



**OFFICE OF AUDITOR OF STATE**  
STATE OF IOWA

State Capitol Building  
Des Moines, Iowa 50319-0006  
Telephone (515) 281-5834

Rob Sand  
Auditor of State

NEWS RELEASE

FOR RELEASE

March 20, 2026

Contact: Pam Bormann  
515/281-5834

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

**FINANCIAL HIGHLIGHTS:**

The County's revenues totaled \$16,121,578 for the year ended June 30, 2025, a 30.8% increase. Expenses for County operations for the year ended June 30, 2025 totaled \$13,036,418, a 10.3% increase. The significant increase in revenue is due to increased contributed capital assets from the Iowa Department of Transportation. The significant increase in expenses is due primarily to increased accrued expenses related to an increase in the compensated absences liability balance reported.

**AUDIT FINDINGS:**

Sand reported eleven findings related to the receipt and expenditure of taxpayer funds. They are found on pages 82 through 91 of this report. The findings address issues such as lack of segregation of duties, capital assets, infrastructure, receivables, payables and prepaid items not properly recorded in the County's financial statements, errors in the cash annual financial report and expenditures which may not meet the public purpose criteria since the public benefit was not clearly documented. Sand provided the County with recommendations to address each of these findings.

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

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

###

**TAYLOR COUNTY**  
**INDEPENDENT AUDITOR'S REPORTS**  
**BASIC FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FINDINGS**  
**JUNE 30, 2025**

**Taylor County**



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Rob Sand  
Auditor of State

March 5, 2026

Officials of Taylor County  
Bedford, Iowa

Dear Board Members:

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

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

Sincerely,

A handwritten signature in black ink that reads "Rob Sand". The signature is stylized with a large, looped "R" and "S".

Rob Sand  
Auditor of State

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**Taylor County**

**Officials**

**(Before January 2025)**

<u>Name</u>	<u>Title</u>	<u>Expires</u>
Kim Jon Watson	Board of Supervisors	Jan 2025
Jack Beggs	Board of Supervisors	Jan 2027
Ronald Fitzgerald	Board of Supervisors	Jan 2027
Judy Henry (Appointed Sept 2023)	County Auditor	Nov 2024
Dana Davis	County Treasurer	Jan 2027
Rick Sheley	County Recorder	Jan 2027
Josh Weed	County Sheriff	Jan 2025
Clinton L. Spurrier	County Attorney	Jan 2027
Holly Cavin	County Assessor	Jan 2027

**(After January 2025)**

<u>Name</u>	<u>Title</u>	<u>Expires</u>
Jack Beggs	Board of Supervisors	Jan 2027
Ronald Fitzgerald	Board of Supervisors	Jan 2027
Lincoln Wall	Board of Supervisors	Jan 2029
Judy Henry	County Auditor	Jan 2029
Dana Davis	County Treasurer	Jan 2027
Janel Irvin	County Recorder	Jan 2027
Josh Weed	County Sheriff	Jan 2029
Michael Wells	County Attorney	Jan 2027
Holly Cavin	County Assessor	Jan 2027



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Independent Auditor's Report

To the Officials of Taylor County:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Taylor 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 Taylor County as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Taylor County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Taylor County's ability to continue as a going concern for a reasonable period of time.

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

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 15 and 58 through 70 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 Taylor County’s basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2024 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 5, 2026 on our consideration of Taylor County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Taylor County’s internal control over financial reporting and compliance.



Pam Bormann, CPA  
Deputy Auditor of State

March 5, 2026

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Taylor County 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**

- Revenues of the County's governmental activities increased approximately \$3,792,000, or 30.8%, from fiscal year 2024 to fiscal year 2025. Capital grants, contributions and restricted interest increased approximately \$2,836,000, or 646.0%, charges for services increased approximately \$159,000, or 10.7% and unrestricted investment earnings increased approximately \$30,000, or 19.2%. Property and other county tax increased \$1,064,000, or 23.4%, and American Rescue Plan Act funds decreased \$438,000, or 69.9%. The increase in capital grants is primarily due to bridge and road work construction contributed by the Iowa Department of Transportation during fiscal year 2025.
- Program expenses of the County's governmental activities increased 10.3%, or approximately \$1,215,000 over fiscal year 2024. Roads and transportation, physical health and public safety and legal services increased approximately \$526,000, \$360,000 and \$556,000, respectively, while administration and county environment and education expenses decreased approximately \$247,000 and \$33,000, respectively. The increase in public safety and legal expenses is primarily due to increased accrued expenses related to an increase in the compensated absences liability balance reported.
- Net position at June 30, 2025 increased approximately \$3,085,000, or 10.5%, compared to the June 30, 2024 balance.

### **USING THIS ANNUAL REPORT**

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

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

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

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

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

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

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

## **REPORTING THE COUNTY'S FINANCIAL ACTIVITIES**

### *Government-wide Financial Statements*

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

The Statement of Net Position presents financial information on all 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 and 3) the Debt Service 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 that 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 that 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 amount 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 services and the County Assessor, to name a few.

The required financial statement for fiduciary funds is a Statement of Fiduciary Net Position and the 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. Taylor County’s combined net position increased from approximately \$29.2 million to approximately \$32.3 million during the year. The analysis that follows focuses on the changes in the net position of governmental activities.

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2025	2024
Current and other assets	\$ 17,346	15,691
Capital assets	24,782	22,718
Total assets	42,128	38,409
Deferred outflows of resources	725	916
Long-term liabilities	3,868	3,362
Other liabilities	488	700
Total liabilities	4,356	4,062
Deferred inflows of resources	6,167	6,018
Net position:		
Net investment in capital assets	23,638	21,311
Restricted	7,523	6,118
Unrestricted	1,169	1,816
Total net position	\$ 32,330	29,245

The net position of Taylor County’s governmental activities increased approximately \$3,085,000, or 10.5% over fiscal year 2025.

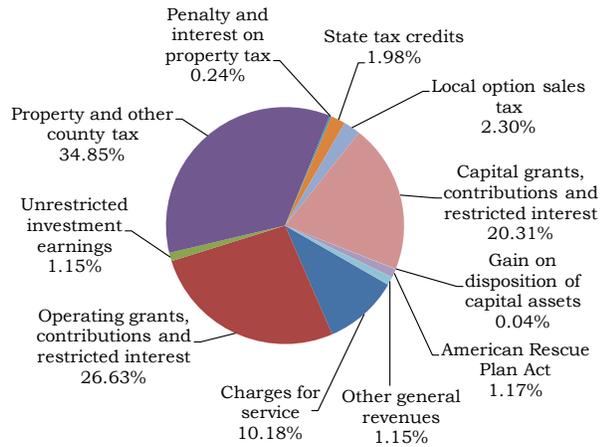
The largest portion of the County’s net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased approximately \$2,327,000, or 10.9% from the prior year, primarily due to contributed capital assets from the Iowa Department of Transportation.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category increased approximately \$1,405,000, or 23.0% over the prior year, primarily due to additional available resources at year end in amounts restricted for Supplemental levy purposes.

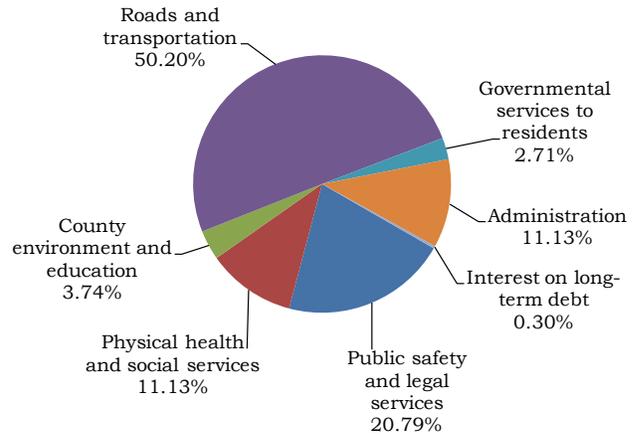
Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased from approximately \$1,816,000 at June 30, 2024 to approximately \$1,169,000 at the end of the year, a decrease of 35.6% from the prior year, primarily due to an increase in compensated absences liability and increases in net pension liability and deferred inflows for pension.

Changes in Net Position of Governmental Activities		
(Expressed in Thousands)		
	Year ended June 30,	
	2025	2024
Revenues:		
Program revenues:		
Charges for service	\$ 1,641	1,482
Operating grants, contributions and restricted interest	4,293	4,343
Capital grants, contributions and restricted interest	3,275	439
General revenues:		
Property and other county tax	5,619	4,555
Penalty and interest on property tax	38	31
State tax credits	320	306
Local option sales tax	370	327
American Rescue Plan Act	189	627
Unrestricted investment earnings	186	156
Gain on disposition of capital assets	6	57
Other general revenues	185	7
Total revenues	<u>16,122</u>	<u>12,330</u>
Program expenses:		
Public safety and legal services	2,711	2,155
Physical health and social services	1,451	1,091
County environment and education	487	520
Roads and transportation	6,544	6,018
Governmental services to residents	354	294
Administration	1,451	1,698
Interest on long-term debt	39	46
Total expenses	<u>13,037</u>	<u>11,822</u>
Change in net position	3,085	508
Net position beginning of year	<u>29,245</u>	<u>28,737</u>
Net position end of year	<u>\$ 32,330</u>	<u>29,245</u>

### Revenues by Source



### Expenses by Program



Taylor County's governmental activities net position increased approximately \$3,085,000 during the year. Revenues for governmental activities increased approximately \$3,792,000. Property and other county tax revenue increased approximately \$1,064,000 due to an increase in taxable valuations and tax rates. Capital grants, contributions and restricted interest increased \$2,836,000 due to an increase in infrastructure assets contributed by the Iowa Department of Transportation. Federal grants for the American Rescue Plan Act (ARPA) decreased \$438,000 as the grant reaches completion.

The County's property tax rates for fiscal year 2025 increased over the prior year from \$11.88498 per \$1,000 of taxable valuation for fiscal year 2024 to \$12.32535 per \$1,000 of taxable valuation in fiscal year 2025, while an increase of approximately 15.1% in the total assessed valuation resulted in an increase in property tax revenue of approximately \$1,064,000. The total Taylor County taxable valuation for property tax payable in fiscal year 2026 increased approximately \$43,022,000. The tax levy rate is set to decrease \$0.15701 per \$1,000 of taxable valuation. Property tax revenue is budgeted to increase approximately \$467,000.

The cost of all governmental activities this year was approximately \$13.0 million compared to approximately \$11.8 million last year. However, as shown in the Statement of Activities on page 21, the amount taxpayers ultimately financed for these activities was approximately \$3.8 million because some of the cost was paid by those directly benefited from the programs (approximately \$1,641,000) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$7,568,000). Overall, the County's governmental program revenues, including intergovernmental aid and fees for service, increased in fiscal year 2025 from approximately \$6,264,000 to approximately \$9,209,000, due primarily to the County receiving more contributions of roads and bridges paid for by the Iowa Department of Transportation than in fiscal year 2024.

## **INDIVIDUAL MAJOR FUND ANALYSIS**

As Taylor County completed the year, its governmental funds reported a combined fund balance of approximately \$10,016,000, an increase of approximately \$1,837,000 over last year's total fund balance of approximately \$8,179,000. The increase in the combined fund balance is primarily attributable to an increase in the General Fund and Special Revenue, Secondary Roads balances. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately \$681,000 over the prior year, primarily due to an increase in property tax revenues netted with a decrease in American Rescue Plan Act revenue. General Fund expenditures decreased approximately \$365,000, due, in part, to a decrease in administration costs related to the American Rescue Plan Act and public safety and legal services as a result of decreased vehicle purchases. The ending fund balance increased approximately \$1,041,000, or 31.5%, to approximately \$4,344,000.
- The Special Revenue, Rural Services Fund revenues increased approximately \$173,000, or 13.4%, primarily due to increased property tax revenues. The ending fund balance increased approximately \$149,000, or 25.6%, to approximately \$731,000.
- The Special Revenue, Secondary Roads Fund revenues increased approximately \$298,000, or 7.9%, primarily due to insurance reimbursement on damaged equipment. The ending fund balance in the Secondary Roads Fund increased approximately \$504,000, or 14.6%.
- There were no significant changes in revenues, expenditures and fund balance of the Debt Service Fund.

## **BUDGETARY HIGHLIGHTS**

Over the course of the year, Taylor County amended its budget two times. The amendments were made on Jan 9, 2025, primarily due to increases in anticipated costs in administration for liability insurance, and on May 15, 2025, primarily due to increases in anticipated costs in administration and public safety and legal services for insurance premiums and medical supplies.

The County's receipts were \$2,121,195 less than budgeted, a variance of 14.3%. The most significant variance resulted from the County not receiving anticipated intergovernmental revenues from the federal government.

Total disbursements were \$4,361,353 less than the amended budget. Actual disbursements for the capital projects and public safety and legal services functions were \$3,025,038 and \$407,844, respectively, less than budgeted. This was primarily due to planned projects for roadway construction and other expenditures for general county public safety and risk management not occurring as quickly as anticipated.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2025, Taylor County had approximately \$24.8 million invested in a broad range of capital assets, including secondary roads and ambulance equipment, buildings, park facilities, roads and bridges. This is a net increase (including additions and deletions) of approximately \$2,064,000, or 9.1%, from last year.

Capital Assets of Governmental Activities at Year End		
(Expressed in Thousands)		
	June 30,	
	2025	2024
Land	\$ 892	892
Construction in progress	-	29
Buildings and improvements	3,409	3,466
Equipment and vehicles	2,918	2,827
Right-to-use leased equipment	34	5
Right-to-use subscription asset	24	50
Intangibles, other	31	36
Infrastructure, other	816	857
Infrastructure, road network	16,658	14,556
Total	\$ 24,782	22,718

This year's major additions included (in thousands)		
Secondary Roads DOT Contributed Capital	\$	3,275
Secondary Roads Vehicles		476
Sheriff Radios		61
Total	\$	3,812

The County had depreciation/amortization expense of \$1,958,734 in fiscal year 2025 and total accumulated depreciation/amortization of \$28,080,662 at June 30, 2025. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

### Long-Term Debt

At June 30, 2025, Taylor County had approximately \$1,145,000 of general obligation bonds and other debt outstanding, compared to approximately \$1,407,000 at June 30, 2024, as shown below:

Outstanding Debt of Governmental Activities at Year-End		
(Expressed in Thousands)		
	June 30,	
	2025	2024
General obligation bonds	\$ 1,085	1,350
Lease agreements	35	5
IT subscription liability	25	52
	\$ 1,145	1,407

Debt decreased as a result of scheduled debt payments during fiscal year 2025.

The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Taylor County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$42.5 million. Additional information about the County's long-term debt is presented in Note 6 to the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Taylor County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2026 budget, tax rates and the fees charged for various County activities. One of those factors is the economy. Unemployment in the County now stands at 2.8% versus 2.1% a year ago. This compares with the State's unemployment rate of 3.7% and the national rate of 4.1%.

These indicators were taken into account when adopting the budget for fiscal year 2026. The County had a countywide valuation increase of \$21,171,420 and the rural valuation increased \$21,850,782 for fiscal year 2026.

Amounts levied for property tax are \$5,773,544, an increase of \$189,567 over fiscal year 2025. Total budgeted receipts and other financing sources for fiscal year 2026 decreased \$1,020,922 from the fiscal year 2025 amended budget.

Budgeted disbursements decreased \$358,000 from the amended fiscal year 2025 budget. The decrease is primarily due to a decrease in capital project disbursements, offset by increases in roads and transportation disbursements expected in fiscal year 2026.

The County has added no major new programs or initiatives to the fiscal year 2026 budget.

If these estimates are realized, the County's budgetary operating balance is expected to decrease 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 Taylor County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Taylor County Auditor's Office, 405 Jefferson Street, Bedford, Iowa 50833.

**Taylor County**

## **Basic Financial Statements**

**Exhibit A**

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Taylor County  
Statement of Net Position  
June 30, 2025

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash, cash equivalents and pooled investments	\$ 9,409,659
Receivables:	
Property tax:	
Delinquent	1,266
Succeeding year	6,037,000
Penalty and interest on property tax	3,996
Accounts	77,895
Opioid settlement	173,271
Accrued interest	1
Due from other governments	552,866
Inventories	645,234
Prepaid items	444,294
Capital assets not being depreciated/amortized	891,709
Capital assets, net of accumulated depreciation/amortization	<u>23,890,648</u>
<b>Total assets</b>	<u>42,127,839</u>
<b>Deferred Outflows of Resources</b>	
Pension related deferred outflows	<u>725,269</u>

Taylor County  
Statement of Net Position  
June 30, 2025

	Governmental Activities
<b>Liabilities</b>	
Accounts payable	219,442
Salaries and benefits payable	62,383
Due to other governments	1,894
Unearned revenue	204,133
Long-term liabilities:	
Portion due or payable within one year:	
General obligation bonds	275,000
Lease agreements	8,395
IT subscription liability	25,142
Compensated absences	343,919
Total OPEB liability	30,744
Portion due or payable after one year:	
General obligation bonds	810,000
Lease agreements	26,318
Compensated absences	518,582
Net pension liability	1,471,052
Total OPEB liability	359,133
<b>Total liabilities</b>	<b>4,356,137</b>
<b>Deferred Inflows of Resources</b>	
Unavailable property tax revenue	6,037,000
Pension related deferred inflows	130,139
<b>Total deferred inflows of resources</b>	<b>6,167,139</b>
<b>Net Position</b>	
Net investment in capital assets	23,637,502
Restricted for:	
Supplemental levy purposes	2,032,257
Rural services purposes	731,112
Secondary roads purposes	3,466,877
Debt services	180,473
Conservation purposes	142,190
Opioid abatement	215,278
Other purposes	755,270
Unrestricted	1,168,873
<b>Total net position</b>	<b>\$ 32,329,832</b>

See notes to financial statements.

**Taylor County**

Taylor County

Statement of Activities

Year ended June 30, 2025

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
<b>Functions/Programs:</b>					
Governmental activities:					
Public safety and legal services	\$ 2,711,317	928,486	97,323	-	(1,685,508)
Physical health and social services	1,451,023	424,383	438,319	-	(588,321)
County environment and education	486,905	17,370	15,371	-	(454,164)
Roads and transportation	6,543,905	114,813	3,742,209	3,275,276	588,393
Governmental services to residents	354,045	138,988	-	-	(215,057)
Administration	1,450,723	16,522	-	-	(1,434,201)
Interest on long-term debt	38,500	-	-	-	(38,500)
Total	\$ 13,036,418	1,640,562	4,293,222	3,275,276	(3,827,358)
<b>General Revenues:</b>					
Property and other county tax levied for:					
General purposes					5,329,773
Debt service					289,251
Penalty and interest on property tax					37,856
State tax credits and replacements					320,888
Local option sales tax					369,762
American Rescue Plan Act					188,565
Unrestricted investment earnings					185,647
Gain on disposition of capital assets					6,000
Miscellaneous					184,776
Total general revenues					6,912,518
Change in net position					3,085,160
Net position beginning of year					29,244,672
Net position end of year					\$ 32,329,832

See notes to financial statements.

Taylor County  
Balance Sheet  
Governmental Funds

June 30, 2025

	Special Revenue		
	General	Rural Services	Secondary Roads
<b>Assets</b>			
Cash, cash equivalents and pooled investments	\$ 4,057,221	717,841	3,198,949
Receivables:			
Property tax:			
Delinquent	1,137	48	-
Succeeding year	4,373,000	1,361,000	-
Penalty and interest on property tax	3,996	-	-
Accounts, net of allowance for doubtful ambulance accounts of \$100,510	68,540	-	9,355
Opioid settlement	-	-	-
Accrued interest	1	-	-
Due from other governments	217,571	13,309	297,269
Inventories	-	-	645,234
Prepaid items	444,294	-	-
<b>Total assets</b>	<b>\$ 9,165,760</b>	<b>2,092,198</b>	<b>4,150,807</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 51,879	86	154,881
Salaries and benefits payable	17,152	-	45,231
Due to other governments	934	-	960
Unearned revenue	204,133	-	-
Total liabilities	274,098	86	201,072
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	4,373,000	1,361,000	-
Other	174,751	48	-
Total deferred inflows of resources	4,547,751	1,361,048	-
Fund balances:			
Nonspendable:			
Inventories	-	-	645,234
Prepaid items	444,294	-	-
Restricted for:			
Supplemental levy purposes	1,721,166	-	-
Rural services purposes	-	731,064	-
Secondary roads purposes	-	-	3,304,501
Conservation purposes	142,190	-	-
Debt service	-	-	-
Opioid abatement	-	-	-
Other purposes	-	-	-
Committed for ambulance purposes	245,660	-	-
Unassigned	1,790,601	-	-
Total fund balances	4,343,911	731,064	3,949,735
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 9,165,760</b>	<b>2,092,198</b>	<b>4,150,807</b>

See notes to financial statements.

Debt Service	Nonmajor	Total
180,392	785,156	8,939,559
81	-	1,266
303,000	-	6,037,000
-	-	3,996
-	-	77,895
-	173,271	173,271
-	-	1
-	24,717	552,866
-	-	645,234
-	-	444,294
483,473	983,144	16,875,382
-	12,596	219,442
-	-	62,383
-	-	1,894
-	-	204,133
-	12,596	487,852
303,000	-	6,037,000
81	160,149	335,029
303,081	160,149	6,372,029
-	-	645,234
-	-	444,294
-	-	1,721,166
-	-	731,064
-	-	3,304,501
-	-	142,190
180,392	-	180,392
-	55,129	55,129
-	755,270	755,270
-	-	245,660
-	-	1,790,601
180,392	810,399	10,015,501
483,473	983,144	16,875,382

**Taylor County**

Taylor County

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

June 30, 2025

**Total governmental fund balances (page 23)** \$ 10,015,501

**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 \$52,863,019 and the accumulated depreciation/amortization is \$28,080,662. 24,782,357

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. 335,029

The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position. 470,100

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

Deferred outflows of resources	\$ 725,269	
Deferred inflows of resources	<u>(130,139)</u>	595,130

Long-term liabilities, including lease agreements payable, the general obligation bonds payable, compensated absences payable, net pension liability, total OPEB liability and IT subscription liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (3,868,285)

**Net position of governmental activities (page 19)** \$ 32,329,832

See notes to financial statements.

Taylor County

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

Year ended June 30, 2025

	Special Revenue		
	General	Rural Services	Secondary Roads
Revenues:			
Property and other county tax	\$ 4,061,269	1,268,503	-
Local option sales tax	-	129,305	-
Penalty and interest on property tax	37,856	-	-
Intergovernmental	1,854,583	57,029	3,789,954
Licenses and permits	-	5,030	27,572
Charges for service	441,755	-	-
Use of money and property	193,844	-	-
Miscellaneous	158,121	92	271,283
Total revenues	6,747,428	1,459,959	4,088,809
Expenditures:			
Operating:			
Public safety and legal services	2,265,672	-	-
Physical health and social services	1,284,098	36,069	-
County environment and education	288,145	51,532	-
Roads and transportation	10,031	30,000	4,859,162
Governmental services to residents	428,736	3,672	-
Administration	1,380,936	-	-
Debt service	-	-	-
Capital projects	-	-	2,398
Total expenditures	5,657,618	121,273	4,861,560
Excess (deficiency) of revenues over (under) expenditures	1,089,810	1,338,686	(772,751)
Other financing sources (uses):			
Transfers in	-	-	1,276,655
Transfers out	(86,633)	(1,190,022)	-
Lease agreements	37,520	-	-
Total other financing sources (uses)	(49,113)	(1,190,022)	1,276,655
Change in fund balances	1,040,697	148,664	503,904
Fund balances beginning of year	3,303,214	582,400	3,445,831
Fund balances end of year	\$ 4,343,911	731,064	3,949,735

See notes to financial statements.

Debt Service	Nonmajor	Total
289,251	-	5,619,023
-	240,457	369,762
-	-	37,856
17,592	-	5,719,158
-	-	32,602
-	995	442,750
-	228	194,072
-	55,951	485,447
<u>306,843</u>	<u>297,631</u>	<u>12,900,670</u>
-	5,000	2,270,672
-	32,063	1,352,230
-	120,871	460,548
-	-	4,899,193
-	-	432,408
-	-	1,380,936
303,500	-	303,500
-	-	2,398
<u>303,500</u>	<u>157,934</u>	<u>11,101,885</u>
<u>3,343</u>	<u>139,697</u>	<u>1,798,785</u>
-	-	1,276,655
-	-	(1,276,655)
-	-	37,520
-	-	37,520
3,343	139,697	1,836,305
<u>177,049</u>	<u>670,702</u>	<u>8,179,196</u>
<u>180,392</u>	<u>810,399</u>	<u>10,015,501</u>

Taylor County

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

Year ended June 30, 2025

**Change in fund balances - Total governmental funds (page 27)** \$ 1,836,305

**Amounts reported for governmental activities in the Statement of  
Activities are different because:**

Governmental funds report capital outlays as expenditures while governmental activities report depreciation/amortization expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed capital assets exceeded depreciation/amortization expense in the current year, as follows:

Expenditures for capital assets	\$ 704,691	
Capital assets contributed by the Iowa Department of Transportation	3,275,276	
Right-to-use lease asset	37,520	
Depreciation/amortization expense	<u>(1,958,734)</u>	2,058,753

In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. 6,000

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	1	
Other	<u>(60,369)</u>	(60,368)

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year repayments exceeded issuances, as follows:

Issued	37,520	
Repaid	<u>(299,555)</u>	262,035

The current year County IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position. 401,100

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	(551,954)	
OPEB expense	(49,593)	
Pension expense	<u>(748,055)</u>	(1,349,602)

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. (69,063)

**Change in net position of governmental activities (page 21)** \$ 3,085,160

See notes to financial statements.

Taylor County  
Statement of Net Position  
Proprietary Fund  
June 30, 2025

	<u>Internal Service - Employee Group Health</u>
<b>Assets</b>	
Cash, cash equivalents and pooled investments	\$ 470,100
<b>Liabilities</b>	
None	-
<b>Net position</b>	
Restricted for employee health	<u>\$ 470,100</u>

See notes to financial statements.

Taylor County

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

Year ended June 30, 2025

	<u>Internal Service - Employee Group Health</u>
Operating revenues:	
Reimbursements from operating funds	\$ 83,823
Reimbursements from employees and others	<u>2,482</u>
Total operating revenues	86,305
Operating expenses:	
Medical claims	<u>155,368</u>
Operating loss	(69,063)
Net position beginning of year	<u>539,163</u>
Net position end of year	<u>\$ 470,100</u>

See notes to financial statements.

Taylor County  
Statement of Cash Flows  
Proprietary Fund  
June 30, 2025

	Internal Service - Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 83,823
Cash received from employees and others	2,482
Cash paid to suppliers for services	(155,368)
Net cash used by operating activities	(69,063)
Cash and cash equivalents beginning of year	539,163
Cash and cash equivalents end of year	\$ 470,100
<b>Reconciliation of operating loss to net cash used by operating activities:</b>	
Operating loss	\$ (69,063)

See notes to financial statements.

Taylor County  
Statement of Fiduciary Net Position  
Custodial Funds

June 30, 2025

**Assets**

Cash, cash equivalents and pooled investments:

County Treasurer	\$ 806,905
Other County officials	28,697

Property tax receivable:

Delinquent	3,968
Succeeding year	<u>9,596,000</u>

<b>Total assets</b>	<u>10,435,570</u>
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**Liabilities**

Accounts payable	10,747
Due to other governments	398,593
Trusts payable	<u>17,061</u>

<b>Total liabilities</b>	<u>426,401</u>
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**Deferred Inflows of Resources**

Unavailable property tax revenue	<u>9,596,000</u>
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**Net position**

Restricted for individuals, organizations and other governments	<u>\$ 413,169</u>
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See notes to financial statements.

Taylor County

Statement of Changes in Fiduciary Net Position  
Custodial Funds

June 30, 2025

Additions:	
Property and other county tax	\$ 8,849,194
State tax credits	660,292
Office fees and collections	250,261
Auto licenses, use tax and postage	2,704,904
Drivers license fees	26,708
Assessments	12,456
Trusts	123,266
Miscellaneous	<u>82,646</u>
Total additions	<u>12,709,727</u>
Deductions:	
Agency remittances:	
To other funds	275,754
To other governments	12,525,291
Trusts paid out	<u>30,909</u>
Total deductions	<u>12,831,954</u>
Change in net position	(122,227)
Net position beginning of year	<u>535,396</u>
Net position end of year	<u>\$ 413,169</u>

See notes to financial statements.

Taylor County

Notes to Financial Statements

June 30, 2025

**(1) Summary of Significant Accounting Policies**

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

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

A. Reporting Entity

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

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: Taylor County Assessor's Conference Board, Taylor County Emergency Management Commission and South Central Iowa Regional 911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Custodial Funds of the County.

The County also participates in the following jointly governed organizations: Prairie Solid Waste Agency (formerly Adams and Taylor Counties Regional Service Agency), Madison County Adair County Taylor County Union County Ringgold Adams County (MATURA) Action Corporation Policy Board, Matura, and Southern Iowa Council of Governments.

B. Basis of Presentation

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

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

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

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

Additionally, the County reports the following funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

Propriety funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund is charges to customers for sales and services. Operating expenses for 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 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.

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

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

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

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.

Capital Assets – Capital assets are tangible and intangible assets, which include property, furniture and equipment and infrastructure assets are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease and subscription assets, the measurement of which are discussed under “Leases” and “Subscription-Based Information Technology Arrangements (SBITA)” 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 which do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

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

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

Asset Class	Estimated Useful lives (In Years)
Buildings	40 - 50
Building improvements	20 - 50
Infrastructure	30 - 50
Intangibles	2 - 20
Right-to-use subscription assets	2 - 20
Right-to-use leased assets	2 - 20
Equipment	2 - 20
Vehicles	3 - 10

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

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

Taylor County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price that the County is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Subscription-Based Information Technology Arrangements (SBITA) – Taylor County has entered into a contract that conveys control of the right-to-use information technology software. The County has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements. The County recognized IT subscription liabilities with an initial, individual value of \$5,000, or more.

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

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

Taylor County uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate.

The IT subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

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

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

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) 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 expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments and contributions from the County after the measurement date but before the end of the County's reporting period.

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

Unearned Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Unearned revenue in the government-wide and governmental fund financial statements represents the amount of assets 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, compensatory time and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when each of the following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2025.

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

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

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

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

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets which 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 receivable which will not be recognized until the year for which it is levied.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivable which will not be recognized until the year for which it is levied and the unrecognized items not yet charged to pension expense.

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

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

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

Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance or resolution approved prior to year-end. Committed amounts cannot be used for any other purposes unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

Unassigned – All amounts not included in the preceding classifications.

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

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2025, disbursements did not exceed the amounts budgeted.

**(2) Cash 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 no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

**(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>
Special Revenue: Secondary Roads	Special Revenue: General Basic Rural Services	\$ 86,633 <u>1,190,022</u> <u>\$ 1,276,655</u>

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

**(4) Capital Assets**

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 891,709	-	-	891,709
Construction in progress	29,071	3,275,276	(3,304,347)	-
Total capital assets not being depreciated/amortized	920,780	3,275,276	(3,304,347)	891,709
Capital assets being depreciated/amortized:				
Buildings	4,401,889	40,315	-	4,442,204
Improvements other than buildings	243,721	-	-	243,721
Equipment and vehicles	8,253,476	721,057	(298,502)	8,676,031
Right-to-use leased equipment	7,976	37,520	-	45,496
Right-to-use subscription asset	58,238	-	-	58,238
Intangibles, other	77,750	-	-	77,750
Infrastructure, other	1,020,324	-	-	1,020,324
Infrastructure, road network	34,103,199	3,304,347	-	37,407,546
Total capital assets being depreciated/amortized	48,166,573	4,103,239	(298,502)	51,971,310
Less accumulated depreciation/amortization for:				
Buildings	1,093,153	92,489	-	1,185,642
Improvements other than buildings	86,292	5,041	-	91,333
Equipment and vehicles	5,426,127	579,094	(247,821)	5,757,400
Right-to-use leased equipment	3,540	7,556	-	11,096
Right-to-use subscription asset	8,019	26,658	-	34,677
Intangibles, other	41,467	5,183	-	46,650
Infrastructure, other	163,252	40,813	-	204,065
Infrastructure, road network	19,547,899	1,201,900	-	20,749,799
Total accumulated depreciation/amortization	26,369,749	1,958,734	(247,821)	28,080,662
Total capital assets being depreciated/amortized, net	21,796,824	2,144,505	(50,681)	23,890,648
Governmental activities capital assets, net	\$ 22,717,604	5,419,781	(3,355,028)	24,782,357

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 205,500
Physical health and social services	26,406
County environment and education	33,995
Roads and transportation	1,666,038
Government services to residents	4,316
Administration	22,479
Total depreciation/amortization expense - governmental activities	\$ 1,958,734

**(5) Due to Other Governments**

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

Fund	Description	Amount
General	Services	\$ 934
Special Revenue:		
Secondary Roads	Services	960
Total for governmental funds		<u>\$ 1,894</u>
Custodial:		
County Offices	Collections	\$ 8,912
Schools		75,319
Corporations		23,473
Auto License and Use Tax		240,853
All other		50,036
Total for custodial funds		<u>\$ 398,593</u>

**(6) Long-Term Liabilities**

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

	General Obligation Bonds	Lease Agreements	IT Subscription Liability	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balance beginning of year	\$ 1,350,000	4,736	52,154	310,547	1,303,895	340,284	3,361,616
Increases	-	37,520	-	955,747	167,157	80,337	1,240,761
Decreases	265,000	7,543	27,012	403,793	-	30,744	734,092
Balance end of year	<u>\$ 1,085,000</u>	<u>34,713</u>	<u>25,142</u>	<u>862,501</u>	<u>1,471,052</u>	<u>389,877</u>	<u>3,868,285</u>
Due within one year	\$ 275,000	8,395	25,142	343,919	-	30,744	683,200

**General Obligation Bonds**

On October 29, 2019, the County issued \$2,570,000 of general obligation refunding bonds, Series 2019A, with an interest rate ranging from 2.00-4.00% per annum. The notes were issued to refund the \$2,645,000 outstanding balance of the general obligation capital loan notes, Series 2014, dated March 28, 2014. The Series 2014, general obligation capital loan notes, were issued to construct, furnish and equip the County law enforcement facility. During the year ended June 30, 2025, the County paid principal of \$265,000 and interest of \$37,900 on the bonds. A summary of the County's June 30, 2025 general obligation bond indebtedness is as follows:

Year Ending June 30,	Series 2019A County Law Enforcement Facility Refunding Issued Oct 29, 2019			
	Interest Rates	Principal	Interest	Total
	2026	3.00%	\$ 275,000	27,300
2027	3.00	285,000	19,050	304,050
2028	2.00	290,000	10,500	300,500
2029	2.00	235,000	4,700	239,700
Total		<u>\$ 1,085,000</u>	<u>61,550</u>	<u>1,146,550</u>

Lease Agreements

On March 2, 2022, the County entered into a noncancelable lease agreement for a multifunction printer. The agreement requires monthly payments of \$139 over five years with an estimated implicit interest rate of 3.5% and final payment due June 2, 2027. During the year ended June 30, 2025, the County paid principal of \$1,524 and interest of \$144 on the agreement.

Between July 23, 2024 and September 27, 2024, the County entered in various noncancelable lease agreements for multifunctional printers. The agreements require monthly payments with estimated implicit interest rates of 3.5%. Monthly payments range from \$141 to \$174 over five years. During the year ended June 30, 2025, the County paid principal of \$6,019 and interest of \$977 on these agreements.

Details of the County’s June 30, 2025 lease indebtedness paid from the General Fund are as follows:

Year Ending June 30,	Printers		
	Principal	Interest	Total
2026	\$ 8,395	1,080	9,475
2027	8,693	782	9,475
2028	7,312	501	7,813
2029	7,570	243	7,813
2030	2,743	20	2,763
Totals	\$ 34,713	2,626	37,339

IT Subscription Liability

On January 21, 2024, the County entered into an IT subscription license and services information technology agreement with Thomson Reuters for Attorney’s Office litigation software. An initial subscription liability in the amount of \$13,932 was recorded. The agreement requires monthly payments of \$600 over two years, increasing 6.0% annually, with an implicit interest rate of 6.50% and final payment due January 1, 2026. During the year ended June 30, 2025, principal and interest paid were \$6,921 and \$495, respectively.

On April 1, 2024, the County entered into an IT subscription license and services information technology agreement with Schneider Geospatial for Beacon Portal Development and litigation software. An initial subscription liability in the amount of \$44,306 was recorded. The agreement requires a prorated payment of \$5,697 in the first year and annual payments of \$22,788 over two years, with an implicit interest rate of 6.50% and final payment due June 1, 2026. During the year ended June 30, 2025, principal and interest paid were \$20,091 and \$2,697, respectively.

Future principal and interest payments are as follows:

Year Ending June 30,	Litigation Software			Beacon Software		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 3,744	72	3,816	\$ 21,398	1,390	22,788

Year Ending June 30,	Total		
	Principal	Interest	Total
2026	\$ 25,142	1,462	26,604

**(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 the Iowa Public Employees’ Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at PO Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://www.ipers.org).

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

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

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

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

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

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

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

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

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

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

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

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

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

The County's contributions to IPERS for the year ended June 30, 2025 were \$401,100.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2025, the County reported a liability of \$1,471,052 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2024, the County's proportion was 0.040397%, which was an increase of 0.011509% over its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the County recognized pension expense of \$748,055. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 266,757	775
Changes of assumptions	-	34,073
Net difference between projected and actual earnings on IPERS' investments	35,379	-
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	22,033	95,291
County contributions subsequent to the measurement date	401,100	-
Total	<u>\$ 725,269</u>	<u>130,139</u>

\$401,100 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2026	\$ (228,966)
2027	445,038
2028	25,458
2029	(50,102)
2030	<u>2,602</u>
Total	<u>\$ 194,030</u>

There were no non-employer contributing entities to IPERS.

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 4,158,187	1,471,052	(775,143)

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

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

**(8) Other Postemployment Benefits (OPEB)**

Plan Description – The County administers a single-employer benefit plan which provides medical/prescription drug 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 Taylor County and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical/prescription drug 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	64
	66

Total OPEB Liability – The County's total OPEB liability of \$389,877 was measured as of July 1, 2024 and was determined by an actuarial valuation as of July 1, 2024, rolled forward to the June 30, 2025 measurement 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 actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2025)	2.60% per annum.
Rates of salary increase (effective June 30, 2025)	3.25% per annum, including inflation
Discount rate (effective June 30, 2025)	4.21% compounded annually, including inflation
Healthcare cost trend rate (effective June 30, 2025)	8.00% initial rate decreasing by 0.5% annually to an ultimate rate of 4.50%.

Discount Rate – The discount rate used to measure the total OPEB liability was 4.21% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	<u>\$ 340,284</u>
Changes for the year:	
Service cost	36,796
Interest	14,945
Differences between expected and actual experiences	(2,093)
Changes in assumptions	30,689
Benefit payments	<u>(30,744)</u>
Net changes	<u>49,593</u>
Total OPEB liability end of year	<u>\$ 389,877</u>

Changes of assumptions reflect a change in the discount rate from 4.13% in fiscal year 2024 to 4.21% in fiscal year 2025.

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 (3.21%) or 1% higher (5.21%) than the current discount rate.

	<u>1% Decrease (3.21%)</u>	<u>Discount Rate (4.21%)</u>	<u>1% Increase (5.21%)</u>
Total OPEB liability	\$ 420,506	389,877	361,632

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 (7.00%) or 1% higher (9.00%) than the current healthcare cost trend rates.

	1% Decrease (7.00%)	Healthcare Cost Trend Rate (8.00%)	1% Increase (9.00%)
Total OPEB liability	\$ 346,928	389,877	440,971

OPEB Expense – For the year ended June 30, 2025, the County recognized OPEB expense of \$49,593. The County utilized the alternative measurement method which results in all deferred outflows of resources and deferred inflows of resources related to OPEB being fully recognized in the current fiscal year.

**(9) Risk Management**

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

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

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

The County’s property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County’s contributions to the Pool for the year ended June 30, 2025 were \$306,701.

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

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

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

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$2,000,000 and \$100,000 or \$20,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

#### **(10) Employee Health Insurance Plan**

The Internal Service, Employee Group Health Fund was established to account for the partial self-funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Secure Benefits Systems. This agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$4,850. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Secure Benefits Systems from the Employee Group Health Fund. The County's contribution to the fund for the year ended June 30, 2025 was \$83,823.

The County was not required to obtain an actuarial report for the period ended June 30, 2025 since its plan qualifies as a “mini plan”. A liability is 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. There were no amounts payable from the Employee Group Health Fund at June 30, 2025. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	\$	-
Incurred claims		155,368
Payments on claims during the fiscal year		<u>(155,368)</u>
Unpaid claims end of year	\$	<u>-</u>

**(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.

**Tax Abatements of Other Entities**

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

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

Entity	Tax Abatement Program	Amount of Tax Abated
City of Lenox	Urban renewal and economic development projects	\$ 7,138

**Taylor County**

**Required Supplementary Information**

Taylor County

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

Required Supplementary Information

Year ended June 30, 2025

	Actual	Budgeted Amounts		Final to Actual Variance
		Original	Final	
<b>Receipts:</b>				
Property and other county tax	\$ 5,977,678	5,878,657	5,878,657	99,021
Penalty and interest on property tax	37,856	-	-	37,856
Intergovernmental	5,561,730	8,168,905	8,168,905	(2,607,175)
Licenses and permits	46,189	5,600	5,600	40,589
Charges for service	436,128	327,150	397,150	38,978
Use of money and property	199,565	100,360	100,360	99,205
Miscellaneous	465,177	290,156	294,846	170,331
<b>Total receipts</b>	<b>12,724,323</b>	<b>14,770,828</b>	<b>14,845,518</b>	<b>(2,121,195)</b>
<b>Disbursements:</b>				
Public safety and legal services	2,332,371	2,583,665	2,740,215	407,844
Physical health and social services	1,327,158	1,425,629	1,426,879	99,721
County environment and education	483,092	599,591	602,591	119,499
Roads and transportation	4,822,488	5,147,388	5,147,388	324,900
Governmental services to residents	424,532	493,669	522,194	97,662
Administration	1,734,527	1,651,866	2,012,866	278,339
Debt service	303,500	311,850	311,850	8,350
Capital projects	2,398	3,027,436	3,027,436	3,025,038
<b>Total disbursements</b>	<b>11,430,066</b>	<b>15,241,094</b>	<b>15,791,419</b>	<b>4,361,353</b>
Change in balances	1,294,257	(470,266)	(945,901)	2,240,158
Balance beginning of year	7,645,302	6,516,383	6,516,383	1,128,919
Balance end of year	<b>\$ 8,939,559</b>	<b>6,046,117</b>	<b>5,570,482</b>	<b>3,369,077</b>

See accompanying independent auditor's report.

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Taylor County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2025

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 12,724,323	176,347	12,900,670
Expenditures	11,430,066	(328,181)	11,101,885
Net	1,294,257	504,528	1,798,785
Other financing sources, net	-	37,520	37,520
Beginning fund balances	7,645,302	533,894	8,179,196
Ending fund balances	<u>\$ 8,939,559</u>	<u>1,075,942</u>	<u>10,015,501</u>

See accompanying independent auditor's report.

**Taylor County**

Taylor County

Notes to Required Supplementary Information – Budgetary Reporting

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 the Internal Service and Custodial Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds and the Debt Service Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$550,325. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2025, disbursements did not exceed the amount budgeted by function.

Taylor County

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

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

Required Supplementary Information

	2025	2024	2023	2022
County's proportion of the net pension liability (asset)	0.040397%	0.028888%	0.025697%	0.239354% **
County's proportionate share of the net pension liability (asset)	\$ 1,471	1,304	971	(826)
County's covered payroll	\$ 4,148	3,716	3,692	3,597
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	35.46%	35.09%	26.30%	(22.96)%
IPERS' net position as a percentage of the total pension liability (asset)	92.30%	90.13%	91.40%	100.81%

\* 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.

See accompanying independent auditor's report.

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2021	2020	2019	2018	2017	2016
0.035457%	0.033274%	0.032317%	0.035010%	0.032409%	0.031002%
2,491	1,927	2,045	2,332	2,040	1,532
3,538	3,386	3,129	3,143	2,846	2,672
70.41%	56.91%	65.36%	74.20%	71.68%	57.34%
82.90%	85.45%	83.62%	82.21%	81.82%	85.19%

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Taylor County

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>	<u>2022</u>
Statutorily required contribution	\$ 401	389	359	346
Contributions in relation to the statutorily required contribution	<u>(401)</u>	<u>(389)</u>	<u>(359)</u>	<u>(346)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 4,368	4,148	3,716	3,692
Contributions as a percentage of covered payroll	9.18%	9.38%	9.66%	9.37%

See accompanying independent auditor's report.

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2021	2020	2019	2018	2017	2016
339	336	324	283	286	258
(339)	(336)	(324)	(283)	(286)	(258)
-	-	-	-	-	-
3,597	3,538	3,386	3,129	3,143	2,846
9.42%	9.50%	9.57%	9.04%	9.10%	9.07%

**Taylor County**

Taylor County

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 age 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%.

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Taylor County

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

For the Last Eight Years  
Required Supplementary Information

	2025	2024	2023	2022
Service cost	\$ 36,796	25,331	34,575	37,813
Interest cost	14,945	13,821	8,681	10,911
Difference between expected and actual experiences	(2,093)	(311)	(25,875)	(67,145)
Changes in assumptions	30,689	728	(44,023)	18,747
Benefit payments	(30,744)	(23,495)	(21,856)	-
Net change in total OPEB liability	49,593	16,074	(48,498)	326
Total OPEB liability beginning of year	340,284	324,210	372,708	372,382
Total OPEB liability end of year	\$ 389,877	340,284	324,210	372,708
Covered-employee payroll	\$ 4,367,560	3,895,079	3,844,366	3,438,997
Total OPEB liability as a percentage of covered-employee payroll	8.9%	8.7%	8.4%	10.8%

See accompanying independent auditor's report.

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2021	2020	2019	2018
33,821	25,380	27,038	17,919
12,328	11,823	11,177	12,689
(16,126)	4,149	(27,951)	(137,357)
28,536	7,428	(7,445)	(24,723)
(7,078)	(15,854)	-	-
51,481	32,926	2,819	(131,472)
320,901	287,975	285,156	416,628
372,382	320,901	287,975	285,156
3,250,214	3,142,573	3,050,418	2,954,400
11.5%	10.2%	9.4%	9.7%

Taylor County

Notes to Required Supplementary Information – OPEB Liability

Year ended June 30, 2025

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

The 2024 valuation implemented the following refinements as a result of a new actuarial opinion dated June 30, 2024

- Changed mortality assumptions to the SOA Public Plan 2010 tables.

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	4.21%
Year ended June 30, 2024	4.13%
Year ended June 30, 2023	4.09%
Year ended June 30, 2022	2.19%
Year ended June 30, 2021	2.66%
Year ended June 30, 2020	3.51%
Year ended June 30, 2019	3.87%
Year ended June 30, 2018	3.58%
Year ended June 30, 2017	2.92%

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

## **Supplementary Information**

**Schedule 1**

Taylor County  
 Combining Balance Sheet  
 Nonmajor Governmental Funds

June 30, 2025

	Special Revenue				
	County Recorder's Records Management	Forfeitures	Local Option Sales Tax	Local Government Opioid Abatement	Total
<b>Assets</b>					
Cash, cash equivalents and pooled investments	\$ 2,373	19,540	719,643	43,600	785,156
Receivables:					
Opioid settlement	-	-	-	173,271	173,271
Due from other governments	-	-	24,717	-	24,717
<b>Total assets</b>	<b>\$ 2,373</b>	<b>19,540</b>	<b>744,360</b>	<b>216,871</b>	<b>983,144</b>
<b>Deferred Inflows of Resources and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ -	-	11,003	1,593	12,596
Deferred inflows of resources:					
Unavailable Revenue:					
Other	-	-	-	160,149	160,149
Fund balances:					
Restricted for:					
Opioid abatement	-	-	-	55,129	55,129
Other purposes	2,373	19,540	733,357	-	755,270
Total fund balances	2,373	19,540	733,357	55,129	810,399
<b>Total deferred inflows of resources and fund balances</b>	<b>\$ 2,373</b>	<b>19,540</b>	<b>744,360</b>	<b>216,871</b>	<b>983,144</b>

See accompanying independent auditor's report.

## Taylor County

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

Year ended June 30, 2025

	Special Revenue				Total
	County Recorder's Records Management	Forfeitures	Local Option Sales Tax	Local Government Opioid Abatement	
Revenues:					
Local option sales tax	\$ -	-	240,457	-	240,457
Charges for service	995	-	-	-	995
Use of money and property	-	-	-	228	228
Miscellaneous	-	-	-	55,951	55,951
Total revenues	995	-	240,457	56,179	297,631
Expenditures:					
Operating:					
Public safety and legal services	-	-	5,000	-	5,000
Physical health and social services	-	-	-	32,063	32,063
County environment and education	-	-	120,871	-	120,871
Total expenditures	-	-	125,871	32,063	157,934
Change in fund balances	995	-	114,586	24,116	139,697
Fund balances beginning of year	1,378	19,540	618,771	31,013	670,702
Fund balances end of year	\$ 2,373	19,540	733,357	55,129	810,399

See accompanying independent auditor's report.

Taylor County  
Combining Schedule of Fiduciary Net Position  
Custodial Funds

June 30, 2025

	County Offices	Agricultural Extension Education	County Assessor	Schools
<b>Assets</b>				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	1,771	396,789	75,319
Other County officials	28,697	-	-	-
Receivables:				
Property tax:				
Delinquent	-	41	83	1,766
Succeeding year	-	160,000	348,000	6,657,000
<b>Total assets</b>	<b>28,697</b>	<b>161,812</b>	<b>744,872</b>	<b>6,734,085</b>
<b>Liabilities</b>				
Accounts payable	2,724	-	8,023	-
Due to other governments	8,912	1,771	-	75,319
Trusts payable	17,061	-	-	-
<b>Total liabilities</b>	<b>28,697</b>	<b>1,771</b>	<b>8,023</b>	<b>75,319</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	-	160,000	348,000	6,657,000
<b>Net Position</b>				
Restricted for individuals, organizations and other governments	\$ -	41	388,849	1,766

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
5,940	23,473	1,909	240,853	60,851	806,905
-	-	-	-	-	28,697
139	1,934	5	-	-	3,968
563,000	1,654,000	213,000	-	1,000	9,596,000
569,079	1,679,407	214,914	240,853	61,851	10,435,570
-	-	-	-	-	10,747
5,940	23,473	1,909	240,853	40,416	398,593
-	-	-	-	-	17,061
5,940	23,473	1,909	240,853	40,416	426,401
563,000	1,654,000	213,000	-	1,000	9,596,000
139	1,934	5	-	20,435	413,169

Taylor County

Combining Schedule of Changes in Fiduciary Net Position  
Custodial Funds

Year ended June 30, 2025

	County Offices	Agricultural Extension Education	County Assessor	Schools
<b>Additions:</b>				
Property and other county tax	\$ -	147,928	296,807	6,274,647
State tax credits	-	9,297	18,658	372,266
Office fees and collections	250,261	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Drivers license fees	-	-	-	-
Assessments	-	-	-	-
Trusts	-	-	-	-
Miscellaneous	-	-	1,286	-
<b>Total additions</b>	<b>250,261</b>	<b>157,225</b>	<b>316,751</b>	<b>6,646,913</b>
<b>Deductions:</b>				
Agency remittances:				
To other funds	66,308	-	-	-
To other governments	153,044	157,225	453,030	6,646,913
Trusts paid out	30,909	-	-	-
<b>Total deductions</b>	<b>250,261</b>	<b>157,225</b>	<b>453,030</b>	<b>6,646,913</b>
Change in net position	-	-	(136,279)	-
Net position beginning of year	-	41	525,128	1,766
Net position end of year	\$ -	41	388,849	1,766

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
496,004	1,442,400	190,542	-	866	8,849,194
29,309	193,617	8,223	-	28,922	660,292
-	-	-	-	-	250,261
-	-	-	2,704,904	-	2,704,904
-	-	-	26,708	-	26,708
-	-	-	-	12,456	12,456
-	-	-	-	123,266	123,266
-	-	-	-	81,360	82,646
525,313	1,636,017	198,765	2,731,612	246,870	12,709,727
-	-	-	91,633	117,813	275,754
525,313	1,636,017	198,765	2,639,979	115,005	12,525,291
-	-	-	-	-	30,909
525,313	1,636,017	198,765	2,731,612	232,818	12,831,954
-	-	-	-	14,052	(122,227)
139	1,934	5	-	6,383	535,396
139	1,934	5	-	20,435	413,169

Taylor County

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

For the Last Ten Years

	2025	2024	2023	2022
<b>Revenues:</b>				
Property and other county tax	\$ 5,619,023	4,555,023	3,970,383	4,599,614
Local option sales tax	369,762	326,537	335,714	330,142
Penalty and interest on property tax	37,856	30,529	33,226	47,209
Intergovernmental	5,719,158	6,096,228	5,218,368	5,586,699
Licenses and permits	32,602	23,642	7,738	6,885
Charges for service	442,750	356,969	386,524	389,737
Use of money and property	194,072	160,361	80,714	31,748
Miscellaneous	485,447	150,000	202,974	217,460
Total	<u>\$ 12,900,670</u>	<u>11,699,289</u>	<u>10,235,641</u>	<u>11,209,494</u>
<b>Expenditures:</b>				
<b>Operating:</b>				
Public safety and legal services	\$ 2,270,672	2,338,001	1,994,223	2,051,710
Physical health and social services	1,352,230	1,276,080	1,267,720	1,330,988
Mental health	-	-	-	140,312
County environment and education	460,548	540,619	465,632	503,360
Roads and transportation	4,899,193	4,736,521	3,943,954	4,596,514
Governmental services to residents	432,408	367,293	400,967	370,051
Administration	1,380,936	1,748,556	1,045,523	1,106,078
Debt service	303,500	306,300	298,050	947,314
Capital projects	2,398	28,691	114,288	3,550
Total	<u>\$ 11,101,885</u>	<u>11,342,061</u>	<u>9,530,357</u>	<u>11,049,877</u>

See accompanying independent auditor's report.

2021	2020	2019	2018	2017	2016
4,567,181	4,397,018	4,264,033	3,922,160	3,604,824	3,572,048
291,482	265,008	258,392	129,833	214,492	216,613
57,741	16,548	35,286	34,201	32,003	30,783
6,494,140	5,330,913	5,707,191	4,876,057	5,353,030	5,214,924
7,992	10,105	6,630	5,710	5,284	6,297
337,100	376,384	236,124	352,992	413,874	213,362
45,346	50,557	46,623	38,326	39,215	53,838
216,922	179,383	174,571	199,475	252,317	192,703
12,017,904	10,625,916	10,728,850	9,558,754	9,915,039	9,500,568
1,794,049	1,739,212	1,647,467	1,561,358	1,588,224	1,526,825
1,373,935	1,269,854	1,261,926	1,234,413	1,279,399	985,114
159,000	157,570	144,000	95,508	95,642	141,450
400,219	451,602	311,756	228,110	238,045	417,695
4,135,725	3,868,040	3,994,224	4,233,036	4,295,584	3,051,454
364,541	335,448	313,206	324,015	364,445	340,789
884,268	897,495	915,620	823,747	751,252	685,828
962,740	960,378	947,889	951,723	953,603	1,184,630
1,127,034	181,070	914,523	39,771	698,401	1,491,432
11,201,511	9,860,669	10,450,611	9,491,681	10,264,595	9,825,217



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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 Taylor County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Taylor County, Iowa, as of and for the year ended June 30, 2025, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 5, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

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

## Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about Taylor 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 Taylor 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.

## Taylor County's Responses to Findings

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

## Purpose of this Report

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

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



Pam Bormann, CPA  
Deputy Auditor of State

March 5, 2026

Taylor County

Schedule of Findings

Year ended June 30, 2025

**Findings Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCIES:**

2025-001 Segregation of Duties

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

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

	Applicable Offices
(1) All incoming mail is opened by an employee who is also authorized to make entries to the accounting records.	Auditor, Treasurer, Recorder, Engineer, Conservation, Sheriff
(2) Generally, one individual may have control over collecting, depositing, posting and maintaining receivable records for which no compensating controls exist.	Auditor, Treasurer, Recorder, Engineer, Conservation, Sheriff
(3) Bank accounts were not reconciled by an individual who does not sign checks, handle or record cash. Bank reconciliations were not reviewed periodically by an independent person for propriety.	Recorder
(4) The person who signs checks is not independent of the person preparing the checks, approving disbursements and handling cash.	Recorder
(5) The change fund and cash drawers are shared between employees.	Treasurer, Recorder

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

Effect – Inadequate segregation of duties could adversely affect each County office’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.

Taylor County

Schedule of Findings

Year ended June 30, 2025

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the County officials should review the operating procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials and personnel from other County offices, to provide additional control through review of financial transactions, reconciliations and reports. Evidence of the review should be documented by the signature or initials of the independent reviewer and the date of the review.

Responses –

County Auditor – We will try to create a procedure that will check any documents coming into the Auditor’s office including mail, cash and disbursements. Try to have two office staff initializing documentation.

County Recorder – We will try to segregate duties as much as possible. We will implement an independent person reviewing the bank reconciliation and bank statements.

County Treasurer – The office will review procedures and identify ways to segregate duties as much as possible and implement compensating controls where increase control can be achieved.

County Sheriff – We understand the importance of segregation of duties and with a small office it is difficult. However, we will review office procedures and attempt to maximize the best internal control.

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

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

Conclusion – Responses acknowledged. All offices should continue to review current operating procedures for the areas noted to obtain the maximum internal control possible. The officials should utilize current personnel to provide additional control through review of financial transactions, reconciliations and reports.

2025-002 Financial Reporting

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

Condition – Material amounts of capital assets, infrastructure, receivables, payables and prepaids were not properly recorded in the County’s financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements. Also, several balances reported on the cash annual financial report (AFR) did not agree with the County’s records.

Taylor County

Schedule of Findings

Year ended June 30, 2025

Cause – County policies do not require, and procedures have not been established, to require independent review of capital assets, infrastructure, receivables, payables and prepaids to ensure the County’s financial statements and the cash AFR are accurate and reliable.

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

Recommendation – The County should establish procedures to ensure all capital assets, infrastructure, receivables, payables and prepaids are identified and properly reported in the County’s financial statements. In addition, the County should establish procedures to ensure all financial activity is accurately reported in the AFR.

Response – Our office continually tries to keep assets up to date, we will make a better effort to document additions and deletions. Sometimes it’s hard to get information out of some of the departments but we will be more adamant about finding the documentation needed. We do have an Inventory Deletion form and Addition form in places.

Conclusion – Response accepted.

2025-003 Reconciliation of Public Health Billings, Collections and Delinquent Accounts

Criteria – An effective internal control system provides for internal controls related to reconciling billings, collections, receivables and maintaining delinquent account listings to ensure the accuracy of collections, receivables and delinquent accounts.

Condition – Monthly reconciliations of billings, collections, receivables and delinquent accounts were not prepared.

Cause – Policies have not been established, and procedures have not been implemented to reconcile billings, collections and receivables and maintain delinquent account listings.

Effect – The condition could result in unrecorded or misstated revenues and receivables.

Recommendation – The Public Health Department should develop procedures to reconcile billings, collections and receivables. A listing of delinquent accounts should be prepared on a monthly basis. The Department should designate an independent person to review the reconciliations and monitor delinquents. The review of the reconciliations should be documented by the signature or initials of the reviewer and the date of the review.

Taylor County

Schedule of Findings

Year ended June 30, 2025

Response – We acknowledge the continued recommendation regarding reconciliation of public health billings, collections, receivables, and delinquent accounts and appreciate the opportunity to further clarify the progress made since the FY24 audit.

Since then, our agency has implemented a process to pull and retain monthly reports reflecting billings, collections, receivables, and outstanding account balances. During this most recent audit, we were able to provide these monthly reports to the auditors. While the core technical limitations of our current software system remain, specifically the inability to easily generate a fully consolidated, multi-month reconciliation report within one integrated view, we have worked within those limitations to improve documentation and timeliness of reporting.

Moving forward, we are taking additional and more structural corrective action. We have hired staff with the core responsibility of designing and building an enterprise-level management software system tailored specifically to the operational needs of our agency. This system will integrate and strengthen internal controls related to reconciling billings, collections, receivables, and delinquent accounts. In addition, it will incorporate broader fiscal management tools, including bill payments, purchase orders, payroll integration, direct service billing, and other financial oversight mechanisms. The intent is to create a centralized system that enhances transparency, efficiency, and audit-readiness.

Due to the unique nature of our agency that encompasses cross-jurisdictional service sharing across three counties, our financial structure differs from that of many other public health departments in the state. There are limited models available that mirror our multi-county operational and fiscal sharing arrangement. As a result, much of our financial management infrastructure has developed through a grassroots effort to maintain fiscal accountability while navigating complex funding streams and shared governance structures, often with limited formal guidance specific to this model.

We hold our responsibility for fiscal accountability to a high standard and are committed to continuous improvement. We will continue proactive discussions with the State Auditor’s Office to ensure that, as we develop this enhanced enterprise management system, it aligns fully with recommended internal control standards and best practices. Our goal is not simply compliance, but implementation “the right way” with sustainable, well-documented procedures.

Additionally, we understand that the Iowa State Association of Counties (ISAC) is in the process of developing an independent enterprise resource planning (ERP) system for counties. We will monitor that development closely and evaluate whether integration with or adoption of that system may further strengthen our internal controls and reporting structure in the future.

We remain committed to transparency, accurate reporting, and strengthening our internal control environment to ensure the continued accuracy of collections, receivables, and delinquent account monitoring.

Conclusion – Response accepted.

Taylor County

Schedule of Findings

Year ended June 30, 2025

2025-004 Auditor Account Bank Reconciliation

Criteria – An effective internal control system provides for internal controls related to reconciling monthly bank statements to the book balance to ensure the accuracy of the book balance, as well as timely review by an independent person.

Condition – Six of twelve auditor account bank reconciliations were not reviewed timely by an independent person.

Cause – County policies do not require, and procedures have not been established to ensure the timely review of the auditor account by an independent person.

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

Recommendation – Policies and procedures should be developed to ensure the timely review of the auditor account bank reconciliations by an independent person. The review of the reconciliations should be documented by the signature or initials of the reviewer and the date of the review.

Response – We just recently created a shared folder that all office staff has access to. We will make an effort to scan bank records in this folder so they can be checked in a more timely matter by several office employees.

Conclusion – Response accepted.

2025-005 Recorder Office Remittances

Criteria – An effective internal control system provides for internal controls related to reconciling Recorder Office collections and remittances to ensure the accuracy of collections, remittances and amounts on hand at year-end.

Condition – Collections due to the County for January 2025 through March 2025 were not remitted to the County until December 2025.

Cause – Turnover in the Recorder's Office and lack of documented policies regarding collection and remittance procedures.

Effect – Collections due to the County were kept in a Recorder bank account until December 2025.

Recommendation – The Recorder's Office should develop and document procedures regarding collections and timely remittances to the County.

Response – We will make disbursements monthly.

Conclusion – Response accepted.

Taylor County  
Schedule of Findings  
Year ended June 30, 2025

**INSTANCES OF NONCOMPLIANCE:**

No matters were noted.

Taylor County

Schedule of Findings

Year ended June 30, 2025

**Other Findings Related to Required Statutory Reporting:**

2025-A Certified Budget – During the year ended June 30, 2025, disbursements did not exceed the amounts budgeted. However, notice of public hearing for the County budget was not properly published as required by Chapter 331.434 of the Code of Iowa.

Recommendation – Chapter 331.434 of the Code of Iowa requires publication of notice of public hearing must be 10 to 20 days prior to meeting. The County should also notify the newspaper they have a notice they need published and the last possible time to submit it.

Response – We will make note to notify our official paper at least 2 weeks before date of meeting and minutes will be sent same week as meeting. We will just list them as unofficial minutes until the Board can review them at the following meeting. Corrections will be made in the next meetings minutes. When the paper only comes out once a week it's hard to meet the 10-20 rule.

Conclusion – Response accepted.

2025-B Questionable Expenditures – In accordance with Article III, Section 31 of the Iowa Constitution and an Attorney General's Opinion dated April 25, 1979, public funds may only be spent for public benefit. Certain expenditures were noted which we believe may not meet the requirement of public purposes as defined in the Attorney General's opinion since the public benefits to be derived have not been clearly documented. These expenditures are detailed as follows:

<u>Paid to</u>	<u>Purpose</u>	<u>Amount</u>
Adobe	Sales tax	\$ 17
AirDoctor Pro	Sales tax	60
Amazon	Sales tax	23
Amazon	Sales tax	23
HyVee	Sales tax	1

As a government entity, the County maintains a tax-exempt status. As a result, the County should not incur sales tax. Therefore, the payment of sales tax does not serve a public purpose.

Recommendation – The County should establish procedures to ensure all payments are reviewed to prevent the payment of sales tax.

Response – We have notified Department Heads on multiple occasions to not allow employees to be charged sales tax. We will watch the billing closer and require sales tax reimbursement from the Department that made the error.

Conclusion – Response accepted.

Taylor County

Schedule of Findings

Year ended June 30, 2025

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

2025-D Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Chad Schrodtt, Secondary Roads employee, spouse of Andrea Schrodtt	Cleaning services	\$ 2,300
Holly Cavin, County Assessor, sister-in-law of Travis Cavin owner of TTC Fabrication and Repair	Parts and welding	549
Josh Weed, County Sheriff, owns Hawn Sanitation	Garbage and sanitation services and rental	2,645
Julie Thomas, Public Health employee, wife of Andy Thomas	Maintenance for the courthouse	3,076
Annie Brill, Public Health employee, wife of Todd Brill	Repairs	292
Jason McMillin, Secondary Roads employee, cousin is owner of McMillin Trucking Inc.	Parts and salt	8,031
Crystal Drake, Public Health Administrator, sister-in-law to owner of Drake Electric, LLC	Electrical repairs	29,126
Danielle Lawrence, Public Health employee, daughter to Karen Parman	Cleaning services	2,985
Chad Schrodtt, Secondary Roads employee, step father to Garrison Motsinger	Mowing	450

In accordance with Chapter 331.342(2)(j) of the Code of Iowa, the transactions with Andrea Schrodtt, TC Fabrication & Repair, Hawn Sanitation, Andy Thomas, Todd Brill, Karen Parman and Garrison Motsinger do not appear to represent a conflict of interest since the total transactions with each individual or business were less than \$6,000 during the year.

The transactions with McMillin Trucking Inc. and Drake Electric LLC may represent a conflict of interest as defined in Chapter 331.342(2)(c) and (j) of the Code of Iowa since the total cumulative transactions were greater than \$6,000 during the fiscal year ended June 30, 2025, and the transactions were not competitively bid.

Recommendation – The County should consult legal counsel to determine the disposition of this matter.

Taylor County

Schedule of Findings

Year ended June 30, 2025

Response – Drake Electric, LLC was the only qualified business in our area to preform the repairs. PH director did reach out to other vendors, but they were not interested. We are very limited in qualified electrical repair businesses to choose from. We will be sure PH requires bids on any projects.

Conclusion – Response acknowledged. The County should review purchases from all related party vendors and ensure public bids are obtained as necessary.

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

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

2025-G Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not. However, for two of the four Board Minutes tested, minutes were not furnished to the newspaper within one week as required by Chapter 349.18 of the Code of Iowa. Also, the full text of all resolutions was not available on the County website.

Recommendation – The County should furnish Board minutes timely and post the full text of resolutions on their website as required by Chapter 349.18 of the Code of Iowa.

Response – We will try to get minutes to the paper in more timely fashion. We started a system several months ago to make sure the minutes are sent with the claims. We can send unofficial minutes then if necessary, make any correction of the following meeting minutes.

Conclusion – Response acknowledged. The County should also include the full text of all resolutions on the County website.

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

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

2025-J County Auditor’s Bank Account – The County Auditor maintains a bank account for plat books, passports, and insurance transactions. The account had revenue of \$31,774, expenditures of \$31,668 and an ending bank balance of \$18,725. The financial activity of this account is not reflected in the County’s financial statements and has not been included in the County’s annual budget.

Recommendation – Collections for the plat books and passports should be remitted to the County Treasurer. Insurance funds should be moved to a General fund in order to properly reflect this activity in the County’s budget and financial statements.

Taylor County

Schedule of Findings

Year ended June 30, 2025

Response – I have already spoke to the Treasurer about moving the Insurance fund to an internal service fund which includes life insurance and flex benefits.

Conclusion – Response accepted.

2025-K County Auditor's Reports – According to Chapter 331.902 of the Code of Iowa, the County Auditor shall make a quarterly report to the Board of Supervisors, showing by type, the fees collected during the preceding quarter. The County Auditor shall pay, at least quarterly, to the County Treasurer the fees and charges collected. The County Auditor's fees and charges collected were not paid to the County Treasurer and the County Auditor did not provide required reports to the Board of Supervisors.

Recommendation – The County Auditor should remit collections to the County Treasurer and prepare and provide a report, at least quarterly, showing the fees collected during the preceding quarter, to the Board of Supervisors, as required.

Response – We will create a quarterly report that will be provided to the Treasurer and Board of Supervisors.

Conclusion – Response accepted. The County Auditor should also remit the collections to the County Treasurer.

Taylor County

Staff

This audit was performed by:

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