$ 14,901,088	\$ 3,385,128	\$ 3,914,985
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 161,719	\$ 48,626	\$ 2,804
Salaries and benefits payable	148,084	61,400	14,443
Deferred revenues	294,024	-	-
Due to other governments	12,731	634	-
Total liabilities	616,558	110,660	17,247
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenues:			
Succeeding year property tax	8,544,195	-	2,803,253
Other	7,842	-	2,061
Total deferred inflows of resources	8,552,037	-	2,805,314
FUND BALANCES:			
Nonspendable:			
Inventories	-	768,759	-
Prepaid expenses	36,636	-	-
Restricted for:			
Cemetery levy	24,863	-	-
Supplemental levy	1,201,442	-	-
Secondary roads	-	2,505,709	-
Rural services	-	-	1,092,424
Capital projects	-	-	-
Resource enhancement and protection	47,808	-	-
Public health	26,088	-	-
Conservation	76,281	-	-
Debt service	-	-	-
Drainage improvements	-	-	-
Other purposes	71,619	-	-
Assigned:			
County sheriff	96,259	-	-
Veteran's aid	7,335	-	-
Unassigned	4,144,162	-	-
Total fund balances	5,732,493	3,274,468	1,092,424
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 14,901,088	\$ 3,385,128	\$ 3,914,985

<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 30,647	\$ 819,943	\$ 10,116,127
-	729	10,724
-	800,428	12,147,876
-	235,487	303,150
-	107	20,206
-	-	685,064
-	2,191	38,827
-	-	768,759
<u>\$ 30,647</u>	<u>\$ 1,858,885</u>	<u>\$ 24,090,733</u>
\$ -	\$ 31,126	\$ 244,275
-	6,446	230,373
-	-	294,024
-	8,906	22,271
<u>-</u>	<u>46,478</u>	<u>790,943</u>
-	800,428	12,147,876
-	187,389	197,292
<u>-</u>	<u>987,817</u>	<u>12,345,168</u>
-	-	768,759
-	-	36,636
-	-	24,863
-	-	1,201,442
-	-	2,505,709
-	-	1,092,424
30,647	-	30,647
-	-	47,808
-	-	26,088
-	-	76,281
-	122,700	122,700
-	50,534	50,534
-	651,356	722,975
-	-	96,259
-	-	7,335
-	-	4,144,162
<u>30,647</u>	<u>824,590</u>	<u>10,954,622</u>
<u>\$ 30,647</u>	<u>\$ 1,858,885</u>	<u>\$ 24,090,733</u>

CEDAR COUNTY, IOWA

RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

TOTAL GOVERNMENTAL FUND BALANCES	\$	10,954,622
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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 \$113,547,448 and the accumulated depreciation is \$54,160,821.

59,386,627

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.

197,292

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 assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net position.

(42,564)

Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:

Deferred outflows of resources	\$	1,605,590	
Deferred inflows of resources		<u>(376,038)</u>	1,229,552

Long-term liabilities, including accrued interest, compensated absences, lease agreements, net pension liability and total OPEB liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds.

(11,927,807)

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>59,797,722</u>
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CEDAR COUNTY, IOWA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	<u>General</u>	<u>Secondary Roads</u>	<u>Rural Services</u>
<u>REVENUES:</u>			
Property and other county tax	\$ 7,967,648	\$ -	\$ 2,603,801
Interest and penalty on property tax	57,708	-	-
Local option sales tax	-	276,905	1,146,059
Intergovernmental	2,109,829	5,099,956	142,226
Licenses and permits	25,819	46,680	12,515
Charges for service	733,943	45	61,531
Use of money and property	404,993	-	-
Miscellaneous	161,840	136,272	11,517
Total revenues	<u>11,461,780</u>	<u>5,559,858</u>	<u>3,977,649</u>
<u>EXPENDITURES:</u>			
Operating:			
Public safety and legal services	5,277,578	-	622,767
Physical health and social services	1,653,764	-	-
County environment and education	1,077,172	-	410,179
Roads and transportation	-	8,264,393	-
Governmental services to residents	631,167	-	-
Administration	2,484,440	-	-
Non-program	7,519	-	-
Debt service	-	-	-
Capital projects	-	402,276	-
Total expenditures	<u>11,131,640</u>	<u>8,666,669</u>	<u>1,032,946</u>
Excess (deficiency) of revenues over (under) expenditures	<u>330,140</u>	<u>(3,106,811)</u>	<u>2,944,703</u>
Other financial sources (uses):			
Sale of capital assets	251	71,213	-
Transfers in	-	2,807,066	-
Transfers out	-	-	(2,867,066)
Total other financing sources (uses)	<u>251</u>	<u>2,878,279</u>	<u>(2,867,066)</u>
Change in fund balances	330,391	(228,532)	77,637
<u>FUND BALANCES</u> - Beginning of year	<u>5,402,102</u>	<u>3,503,000</u>	<u>1,014,787</u>
<u>FUND BALANCES</u> - End of year	\$ <u>5,732,493</u>	\$ <u>3,274,468</u>	\$ <u>1,092,424</u>

See Notes to Financial Statements

EXHIBIT E

<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ -	\$ 746,386	\$ 11,317,835
-	-	57,708
-	-	1,422,964
-	91,732	7,443,743
-	-	85,014
-	709,271	1,504,790
-	1,344	406,337
-	64,612	374,241
-	<u>1,613,345</u>	<u>22,612,632</u>
-	-	5,900,345
-	20,856	1,674,620
-	759,126	2,246,477
-	-	8,264,393
-	-	631,167
-	12,448	2,496,888
-	-	7,519
-	717,981	717,981
-	-	402,276
-	<u>1,510,411</u>	<u>22,341,666</u>
-	<u>102,934</u>	<u>270,966</u>
-	-	71,464
10,000	50,000	2,867,066
-	-	(2,867,066)
<u>10,000</u>	<u>50,000</u>	<u>71,464</u>
10,000	152,934	342,430
<u>20,647</u>	<u>671,656</u>	<u>10,612,192</u>
\$ <u>30,647</u>	\$ <u>824,590</u>	\$ <u>10,954,622</u>

CEDAR COUNTY, IOWA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 342,430

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 expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation expense in the current year as follows:

Expenditures for capital assets	\$ 1,445,042	
Capital assets contributed by the Iowa Department of Transportation	3,245,730	
Depreciation expense	<u>(3,847,393)</u>	843,379

In the statement of activities, the loss on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. (221,521)

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	(9,634)	
Other	<u>(102,075)</u>	(111,709)

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 are as follows:

Repaid		640,910
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The current year County IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflows of resources in the Statement of Net Position. 809,184

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	(84,184)	
Interest on long-term debt	3,242	
Pension expense	(1,545,342)	
OPEB expense	<u>13,825</u>	(1,612,459)

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 change in net position of the Internal Service Fund is reported with governmental activities. (133,861)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 556,353

CEDAR COUNTY, IOWA

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

Internal Service -
 Cedar County
Employee Health

ASSETS:

Current assets:

Cash, cash equivalents and pooled investments

\$ 12,770

Prepaid expenses

156,357

TOTAL ASSETS 169,127

LIABILITIES:

Current liabilities:

Incurred but not reported claims

35,000

Unearned revenue

176,691

TOTAL LIABILITIES 211,691

NET POSITION:

Restricted for employee health

\$ (42,564)

CEDAR COUNTY, IOWA

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

Internal Service -
 Cedar County
Employee Health

OPERATING REVENUES:

Reimbursements from operating funds	\$	2,130,761
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OPERATING EXPENSES:

Medical claims, premiums and fees		2,264,622
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Net income		(133,861)
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<u>NET POSITION</u> - Beginning of year		91,297
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<u>NET POSITION</u> - End of year	\$	(42,564)
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CEDAR COUNTY, IOWA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 YEAR ENDED JUNE 30, 2025

Internal Service -
 Cedar County
Employee Health

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from operating fund reimbursements	\$ 2,139,758
Cash paid to suppliers for services	<u>(2,263,014)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(123,256)</u>

NET DECREASE IN CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS (123,256)

CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS - Beginning of year 136,026

CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS - End of year \$ 12,770

RECONCILIATION OF OPERATING LOSS TO NETCASH USED IN OPERATING ACTIVITIES:

Operating loss	\$ (133,861)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Decrease in prepaid expenses	608
Increase in incurred by not reported claims	1,000
Increase in unearned revenue	<u>8,997</u>

NET CASH USED IN OPERATING ACTIVITIES \$ (123,256)

CEDAR COUNTY, IOWA

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2025

ASSETS:

Cash, cash equivalents and pooled investments:

County Treasurer	\$ 3,215,471
Other County officials	89,935

Receivables:

Property tax receivable:

Delinquent	33,857
Succeeding year	33,856,799

Due from other governments	47,143
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Accrued interest	139
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Prepaid expenses	5,856
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Total assets	<u>37,249,200</u>
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LIABILITIES:

Accounts payable	39,416
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Due to other governments	1,955,803
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Salaries and benefits payable	6,668
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Compensated absences	50,716
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Trusts payable	59,222
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Total liabilities	<u>2,111,825</u>
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DEFERRED INFLOWS OF RESOURCES:

Unavailable property tax revenue	<u>33,856,799</u>
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NET POSITION:

Restricted for individuals, organizations and other governments	\$ <u>1,280,576</u>
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CEDAR COUNTY, IOWA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2025

ADDITIONS:

Property and other county tax	\$ 31,958,885
911 surcharge	212,888
State tax credits	1,978,274
State grants	461,873
Assessments	30,846
Office fees and collections	8,957,796
Trusts	184,444
Interest on investments	15,476
Miscellaneous	83,482
Total additions	<u>43,883,964</u>

DEDUCTIONS:

Agency remittances:	
To other funds	196,696
To other governments	43,440,653
Trusts paid out	184,447
Total deductions	<u>43,821,796</u>
Change in net position	62,168
Net position beginning of year	<u>1,218,408</u>
Net position end of year	\$ <u>1,280,576</u>

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cedar County, Iowa 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 U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Cedar County, Iowa 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 the 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.

These financial statements present Cedar County, Iowa (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Units – The following component units are entities which are legally separate from the County, but are so intertwined with the County they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

One drainage district has been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although this district is legally separate from the County, it is controlled, managed, and supervised by the Cedar County Board of Supervisors. The drainage district is reported as a Special Revenue Fund. Financial information of the drainage district can be obtained from the Cedar County Auditor's office.

The Cedar County Solid Waste Commission has been established pursuant to Chapter 28E of the Code of Iowa for the disposal of solid waste and the acquisition, operation, and use of public disposal areas. Although the Commission is legally separate from the County, the Commission provides services almost entirely to the County and it would be considered misleading to exclude the Commission due to its relationship with the County. The Solid Waste Commission's closure surety, as required by Chapter 106.18 of the Iowa Administrative Code, is included in the Solid Waste Disposal Fund, and is required to provide additional surety against any possible additional closure costs. Financial information of the Solid Waste Commission can be obtained from the Cedar County Auditor's Office.

Jointly Governed Organizations – The County participates in several jointly governed organizations that 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: County Assessor's Conference Board, County Emergency Management Commission, and 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.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and its component units. 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 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. Enabling legislation did not result in any restricted net position.

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, proprietary funds 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 that are not paid from other funds.

Special Revenue

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.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Special Revenue (Continued)

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 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 from general long-term debt and acquisitions under lease agreements are reported as other financing sources.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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-reimbursements 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 nonoperating 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 are charges to customers for sales and services. Operating expenses for Internal Service Funds 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.

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 receivable represents 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 receivable has 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 it is levied.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property Tax Receivable (Continued)

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1 ½% 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.

Interest and Penalty on Property Tax Receivable – Interest and penalty on property tax receivable represents the amount of interest and penalty 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. These amounts are included in accounts receivable.

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.

Prepaid Expenses – The County has paid for services that will not be a benefit until future periods. These amounts are reflected as a prepaid expenses asset in the financial statements.

Capital Assets – Capital assets are tangible and intangible assets, which include property, furniture and equipment and infrastructure 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 that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that 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 an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of one year.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets (Continued)

<u>Asset Class</u>	<u>Amount</u>
Infrastructure	\$ 50,000
Intangibles	150,000
Land, buildings and improvements	5,000
Right-to-use leased assets	5,000
Machinery and Equipment	2,500

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:

<u>Asset Class</u>	<u>Estimated Useful Life (In Years)</u>
Infrastructure	10-65
Intangibles	15
Buildings and improvements	10-50
Right-to-use leased assets	Life of Lease
Machinery and Equipment	3-20

Leases – Cedar County, Iowa is the lessee for a noncancellable lease 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 payment expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payment 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 Cedar County, Iowa determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

Cedar County, Iowa 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.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Leases (Continued)

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.

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to future year(s) which 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 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 that 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 and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. 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.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 (asset) attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services, Secondary Roads Funds and Solid Waste Disposal 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 the Cedar County, Iowa's actuarial 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, Secondary Roads and Solid Waste Disposal 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 receivables that 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 receivables which will not be recognized until the year for which they are levied, unrecognized items not yet charged to pension and OPEB expense and the unamortized portion of the net difference between projected and actual earnings on pension plan and OPEB investments and deferred amounts related to leases.

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.

Assigned – Amounts the Board of Supervisors intend to use for specific purposes.

Unassigned – All amounts not included in the preceding classifications.

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

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

F. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

NOTE 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 \$29,821. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated.

Interest rate risk – The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the County.

NOTE 3: INTERFUND TRANSFERS

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

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Secondary Roads	Rural Services	\$ 2,807,066
Solid Waste	Rural Services	50,000
Capital Projects	Rural Services	<u>10,000</u>
Total		\$ <u>2,867,066</u>

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

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4: CAPITAL ASSETS

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

	Balance Beginning of Year	Increases/ Transfers	Decreases/ Transfers	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,250,386	\$ -	\$ -	\$ 2,250,386
Construction in progress	-	78,846	-	78,846
Total capital assets not being depreciated	<u>2,250,386</u>	<u>78,846</u>	<u>-</u>	<u>2,329,232</u>
Capital assets being depreciated:				
Intangibles	218,600	-	-	218,600
Buildings	9,667,686	-	154,375	9,513,311
Improvements other than buildings	2,078,663	-	37,358	2,041,305
Machinery and equipment	16,011,487	1,366,196	520,776	16,856,907
Right-to-use leased equipment	54,925	-	14,111	40,814
Infrastructure	79,301,549	3,245,730	-	82,547,279
Total capital assets being depreciated	<u>107,332,910</u>	<u>4,611,926</u>	<u>726,620</u>	<u>111,218,216</u>
Less accumulated depreciation for:				
Intangibles	218,600	-	-	218,600
Buildings	2,898,601	207,446	33,554	3,072,493
Improvements other than buildings	100,484	14,116	13,514	101,086
Machinery and equipment	8,830,758	1,365,653	443,920	9,752,491
Right-to-use leased equipment	36,360	12,119	14,111	34,368
Infrastructure	38,733,724	2,248,059	-	40,981,783
Total accumulated depreciation	<u>50,818,527</u>	<u>3,847,393</u>	<u>505,099</u>	<u>54,160,821</u>
Total capital assets being depreciated, net	<u>56,514,383</u>	<u>764,533</u>	<u>221,521</u>	<u>57,057,395</u>
Governmental activities capital assets, net	<u>\$ 58,764,769</u>	<u>\$ 843,379</u>	<u>\$ 221,521</u>	<u>\$ 59,386,627</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 585,116
Physical health and social services	7,640
County environment and education	213,836
Roads and transportation	2,972,043
Governmental services to residents	3,527
Administration	<u>65,231</u>
Total depreciation expense – governmental activities	<u>\$ 3,847,393</u>

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 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:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 12,731
Special Revenue:		
Secondary roads	Services	634
Solid waste disposal		8,906
Total for governmental funds		<u>22,271</u>
Custodial:		
Schools	Collections	175,829
Corporations		54,922
Area schools		16,813
Auto license and use tax		691,114
Townships		5,582
Agricultural extension education		2,411
911		745,137
All other		263,995
Total for custodial funds		<u>\$ 1,955,803</u>

NOTE 6: LONG-TERM LIABILITIES

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

	<u>Lease</u>	<u>General</u>	<u>Drainage</u>	<u>Compensated</u>	<u>Total OPEB</u>	<u>Net Pension</u>	
	<u>Agreements</u>	<u>Obligation</u>	<u>Warrants</u>	<u>Absences</u>	<u>Liability</u>	<u>Liability</u>	<u>Total</u>
Balance beginning of year, as restated	\$ 19,123	\$ 7,920,000	\$ 8,491	\$ 1,025,734	\$ 619,008	\$ 2,632,189	\$ 12,224,545
Increases	-	-	-	619,434	17,574	234,951	871,959
Decreases	<u>12,419</u>	<u>620,000</u>	<u>8,491</u>	<u>535,250</u>	-	-	<u>1,176,160</u>
Balance end of year	<u>6,704</u>	<u>7,300,000</u>	<u>-</u>	<u>1,109,918</u>	<u>636,582</u>	<u>2,867,140</u>	<u>11,920,344</u>
Due within one year	\$ <u>6,704</u>	\$ <u>630,000</u>	\$ <u>-</u>	\$ <u>1,056,888</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,693,592</u>

Lease Agreements

On April 5, 2021, the County entered into a lease agreement for a copy machine. An initial lease liability was recorded in the amount of \$40,814. The agreement requires monthly payments of \$751 over 60 months with an initial payment made on April 5, 2021 for \$751, with an implicit interest rate of 2.00% and final payment due March 5, 2026.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6: LONG-TERM LIABILITIES (Continued)

Lease Agreements (Continued)

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

<u>Year ending</u>			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ <u>6,704</u>	\$ <u>56</u>	\$ <u>6,760</u>

Bonds Payable

On May 4, 2021, the County issued \$9,740,000 of general obligation bonds, with interest rates ranging from 1.00-1.65% per annum. A summary of the County's June 30, 2025 general obligation bonded indebtedness is as follows:

<u>Year</u> <u>Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	1.00 %	\$ 630,000	90,805	720,805
2027	1.00	635,000	84,505	719,505
2028	1.00	645,000	78,155	723,155
2029	1.00	650,000	71,705	721,705
2030	1.10	655,000	65,205	720,205
2031-2035	1.20-1.55	3,385,000	204,093	3,589,093
2036	1.65	<u>700,000</u>	<u>11,550</u>	<u>711,550</u>
Total		\$ <u>7,300,000</u>	\$ <u>606,018</u>	\$ <u>7,906,018</u>

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 7: 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 Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. 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, anytime 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, Deputies and Protection Occupation members may retire at normal retirement age, which is generally age 55. Sheriffs, Deputies and Protection Occupation members may retire anytime 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 years of service greater than 22 but not more than 30 years of special 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 that 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.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 7: PENSION PLAN (Continued)

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 Sheriff, 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 \$809,184.

Net Pension Liability, Pension Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2025 the County reported a net liability of \$2,867,140 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 .078735%, which was a decrease of .020419% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025 the County recognized pension expense of \$1,545,342. At June 30, 2025 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7: PENSION PLAN (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 557,358	\$ 1,553
Changes of assumptions	-	75,116
Net difference between projected and actual earnings on IPERS' investments	70,780	-
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	131,162	99,750
County contributions subsequent to the measurement date	<u>809,184</u>	<u>-</u>
Total	\$ <u>1,568,484</u>	\$ <u>176,419</u>

\$809,184 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 ended 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	
<u>June 30,</u>	Total
2026	(385,814)
2027	976,653
2028	85,349
2029	(96,106)
2030	<u>2,799</u>
Total	\$ <u>582,881</u>

There were no non-employer contributing entities at 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:

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

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 7: PENSION PLAN (Continued)

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 weighting 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:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100.0 %</u>	

Discount Rate – The discount rate used to measure the total pension liability (asset) was 7.00%. The projection of cash flows used to determine the discount rate assumed that 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 (asset).

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-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
County's proportionate share the net pension liability (asset):	\$ <u>8,377,206</u>	\$ <u>2,867,140</u>	\$ <u>(1,739,219)</u>

IPERS' Fiduciary Net Position – Detailed information about the 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 are remitted by the County to IPERS by June 30, 2025.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8: RISK MANAGEMENT

Cedar County, Iowa has entered into an agreement, as allowed by Chapter 331.301 of the Code of Iowa, to become a member in Heartland Insurance Risk Pool (Pool), a local government risk pool, to protect the County against tort liability, injuries to employees and other risks associated with County operations. The Pool has ten member Counties throughout the State of Iowa. The Pool was created for the purpose of providing and maintaining self-insurance benefits on a group basis substantially at cost.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual 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.

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 paid \$656,251 into the Pool for the fiscal year ended June 30, 2025.

Initial risk of loss is retained by the Pool. The Pool is reinsured through commercial companies for 100% of claims in excess of \$400,000 per occurrence for general, automobile, law enforcement, legal liability, and public official's liability, \$750,000 per occurrence for workers' compensation, and property losses in excess of \$100,000 per occurrence. The Risk Pool fund includes reserves established to account for the liability for claims reported but not yet paid. A liability is also factored in for claims incurred but not reported (referred to as IBNR claims). As of June 30, 2025, the Risk Pool maintained a surplus over the reserves and IBNR claims.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the County's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member.

The County does not report a liability for losses in excess of reinsurance 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.

The County has renewed its membership in the risk Pool on an annual basis since July 1, 1989.

The County also carries commercial insurance purchased from other insurers for coverage associated with employee blanket bond in the amount of \$80,000. 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.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 9: EMPLOYEE HEALTH INSURANCE PLAN

The Internal Service, Cedar County Employee Health Fund was established to account for 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 Benefits, Inc. The agreement is subject to automatic renewal provisions. The County assumes liability for the difference between the employee deductible (\$500 for single and \$1,000 for family) and the deductible on the policy purchased by the County (\$3,500 for single and \$7,000 for family) for the health plan. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Cedar County Employee Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and weekly payments of claims processed are paid to Benefits, Inc. from the Cedar County Employee Health Fund. The total contribution to the fund for the year ended June 30, 2025 was \$2,130,761.

Amounts payable from the Cedar County Employee Health Fund at June 30, 2025 total \$35,000 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 \$(42,564) at June 30, 2025 and is reported as a designation of the Internal Service, Cedar County 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:

Unpaid claims beginning of year	\$ 34,000
Incurred claims, premiums and fees (including claims incurred but not reported at June 30, 2025)	2,264,622
Payments on claims during the year	<u>2,263,622</u>
Unpaid claims end of year	\$ <u>35,000</u>

NOTE 10: 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 Cedar County, Iowa 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:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	<u>133</u>
Total	<u>135</u>

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Total OPEB Liability – The County's total OPEB liability of \$636,582 was measured as of June 30, 2025 and was determined by an actuarial valuation as of that date.

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 level percentage of pay actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2025)	3.00% per annum.
Rates of salary increase (effective June 30, 2025)	3.50% per annum, including inflation.
Discount rate (effective June 30, 2025)	3.65% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2025)	5.00% initial rate decreasing by 0.50% annually, to an ultimate rate of 4.50%

Discount Rate – The discount rate used to measure the total OPEB liability was 3.65% 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 RP-2014 annuitant distinct mortality table adjusted to 2006 with MP-2021 generational projection of future mortality improvement. 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 <u>Liability</u>
Total OPEB liability beginning of year	\$ 619,008
Changes for the year:	
Service cost	52,418
Interest	23,443
Differences between expected and actual experiences	-
Changes in assumptions	-
Benefit payments	(58,287)
Net changes	17,574
Total OPEB liability end of year	\$ 636,582

Changes of assumptions reflect no change in the discount rate of 3.65% from fiscal year 2024 compared to fiscal year 2025.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – 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 (2.65%) or 1% higher (4.65%) than the current discount rate.

	1% Decrease (2.65)	Discount Rate (3.65)	1% Increase (4.65)
Total OPEB liability	\$ <u>683,921</u>	\$ <u>636,582</u>	\$ <u>594,034</u>

Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – 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 healthcare cost trend rates that are 1% lower (4.00%) or 1% higher (6.00%) than the current healthcare cost trend rates.

	1% Decrease (4.00)	Healthcare Cost Trend Rate (5.00)	1% Increase (6.00)
Total OPEB liability	\$ <u>582,261</u>	\$ <u>636,582</u>	\$ <u>698,455</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2025 the County recognized OPEB expense of \$44,462. At June 30, 2025 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,085	\$ 44,005
Changes in assumptions	<u>27,021</u>	<u>155,614</u>
Total	\$ <u>37,106</u>	\$ <u>199,619</u>

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	\$ (23,329)
2027	(27,929)
2028	(30,994)
2029	(31,685)
2030	(32,384)
Thereafter	<u>(16,192)</u>
	\$ <u>(162,513)</u>

CEDAR COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11: TAX ABATEMENTS

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues which 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.

County Tax Abatements

The County provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the County enters into agreements with developers which require the County, 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. No other commitments were made by the County as part of these agreements.

For the year ended June 30, 2025, \$55,856 of property tax was diverted from the County under the urban renewal development agreements.

Tax Abatements of Other Entities

Other entities within the County also provided tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa.

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2025 under agreements entered into by the following entities:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Tipton	Urban renewal and economic development projects	\$ 56,440
City of Clarence	Urban renewal and economic development projects	\$ 11,149
City of Durant	Urban renewal and economic development projects	\$ 25,126
City of West Branch	Urban renewal and economic development projects	\$ 209,589

NOTE 12: RECLASSIFICATIONS

Certain amounts for the year ended June 30, 2024 have been reclassified to conform with June 30, 2025 presentation. Buildings and improvements other than buildings were reclassified to machinery and equipment.

NOTE 13: CONSTRUCTION COMMITMENTS

Prior to June 30, 2025, the County had signed a construction contract that is summarized below:

Total commitments	\$ 677,380
Less amounts paid or accrued	<u>78,846</u>
Remaining commitments	\$ <u>598,534</u>

The remaining balance at June 30, 2025 will be paid as work on the project progresses.

NOTE 14: DEFICIT BALANCE

The County had a deficit fund balance of \$42,564 in the Cedar County Employee Health fund at June 30, 2025,

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 15: EARLY CHILDHOOD IOWA AREA BOARD

The County is the fiscal agent for the Cedar/Jones Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. The area Board receives state grants to administer early childhood and school ready programs. Financial transactions of the Area Board are included in the County's financial statements as part of Custodial Funds because of the County's fiduciary relationship with the organization. The Area Board's financial data for the year ended June 30, 2025 is as follows:

	Early Childhood	School Ready	Total
Revenues:			
State grants:			
Early childhood	\$ 55,837	\$ -	\$ 55,837
Quality improvement	-	46,715	46,715
Allocation for administration	2,937	13,999	16,936
School ready general use	-	219,377	219,377
Total state grants	58,774	280,091	338,865
Interest on investments	19	147	166
Total revenues	58,793	280,238	339,031
Expenditures:			
Program services:			
Early childhood	65,960	-	65,960
Quality improvement	-	47,072	47,072
School ready general use	-	232,515	232,515
Total program services	65,960	279,587	345,547
Administration	2,937	14,136	17,073
Total expenditures	68,897	293,723	362,620
Change in fund balance	(10,104)	(13,485)	(23,589)
Net position beginning of year	10,104	34,054	44,158
Net position end of year	\$ -	\$ 20,569	\$ 20,569

Findings related to the operations of the Early Childhood Iowa Area Board are included as item IV-J-25 in the Schedule of Findings and Questioned Costs.

NOTE 16: PRIOR PERIOD ADJUSTMENT

GASB 101 was adopted for the year ended June 30, 2025 and beginning compensated absences and net position were adjusted as follows:

	Government-Wide Compensated Absences	Government-Wide Net Assets
Balances June 30, 2024, as previously reported	\$ 591,205	\$ 59,675,898
Change to compensated absences	434,529	(434,529)
Balances July 1, 2024, as restated	\$ 1,025,734	\$ 59,241,369

NOTE 17: SUBSEQUENT EVENTS

The County evaluated subsequent events through January 20, 2026, the date statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CEDAR COUNTY, IOWA

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

	<u>Actual</u>	<u>Less Funds Not Required To Be Budgeted</u>	<u>Net</u>
<u>RECEIPTS:</u>			
Property and other County tax	\$ 12,601,429	\$ -	\$ 12,601,429
Interest and penalty on property tax	57,662	-	57,662
Intergovernmental	6,817,417	-	6,817,417
Licenses and permits	83,178	-	83,178
Charges for service	1,461,385	-	1,461,385
Use of money and property	414,095	-	414,095
Miscellaneous	391,051	13,162	377,889
Total receipts	<u>21,826,217</u>	<u>13,162</u>	<u>21,813,055</u>
<u>DISBURSEMENTS:</u>			
Public safety and legal services	5,786,149	-	5,786,149
Physical health and social services	1,669,731	-	1,669,731
County environment and education	2,232,533	10,508	2,222,025
Roads and transportation	8,343,398	-	8,343,398
Governmental services to residents	638,090	-	638,090
Administration	2,482,012	-	2,482,012
Non-program	7,518	-	7,518
Debt service	720,980	-	720,980
Capital projects	402,124	-	402,124
Total disbursements	<u>22,282,535</u>	<u>10,508</u>	<u>22,272,027</u>
Excess (deficiency) of receipts over (under) disbursements	(456,318)	2,654	(458,972)
Other financing sources (uses), net	<u>71,464</u>	<u>-</u>	<u>71,464</u>
Change in balances	(384,854)	2,654	(387,508)
<u>BALANCE</u> - Beginning of year	<u>10,450,446</u>	<u>47,880</u>	<u>10,402,566</u>
<u>BALANCE</u> - End of year	\$ <u>10,065,592</u>	\$ <u>50,534</u>	\$ <u>10,015,058</u>

Budgeted Amounts		Final to
Original	Final	Net
		Variance
\$ 12,612,027	\$ 12,612,027	\$ (10,598)
22,300	22,300	35,362
7,316,249	7,331,249	(513,832)
76,039	76,039	7,139
1,369,494	1,369,494	91,891
151,556	151,556	262,539
244,345	244,345	133,544
<u>21,792,010</u>	<u>21,807,010</u>	<u>6,045</u>
6,806,691	6,806,691	1,020,542
1,913,043	1,931,374	261,643
2,484,306	2,535,306	313,281
8,419,000	8,419,000	75,602
665,838	665,838	27,748
2,761,424	2,761,424	279,412
8,400	8,400	882
717,505	720,980	-
<u>2,755,000</u>	<u>2,755,000</u>	<u>2,352,876</u>
<u>26,531,207</u>	<u>26,604,013</u>	<u>4,331,986</u>
(4,739,197)	(4,797,003)	4,338,031
<u>117,000</u>	<u>117,000</u>	<u>(45,536)</u>
(4,622,197)	(4,680,003)	4,292,495
<u>9,008,879</u>	<u>9,008,879</u>	<u>1,393,687</u>
\$ <u>4,386,682</u>	\$ <u>4,328,876</u>	\$ <u>5,686,182</u>

CEDAR COUNTY, IOWA

BUDGETARY COMPARISON SCHEDULE - BUDGET TO GAAP RECONCILIATION
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

	<u>Governmental Funds</u>		
	<u>Cash Basis</u>	<u>Accrual Adjustments</u>	<u>Modified Accrual Basis</u>
Revenues	\$ 21,826,217	\$ 786,415	\$ 22,612,632
Expenditures	<u>22,282,535</u>	<u>59,131</u>	<u>22,341,666</u>
Net	(456,318)	727,284	270,966
Other financing sources (uses), net	71,464	-	71,464
Beginning fund balances	<u>10,450,446</u>	<u>161,746</u>	<u>10,612,192</u>
Ending fund balances	\$ <u>10,065,592</u>	\$ <u>889,030</u>	\$ <u>10,954,622</u>

CEDAR COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING

YEAR ENDED JUNE 30, 2025

The 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 for blended component units, the Internal Service Fund 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, one budget amendment increased budgeted disbursements by \$72,806. The budget amendment is 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.

CEDAR COUNTY, IOWA

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
County's proportion of the net pension liability (asset)	0.0787350 %	0.0583160 %	0.0465130 %
County's proportionate share of the net pension liability (asset)	\$ 2,687	\$ 2,632	\$ 1,757
County's covered payroll	\$ 8,671	\$ 8,150	\$ 7,270
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	30.99 %	32.29 %	24.17 %
IPERS' net position as a percentage of the total pension liability (asset)	92.30 %	90.13 %	91.40 %

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

**Overall plan net pension asset.

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
0.0523928 %	0.0619117 %	0.058952 %	0.0611419 %	0.065268 %	0.066267 %	0.062925 %
\$ (1,809) **	4,349 \$	3,414 \$	3,869 \$	4,348 \$	4,170 \$	3,109
\$ 7,026	6,521 \$	6,373 \$	6,219 \$	5,966 \$	5,944 \$	5,769
(25.75) %	66.69 %	53.57 %	62.21 %	72.88 %	70.15 %	53.89 %
100.81 %	82.90 %	85.45 %	83.62 %	82.21 %	81.82 %	85.19 %

CEDAR COUNTY, IOWA

SCHEDULE OF COUNTY CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST TEN YEARS
(IN THOUSANDS)

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Statutorily required contribution	\$ 809	\$ 803	\$ 759
Contributions in relation to the statutorily required contribution	<u>(809)</u>	<u>(803)</u>	<u>(759)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
County's covered payroll	\$ 8,737	\$ 8,671	\$ 8,150
Contributions as a percentage of covered payroll	9.26 %	9.26 %	9.31 %

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 681	\$ 663	\$ 620	\$ 611	\$ 566	\$ 544	\$ 545
<u>(681)</u>	<u>(663)</u>	<u>(620)</u>	<u>(611)</u>	<u>(566)</u>	<u>(544)</u>	<u>(545)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 7,270	\$ 7,026	\$ 6,521	\$ 6,373	\$ 6,219	\$ 5,966	\$ 5,944
9.37 %	9.44 %	9.51 %	9.59 %	9.10 %	9.12 %	9.17 %

CEDAR COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY (ASSET)

YEAR ENDED JUNE 30, 2025

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 of 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%.

CEDAR COUNTY IOWA

SCHEDULE OF CHANGES IN THE COUNTY'S
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES

FOR THE LAST EIGHT YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 52,418	\$ 50,646	\$ 61,296	\$ 59,223	\$ 40,495	\$ 39,125	\$ 38,938	\$ 37,804
Interest cost	23,443	22,558	18,010	17,298	26,404	25,701	23,477	22,795
Difference between expected and actual experiences	-	(30,678)	-	(46,087)	-	53,315	-	(142,704)
Changes in assumptions	-	(212,202)	-	56,516	-	3,405	-	(6,605)
Benefit payments	(58,287)	(43,150)	(55,546)	(35,045)	(49,269)	(42,951)	(38,643)	(46,736)
Net change in total OPEB liability	17,574	(212,826)	23,760	51,905	17,630	78,595	23,772	(135,446)
Total OPEB liability beginning of year	619,008	831,834	808,074	756,169	738,539	659,944	636,172	771,618
Total OPEB liability end of year	\$ 636,582	\$ 619,008	\$ 831,834	\$ 808,074	\$ 756,169	\$ 738,539	\$ 659,944	\$ 636,172
Covered-employee payroll	\$ 8,488,225	\$ 8,201,184	\$ 6,656,365	\$ 5,922,287	\$ 6,129,567	\$ 5,922,287	\$ 6,056,200	\$ 5,879,806
Total OPEB liability as a percentage of covered-employee payroll	7.50 %	7.55 %	12.50 %	13.64 %	12.34 %	12.47 %	10.90 %	10.82 %

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

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	3.65 %
Year ended June 30, 2024	3.65
Year ended June 30, 2023	2.14
Year ended June 30, 2022	2.14
Year ended June 30, 2021	3.50
Year ended June 30, 2020	3.50
Year ended June 30, 2019	3.58
Year ended June 30, 2018	3.58
Year ended June 30, 2017	4.00

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

SUPPLEMENTARY INFORMATION

CEDAR COUNTY, IOWA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Funds		
	County Recorder's Records Management	Solid Waste Disposal	Drug Forfeiture
<u>ASSETS</u>			
Cash, cash equivalents and pooled investments	\$ 19,981	\$ 461,646	\$ 24,388
Receivables:			
Property tax:			
Delinquent	-	-	-
Succeeding year	-	-	-
Accounts	313	48,509	1
Accrued interest	1	89	-
Prepaid expenses	-	2,191	-
TOTAL ASSETS	\$ 20,295	\$ 512,435	\$ 24,389
<u>LIABILITIES, DEFERRED INFLOWS</u> <u>OF RESOURCES AND FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Accounts payable	\$ -	\$ 31,117	\$ -
Due to other governments	-	8,906	-
Salaries and benefits payable	-	6,446	-
TOTAL LIABILITIES	-	46,469	-
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable revenues:			
Succeeding year property tax	-	-	-
Other	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-
<u>FUND BALANCES:</u>			
Restricted for:			
Records management	20,295	-	-
Solid waste disposal	-	450,966	-
Transfer station closure surety	-	15,000	-
Public safety	-	-	24,389
Debt service	-	-	-
Opiod abatement	-	-	-
Drainage improvements	-	-	-
TOTAL FUND BALANCES	20,295	465,966	24,389
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 20,295	\$ 512,435	\$ 24,389

SCHEDULE 1

<u>Drainage Districts</u>	<u>Local Government Opiod Abatement Fund</u>	<u>Debt Service</u>	<u>Total</u>
\$ 50,534	\$ 140,698	\$ 122,696	\$ 819,943
-	-	729	729
-	-	800,428	800,428
-	186,664	-	235,487
-	17	-	107
-	-	-	2,191
\$ <u>50,534</u>	\$ <u>327,379</u>	\$ <u>923,853</u>	\$ <u>1,858,885</u>
\$ -	\$ 9	\$ -	\$ 31,126
-	-	-	8,906
-	-	-	6,446
-	9	-	46,478
-	-	800,428	800,428
-	186,664	725	187,389
-	186,664	801,153	987,817
-	-	-	20,295
-	-	-	450,966
-	-	-	15,000
-	-	-	24,389
-	-	122,700	122,700
-	140,706	-	140,706
50,534	-	-	50,534
<u>50,534</u>	<u>140,706</u>	<u>122,700</u>	<u>824,590</u>
\$ <u>50,534</u>	\$ <u>327,379</u>	\$ <u>923,853</u>	\$ <u>1,858,885</u>

CEDAR COUNTY, IOWA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	Special Revenue Funds		
	County Recorder's Records Management	Solid Waste Disposal	Drug Forfeiture
<u>REVENUES:</u>			
Property and other county tax	\$ -	\$ -	\$ -
Intergovernmental	-	45,117	-
Charges for service	3,402	705,869	-
Use of money and property	12	1,108	12
Miscellaneous	-	25,571	178
Total revenues	<u>3,414</u>	<u>777,665</u>	<u>190</u>
<u>EXPENDITURES:</u>			
Operating:			
Physical health and social services	-	-	-
County environment and education	-	748,618	-
Administration	6,000	6,448	-
Debt service	-	-	-
Total expenditures	<u>6,000</u>	<u>755,066</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(2,586)	22,599	190
<u>OTHER FINANCING SOURCES:</u>			
Transfers in	-	50,000	-
Total other financing sources	<u>-</u>	<u>50,000</u>	<u>-</u>
Change in fund balances	(2,586)	72,599	190
<u>FUND BALANCES</u> - Beginning of year	<u>22,881</u>	<u>393,367</u>	<u>24,199</u>
<u>FUND BALANCES</u> - End of year	\$ <u>20,295</u>	\$ <u>465,966</u>	\$ <u>24,389</u>

SCHEDULE 2

<u>Drainage District</u>	<u>Opioid Abatement</u>	<u>Debt Service</u>	<u>Total</u>
\$ -	\$ -	\$ 746,386	\$ 746,386
-	-	46,615	91,732
-	-	-	709,271
-	212	-	1,344
<u>13,162</u>	<u>25,701</u>	<u>-</u>	<u>64,612</u>
<u>13,162</u>	<u>25,913</u>	<u>793,001</u>	<u>1,613,345</u>
-	20,856	-	20,856
10,508	-	-	759,126
-	-	-	12,448
-	-	717,981	717,981
<u>10,508</u>	<u>20,856</u>	<u>717,981</u>	<u>1,510,411</u>
2,654	5,057	75,020	102,934
<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
2,654	5,057	75,020	152,934
<u>47,880</u>	<u>135,649</u>	<u>47,680</u>	<u>671,656</u>
\$ <u>50,534</u>	\$ <u>140,706</u>	\$ <u>122,700</u>	\$ <u>824,590</u>

CEDAR COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2025

	<u>County Offices</u>		
	<u>County Auditor</u>	<u>County Recorder</u>	<u>County Sheriff</u>
<u>ASSETS:</u>			
Cash, cash equivalents and pooled investments:			
County Treasurer	\$ -	\$ -	\$ -
Other County officials	24,004	30,713	35,218
Receivables:			
Property tax:			
Delinquent	-	-	-
Succeeding year	-	-	-
Accrued interest	-	-	-
Due from other governments	-	-	-
Prepaid expenses	-	-	-
TOTAL ASSETS	<u>24,004</u>	<u>30,713</u>	<u>35,218</u>
<u>LIABILITIES:</u>			
Accounts payable	-	-	-
Due to other governments	-	30,713	-
Salaries and benefits payable	-	-	-
Compensated absences	-	-	-
Trusts payable	24,004	-	35,218
TOTAL LIABILITIES	<u>24,004</u>	<u>30,713</u>	<u>35,218</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable revenues			
	-	-	-
<u>NET POSITION:</u>			
Restricted for individuals, organizations and other governments	\$	\$	\$
	-	-	-

SCHEDULE 3

<u>Agricultural Extension Education</u>	<u>Emergency Management</u>	<u>County Assessor</u>	<u>Schools</u>	<u>Area Schools</u>	<u>911</u>	<u>Corporations</u>
\$ 2,411	\$ 169,225	\$ 1,279,451	\$ 175,829	\$ 16,813	\$ 700,749	\$ 54,922
-	-	-	-	-	-	-
264	-	496	20,163	1,934	-	10,476
292,820	-	750,190	21,220,121	2,011,611	-	8,981,101
-	-	-	-	-	132	-
-	1,822	-	-	-	45,321	-
-	-	5,856	-	-	-	-
<u>295,495</u>	<u>171,047</u>	<u>2,035,993</u>	<u>21,416,113</u>	<u>2,030,358</u>	<u>746,202</u>	<u>9,046,499</u>
-	557	465	-	-	1,065	-
2,411	169,878	-	175,829	16,813	745,137	54,922
-	612	6,056	-	-	-	-
-	-	50,716	-	-	-	-
-	-	-	-	-	-	-
<u>2,411</u>	<u>171,047</u>	<u>57,237</u>	<u>175,829</u>	<u>16,813</u>	<u>746,202</u>	<u>54,922</u>
<u>292,820</u>	<u>-</u>	<u>750,190</u>	<u>21,220,121</u>	<u>2,011,611</u>	<u>-</u>	<u>8,981,101</u>
\$ <u>264</u>	\$ <u>-</u>	\$ <u>1,228,566</u>	\$ <u>20,163</u>	\$ <u>1,934</u>	\$ <u>-</u>	\$ <u>10,476</u>

CEDAR COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2025

	<u>City Special Assessments</u>	<u>Townships</u>	<u>Brucellosis and Tuberculosis Eradication</u>	<u>Auto License and Use Tax</u>
<u>ASSETS:</u>				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ 10,162	\$ 5,582	\$ 23	\$ 691,114
Other County officials	-	-	-	-
Receivables:				
Property tax:				
Delinquent	-	524	-	-
Succeeding year	-	598,160	2,796	-
Accrued interest	-	-	-	-
Due from other governments	-	-	-	-
Prepaid expenses	-	-	-	-
TOTAL ASSETS	<u>10,162</u>	<u>604,266</u>	<u>2,819</u>	<u>691,114</u>
<u>LIABILITIES:</u>				
Accounts payable	-	-	-	-
Due to other governments	10,162	5,582	23	691,114
Salaries and benefits payable	-	-	-	-
Compensated absences	-	-	-	-
Trusts payable	-	-	-	-
TOTAL LIABILITIES	<u>10,162</u>	<u>5,582</u>	<u>23</u>	<u>691,114</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Unavailable revenues	-	598,160	2,796	-
<u>NET POSITION:</u>				
Restricted for individuals, organizations and other governments	\$ -	\$ 524	\$ -	\$ -

SCHEDULE 3 (Continued)

<u>County Recorder's Electronic Transaction Fee</u>	<u>Advance Tax</u>	<u>Cedar/Jones Early Childhood Iowa</u>	<u>Cedar/Jones ECI Other Grants</u>	<u>Total</u>
\$ 294	\$ 52,925	\$ 20,562	\$ 35,409	\$ 3,215,471
-	-	-	-	89,935
-	-	-	-	33,857
-	-	-	-	33,856,799
-	-	7	-	139
-	-	-	-	47,143
-	-	-	-	5,856
<u>294</u>	<u>52,925</u>	<u>20,569</u>	<u>35,409</u>	<u>37,249,200</u>
-	-	-	37,329	39,416
294	52,925	-	-	1,955,803
-	-	-	-	6,668
-	-	-	-	50,716
-	-	-	-	59,222
<u>294</u>	<u>52,925</u>	<u>-</u>	<u>37,329</u>	<u>2,111,825</u>
-	-	-	-	33,856,799
\$ <u>-</u>	\$ <u>-</u>	\$ <u>20,569</u>	\$ <u>(1,920)</u>	\$ <u>1,280,576</u>

CEDAR COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2025

	<u>County Offices</u>			<u>Agriculture</u>
	<u>County</u>	<u>County</u>	<u>County</u>	<u>Extension</u>
	<u>Auditor</u>	<u>Recorder</u>	<u>Sheriff</u>	<u>Education</u>
Additions:				
Property and other County tax	\$ -	\$ -	\$ -	\$ 273,536
911 surcharge	-	-	-	-
State tax credits	-	-	-	17,771
State grants	-	-	-	-
Assessments	-	-	-	-
Office fees and collections	-	510,561	54,151	-
Trusts	-	-	184,444	-
Interest on investments	3	-	-	-
Miscellaneous	-	-	-	-
Total additions	<u>3</u>	<u>510,561</u>	<u>238,595</u>	<u>291,307</u>
Deductions:				
Agency remittances:				
To other funds	-	154,372	42,324	-
To other governments	-	356,189	11,827	291,514
Trusts paid out	3	-	184,444	-
Total deductions	<u>3</u>	<u>510,561</u>	<u>238,595</u>	<u>291,514</u>
Changes in net position	-	-	-	(207)
Net position, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>471</u>
Net position, end of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>264</u>

SCHEDULE 4

<u>Emergency Management</u>	<u>County Assessor</u>	<u>Schools</u>	<u>Area Schools</u>	<u>911</u>	<u>Corporations</u>
\$ -	\$ 700,605	\$ 19,831,575	\$ 1,879,468	\$ -	\$ 8,440,315
-	-	-	-	212,888	-
-	43,402	1,105,251	106,686	-	676,828
123,008	-	-	-	-	-
-	-	-	-	-	-
-	812	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,792	-
68,681	41	-	-	12,760	-
<u>191,689</u>	<u>744,860</u>	<u>20,936,826</u>	<u>1,986,154</u>	<u>227,440</u>	<u>9,117,143</u>
-	-	-	-	-	-
191,689	631,544	20,951,963	1,987,609	227,440	9,116,086
-	-	-	-	-	-
<u>191,689</u>	<u>631,544</u>	<u>20,951,963</u>	<u>1,987,609</u>	<u>227,440</u>	<u>9,116,086</u>
-	113,316	(15,137)	(1,455)	-	1,057
-	1,115,250	35,300	3,389	-	9,419
\$ <u>-</u>	\$ <u>1,228,566</u>	\$ <u>20,163</u>	\$ <u>1,934</u>	\$ <u>-</u>	\$ <u>10,476</u>

CEDAR COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2025

	<u>City Special Assessments</u>	<u>Townships</u>	<u>Brucellosis and Tuberculosis Eradication</u>
Additions:			
Property and other County tax	\$ -	\$ 556,603	\$ 2,610
911 surcharge	-	-	-
State tax credits	-	28,156	180
State grants	-	-	-
Assessments	30,846	-	-
Office fees and collections	-	-	-
Trusts	-	-	-
Interest on investments	-	-	-
Miscellaneous	-	-	-
Total additions	<u>30,846</u>	<u>584,759</u>	<u>2,790</u>
Deductions:			
Agency remittances:			
To other funds	-	-	-
To other governments	30,846	585,470	2,794
Trusts paid out	-	-	-
Total deductions	<u>30,846</u>	<u>585,470</u>	<u>2,794</u>
Changes in net position	-	(711)	(4)
Net position, beginning of year	<u>-</u>	<u>1,235</u>	<u>4</u>
Net position, end of year	\$ <u>-</u>	\$ <u>524</u>	\$ <u>-</u>

SCHEDULE 4 (Continued)

<u>Auto License and Use Tax</u>	<u>County Recorder's Electronic Transaction Fee</u>	<u>Tax Sale Redemption</u>	<u>Advance Tax</u>	<u>Cedar/Jones Early Childhood Iowa</u>	<u>Cedar/Jones ECI Other Grants</u>	<u>Total</u>
\$ -	\$ -	\$ 218,478	\$ 55,695	\$ -	\$ -	\$ 31,958,885
-	-	-	-	-	-	212,888
-	-	-	-	-	-	1,978,274
-	-	-	-	338,865	-	461,873
-	-	-	-	-	-	30,846
8,389,183	3,089	-	-	-	-	8,957,796
-	-	-	-	-	-	184,444
-	-	-	-	166	13,515	15,476
-	-	-	-	-	2,000	83,482
<u>8,389,183</u>	<u>3,089</u>	<u>218,478</u>	<u>55,695</u>	<u>339,031</u>	<u>15,515</u>	<u>43,883,964</u>
-	-	-	-	-	-	196,696
8,389,183	3,089	218,478	55,695	362,620	26,617	43,440,653
-	-	-	-	-	-	184,447
<u>8,389,183</u>	<u>3,089</u>	<u>218,478</u>	<u>55,695</u>	<u>362,620</u>	<u>26,617</u>	<u>43,821,796</u>
-	-	-	-	(23,589)	(11,102)	62,168
-	-	-	-	44,158	9,182	1,218,408
\$ -	\$ -	\$ -	\$ -	\$ 20,569	\$ (1,920)	\$ 1,280,576

CEDAR COUNTY, IOWA

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION -
ALL GOVERNMENTAL FUNDS
FOR THE LAST TEN YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>REVENUES:</u>				
Property and other County tax	\$ 11,317,835	\$ 9,749,697	\$ 9,288,120	\$ 10,206,399
Tax increment financing	-	-	-	32,905
Local option sales tax	1,422,964	1,209,608	1,338,672	1,323,203
Interest and penalty on property tax	57,708	47,101	53,636	58,252
Intergovernmental	7,443,743	7,823,925	7,660,483	8,300,521
Licenses and permits	85,014	73,830	48,145	42,876
Charges for service	1,504,790	1,455,976	1,429,782	1,424,589
Use of money and property	406,337	567,532	337,168	154,410
Miscellaneous	374,241	295,986	401,419	269,515
Total	\$ <u>22,612,632</u>	\$ <u>21,223,655</u>	\$ <u>20,557,425</u>	\$ <u>21,812,670</u>
<u>EXPENDITURES:</u>				
Operating:				
Public safety and legal services	\$ 5,900,345	\$ 5,388,808	\$ 4,827,500	\$ 4,342,314
Physical health and social services	1,674,620	1,713,345	1,635,451	1,570,686
Mental health	-	-	-	871,657
County environment and education	2,246,477	1,857,673	2,051,560	1,879,267
Roads and transportation	8,264,393	8,020,014	6,975,302	7,219,210
Governmental services to residents	631,167	653,218	553,640	522,708
Administration	2,496,888	2,599,769	2,779,600	2,738,607
Non-program	7,519	12,660	6,978	302
Debt service	717,981	722,128	761,450	768,018
Capital projects	402,276	3,937,833	5,639,418	3,719,882
Total	\$ <u>22,341,666</u>	\$ <u>24,905,448</u>	\$ <u>25,230,899</u>	\$ <u>23,632,651</u>

Modified Accrual Basis					
<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 9,584,364	\$ 9,008,969	\$ 8,460,189	\$ 8,457,859	\$ 8,458,798	\$ 8,118,122
33,031	32,790	32,832	17,960	23,694	11,164
1,072,893	946,285	902,372	809,529	811,458	835,322
58,541	25,859	47,472	55,491	47,440	43,694
7,309,688	6,534,531	6,369,941	6,921,141	6,370,145	6,461,562
50,426	38,998	41,865	43,661	42,369	36,066
1,473,456	1,235,168	1,160,016	1,110,643	1,219,221	1,151,704
181,355	151,191	198,431	161,641	131,251	152,306
<u>1,165,628</u>	<u>590,481</u>	<u>280,965</u>	<u>1,020,149</u>	<u>1,105,643</u>	<u>151,756</u>
\$ <u>20,929,382</u>	\$ <u>18,564,272</u>	\$ <u>17,494,083</u>	\$ <u>18,598,074</u>	\$ <u>18,210,019</u>	\$ <u>16,961,696</u>
\$ 4,192,575	\$ 4,131,691	\$ 3,931,120	\$ 3,945,254	\$ 3,569,714	\$ 3,647,382
1,481,278	1,086,677	1,165,502	1,261,307	1,236,990	1,347,137
433,796	669,355	576,574	607,881	1,139,857	1,171,929
2,103,187	1,610,021	1,651,372	1,881,083	1,318,796	1,341,227
7,090,901	7,627,306	5,411,028	6,338,922	6,242,031	6,176,848
570,597	557,247	553,340	516,753	495,131	501,094
1,968,090	1,727,830	1,675,133	1,682,190	1,569,603	1,497,024
7,652	8,317	6,684	6,742	6,250	6,022
414,409	165,030	148,062	802,134	1,028,330	412,213
<u>1,770,782</u>	<u>460,501</u>	<u>1,086,758</u>	<u>1,438,240</u>	<u>1,114,283</u>	<u>1,835,885</u>
\$ <u>20,033,267</u>	\$ <u>18,043,975</u>	\$ <u>16,205,573</u>	\$ <u>18,480,506</u>	\$ <u>17,720,985</u>	\$ <u>17,936,761</u>

CEDAR COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

	<u>Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Program Expenditures</u>
GRANTOR/PROGRAM:			
DIRECT:			
United States Department of Treasury: Coronavirus State and Local Fiscal Recovery Funds	21.027	FY25	\$ <u>682,907</u>
INDIRECT:			
United States Department of Agriculture: Iowa Department of Human Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	LAE FY25	<u>5,921</u>
United States Department of Homeland Security: Iowa Department of Public Defense: Emergency Management Performance Grants	97.042	EMPG-FY25	<u>22,065</u>
United States Department of Health and Human Services: Iowa Department of Public Health: Immunization Cooperative Agreements	93.268	-	<u>9,100</u>
Public Health Emergency Preparedness	93.069	5885BT116	<u>13,643</u>
Heritage Area Agency on Aging: In-Home Respite	93.052	-	<u>18,000</u>
Iowa Department of Human Services: Guardianship Assistance	93.090	LAE FY25	<u>1</u>
Title IV-E Prevention Program	93.472	LAE FY25	<u>116</u>
Refugee & Entrant Assistance - State/Replacement Designee Administered Programs	93.566	LAE FY25	<u>82</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	LAE FY25	<u>954</u>
Foster Care Title IV-E	93.658	LAE FY25	<u>2,144</u>
Adoption Assistance	93.659	LAE FY25	<u>200</u>
Social Services Block Grant	93.667	LAE FY25	<u>1,480</u>
Children's Health Insurance Program	93.767	LAE FY25	<u>958</u>
Medical Assistance Program	93.778	LAE FY25	<u>7,591</u>
United States Department of Homeland Security: Iowa Department of Homeland Security and Emergency Management: Homeland Security Grant Program	97.067	-	<u>358</u>
Total			\$ <u><u>765,520</u></u>

CEDAR COUNTY, IOWASCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Cedar County, Iowa under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Cedar County, Iowa, it is not intended to and does not present the financial position, changes in financial position or cash flows of Cedar County, Iowa.

Summary of Significant Accounting Policies - Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate - Cedar County, Iowa has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



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Certified Public Accountants
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Kenneth E. Crosser, CPA
April D. Crosser, CPA
Michael J. Podliska, CPA
Adam L. Sturm, CPA

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 Cedar County, Iowa:

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 Cedar County, Iowa, as of and for the year ended June 30, 2025 and the related Notes to Financial Statements, which collectively comprise Cedar County, Iowa's basic financial statements, and have issued our report thereon dated January 20, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cedar County, Iowa's internal control over financial reporting (internal control) as a basis for designing the 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 Cedar County, Iowa's internal control. Accordingly, we do not express an opinion on the effectiveness of Cedar County, Iowa's internal control.

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 a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We identified certain deficiencies in internal control, described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-A-25 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cedar County, Iowa'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 non-compliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the 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 the 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.

Cedar County, Iowa's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Cedar County, Iowa's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Cedar County, Iowa'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 Cedar County, Iowa 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.

ANDERSON, LARKIN & CO., P.C.

Ottumwa, Iowa
January 20, 2026



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Officials of Cedar County, Iowa:

Report on Compliance for each Major Federal Program

Opinion on each Major Federal Program

We audited Cedar County, Iowa's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on Cedar County, Iowa's major federal program for the year ended June 30, 2025. Cedar County, Iowa's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Cedar County, Iowa complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Cedar County, Iowa and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Cedar County, Iowa's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Cedar County, Iowa's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Cedar County, Iowa's compliance based on our audit. 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, Government Auditing Standards and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence judgement made by a reasonable user of the report on compliance about Cedar County, Iowa's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Cedar County, Iowa's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.
- Obtain an understanding of Cedar County, Iowa's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Cedar County, Iowa's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item III-A-25 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Cedar County, Iowa's response to the internal control over compliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Cedar County, Iowa's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

ANDERSON, LARKIN & CO., P.C.

Ottumwa, Iowa
January 20, 2026

CEDAR COUNTY, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

Part I: Summary of the Independent Auditor's Results

- a. Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- b. A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements.
- c. The audit did not disclose any non-compliance which is material to the financial statements.
- d. A significant deficiency in internal control over the major program was disclosed by the audit of the financial statements.
- e. An unmodified opinion was issued on compliance with requirements applicable to the major program.
- f. The audit disclosed audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516.
- g. The major program was Assistance Listing Number 21.027 - Covid-19, Coronavirus State and Local Fiscal Recovery Funds.
- h. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- i. Cedar County, Iowa did not qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements

INTERNAL CONTROL DEFICIENCIES:

II-A-25 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 – One individual in the County Sheriff's office is sometimes involved with the collection of cash and checks and they post all collections to the computer system.

Cause – The County Sheriff has 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 the County's 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 -- The County Sheriff should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials.

Response and corrective action planned– With a small office staff it is not economically feasible to properly segregate duties. We do have a person not involved in the collection or recordkeeping function sign all checks and security cameras are in place to observe all transactions.

Conclusion – Response accepted.

CEDAR COUNTY, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

Part II: Findings Related to the Financial Statements (continued)

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

Assistance Listing Number 21.027: Covid-19, Coronavirus State and Local Fiscal Recovery Funds

Federal Award Year: 2025

Prior Year Finding Number: N/A

U.S. Department of Treasury.

III-A-25 Segregation of Duties over Federal Receipts and Disbursements – The County did not properly (2025-001) segregate collection, deposit, disbursements, and record-keeping for receipts and disbursements, including those related to federal programs. See II-A-25.

Part IV: Other Findings Related to Required Statutory Reporting

IV-A-25 Certified Budget – Disbursements during the year ended June 30, 2025 did not exceed the amounts budgeted.

IV-B-25 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 by an Attorney General's opinion dated April 25, 1979 since the public benefits have not been clearly documented.

On February 12, 2025, there was a payment made to Visa that included a \$25 late fee and \$12.51 in finance charges.

Recommendation – The County should determine and document the public purpose served by these types of expenditures prior to authorizing any further payments.

Response – We will do so.

Conclusion – Response accepted.

IV-C-25 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-D-25 Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

<u>Name, title, and business connection</u>	<u>Transaction description</u>	<u>Amount</u>
Mike Dauber, Conservation Director		
Spouse of Cari Dauber, County Assessor	Death investigations	\$ 11,668
Barnhart's Custom Services		
Owned by Bruce Barnhart, County Supervisor	Contract Services	\$ 12,901

CEDAR COUNTY, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

Part IV: Other Findings Related to Required Statutory Reporting (Continued)

In accordance with Chapter 331.342(2)(d) of the Code of Iowa, the transactions with the Conservation Director do not represent a conflict of interest since the official's remuneration was not directly affected by the transactions and the official had no part in the procurement of the services. The transactions with the Board of Supervisor are not considered a conflict of interest because the parking lot project for \$9,781 was received by competitive bid and the remainder of work was less than \$6,000.

- IV-E-25 Restricted Donor Activity – Per Chapter 68B of the Code of Iowa, County officials are prohibited from receiving or soliciting gifts from a restricted donor. A restricted donor per Chapter 68B.2(24)(a) is a "party to any one or any combination of sales, purchases, leases or contracts to, from, or with the agency in which the donee holds office or is employed. No donations of this type were noted.
- IV-F-25 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions.
- IV-G-25 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-H-25 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- IV-I-25 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).
- IV-J-25 Early Childhood Iowa Area Board – Cedar County, Iowa is the fiscal agent for the Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. Financial transactions of the Area Board are included in the County's financial statements as part of Custodial Funds because of the County's fiduciary relationship with the organization.

No instances of noncompliance were noted as a result of the audit procedures performed.

- IV-K-25 Financial condition – The Cedar County Employee Health fund had a deficit fund balance of \$42,564 at June 30, 2025.

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

Response – The deficit will be eliminated.

Conclusion – Response accepted.