

Financial Statements
June 30, 2025
Benton County

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Benton County

Benton County
Officials

Name	Title	Term Expires
Ronald Tippett	Board of Supervisors	December 2028
Bruce Volz	Board of Supervisors	December 2028
Tracy Seeman	Board of Supervisors	December 2026
Hayley Rippel	County Auditor	December 2028
Melinda Schoettmer	County Treasurer	December 2026
Lexa Speidel	County Recorder	December 2026
David Upah	County Sheriff	December 2028
Ray Lough	County Attorney	December 2026
Larry Andreesen	County Assessor	Appointed



Independent Auditor's Report

To the Officials of Benton County, Iowa:

Report on the Audit of the Financial Statements

Opinions

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Notes 1 and 12 to the financial statements, the County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

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 the 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 the 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 the 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, budgetary comparison schedule, schedule of the County's proportionate share of the net pension liability, schedule of County contributions, and schedule of changes in the County's total OPEB liability and related ratios, as listed in the table of contents 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 the County's basic financial statements. We also 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 combining nonmajor and custodial financial statements, the schedule of revenues by source and expenditures by function, and the schedule of expenditures of federal awards required by Title 2, U.S. *Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are 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 combining nonmajor and custodial fund financial statements, the schedule of revenues by source and expenditures by function, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Financial Statements. The other information comprises the list of officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2026, on our consideration of the 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 the County's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Sully LLP". The signature is written in black ink and is positioned above the typed name and date.

Dubuque, Iowa
February 26, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Benton County provides this Management's Discussion and Analysis as part of our annual 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.

FINANCIAL HIGHLIGHTS

Total revenue for the County's governmental activities increased from 2024 to 2025 by 28.2%.

Property tax experienced a 12.5% increase, growing from \$14,681,407 in 2024 to \$16,517,243 in 2025.

Property and other county tax revenues of the governmental funds increased \$1,858,388 from \$16,012,656 in 2024 to \$17,871,044 in 2025 due to the County recognizing about \$1.2 million more tax revenues in the emergency medical services trust fund.

Governmental activities program expenses increased in 2025 when compared to 2024 by \$2,959,565. The most significant increase was the public safety and legal services function, which increased \$1,674,276 to \$7,842,480 in 2025.

USING THIS ANNUAL REPORT

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

- *Management's Discussion and Analysis* introduces the basic financial statements and provides an analytical overview of the government'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 Benton County as a whole and present an overall view of the County's finances.
- The *Fund Financial Statements* tell how government services were financed in the short term as well as what remains for future spending. Fund financial statements report Benton County's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Benton County acts solely as an agent or custodian for the benefit of those outside of the government.
- The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data.
- *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 non-major governmental and the individual custodial funds.

REPORTING THE COUNTY AS A WHOLE

The Statement of Net Position and the Statement of Activities

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 about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities 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 all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them 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 event or 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 periods.

The County's governmental activities are displayed 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 or general government, interest on long-term debt and other 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. These governmental funds include:
 - a. The General Fund
 - b. Special Revenue Funds, such as Rural Services, Secondary Roads, and other nonmajor funds
 - c. The Capital Projects Funds (Nonmajor Fund)
 - d. The Debt Service Fund (Nonmajor Fund)
 - e. The Permanent Fund (Nonmajor 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 one 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 the governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

- 2) Proprietary funds account for the County's employee group health insurance, an internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The required financial statements for the 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 agency capacity for others and cannot be used to support the government's own programs. These fiduciary funds include, but are not limited to, custodial funds that account for:

County Assessor
E911 Surcharge
Joint Disaster Services

The required financial statements for the fiduciary funds include a statement of fiduciary net position and statement of changes in fiduciary net position.

A summary reconciliation between the government-wide financial statements and the fund financial statements follows the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the County's financial position.

The County's combined net position increased from \$75,408,754 in 2024 to \$86,163,553 in 2025. Our analysis below focuses on the net position and changes in net position of the County's governmental activities.

NET POSITION OF GOVERNMENTAL ACTIVITIES
(as shown in the Statement of Net Position)

	June 30,	
	2025	2024 (not restated)
Current and Other Assets	\$ 47,863,600	\$ 49,375,725
Capital Assets	63,415,845	54,600,717
	111,279,445	103,976,442
Deferred Outflows of Resources	1,755,429	2,157,351
Other Liabilities	1,391,181	5,002,433
Long-term Liabilities	7,516,686	7,830,331
	8,907,867	12,832,764
Deferred Inflows of Resources	17,963,454	17,892,275
Net Position		
Net investment in capital assets	60,800,329	51,213,440
Restricted	21,470,994	18,646,345
Unrestricted	3,892,230	5,548,969
	\$ 86,163,553	\$ 75,408,754

The Net Position of the County's governmental activities increased from \$75,408,754 in 2024 to \$86,163,553 in 2025. The largest portion of the County's net position is invested in capital assets. The change in total net position is due largely to capital contributions. Unrestricted net position is 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.

Effective July 1, 2024 the County adopted provisions of GASB Statement No. 101, *Compensated Absences*. As a result of this change in accounting principle, it was not appropriate for the County to restate prior-period information for earlier periods than those presented in the basic financial statements. Therefore, information for the year ended June 30, 2024 was not restated. See Note 12 to the financial statements for further information on the change in accounting principle.

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES
(as shown in the Statement of Activities)

	Year Ended June 30,	
	2025	2024 (not restated)
Revenues		
Charges for service and sales	\$ 3,383,267	\$ 3,188,453
Operating grants and contributions	7,447,387	7,865,862
Capital grants and contributions	8,717,288	1,801,958
Property taxes	16,517,243	14,681,407
Penalty and interest on property taxes	51,518	63,762
State tax credits	994,094	907,017
Local option sales tax	1,356,221	1,326,382
Unrestricted investment earnings	401,808	314,893
Miscellaneous	360,305	458,708
Total revenues	<u>39,229,131</u>	<u>30,608,442</u>
Expenses		
Public safety and legal services	7,842,480	6,168,204
Physical health and social services	1,258,183	1,210,382
County environment and education	1,848,016	2,052,828
Roads and transportation	11,362,267	11,243,928
Government services to residents	1,121,098	998,399
Administration	4,501,941	3,513,237
Non-program	280,102	47,644
Interest on long-term debt	70,649	90,549
Total expenses	<u>28,284,736</u>	<u>25,325,171</u>
Change in net position	10,944,395	5,283,271
Net position beginning of year, as previously reported	75,408,754	70,125,483
Restatement, Note 12	(189,596)	-
Net position beginning of year, as restated	<u>75,219,158</u>	<u>70,125,483</u>
Net position end of year	<u>\$ 86,163,553</u>	<u>\$ 75,408,754</u>

GOVERNMENTAL ACTIVITIES

The results of governmental activities for the year caused Benton County’s net position to increase by \$10,944,395. Total revenues for governmental activities increased from the prior year, and property taxes increased \$1,835,836.

The total property tax rates in 2025 increased from 2024; the total property tax dollars levied, including gas and electric, increased \$1,870,547 in 2025 from 2024. This is a result of the increased taxable valuation and the 0.64019 increase in levy.

	<u>FY2025</u>	<u>FY2024</u>
Countywide taxable value	1,828,737,007	1,738,613,004
Countywide levy rate less debt	6.45431	5.79049
Dollars levied less debt	11,803,244	10,067,421
Countywide taxable debt service value	1,872,532,835	1,775,542,377
Countywide debt service levy rate	0.43361	0.45724
Dollars levied for debt service	811,850	811,850
Total countywide levy rate	6.88792	6.24773
Total dollars levied countywide	12,615,194	10,879,271
Rural taxable value	1,177,745,847	1,120,571,108
Rural tax levy rate	3.87255	3.95000
Dollars levied for rural area only	4,560,880	4,426,256
Total dollars levied	17,176,074	15,305,527

The cost of all governmental activities this year was \$28,284,736 compared to \$25,325,171 last year. However, as shown in the Statement of Activities on page 17, the amount that our taxpayers ultimately financed for these activities through County property taxes was only \$16,517,243 because some of the cost was paid by those directly benefiting from the programs or by other governments and organizations that subsidized certain programs with grants and contributions. The County paid for the remaining “public benefit” portion of governmental activities with other revenues, such as interest and general entitlements.

THE COUNTY'S INDIVIDUAL MAJOR FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of \$27,520,330 which is higher than last year's total of \$25,146,688. The following are the most significant changes in the governmental funds from the prior year.

General Fund revenues increased in 2025 by \$101,976 and expenditures decreased \$133,175 when compared to the prior year. The ending fund balance increased from 2024 to 2025 by \$457,792 to \$10,327,000 with \$5,705,666 of that balance being unassigned. Unassigned funds are available for any legal use within the fund. The County continues to commit a portion of the ending fund balance to address any emergency response in Benton County in addition to capital improvements and equipment replacement.

	<u>2025</u>	<u>2024</u>
Ending Total Fund Balance	\$ 10,327,000	\$ 9,869,208
Restricted	3,932,010	3,082,712
Committed	642,000	647,000
Unassigned	5,705,666	6,083,465
Revenue	15,686,635	15,584,659
Other Financing Sources (Uses)	(424,880)	(432,560)
Expenditures	14,803,963	14,937,138

Secondary Roads Fund expenditures increased \$1,077,407 from the prior year. The fund encountered an increase in revenues from 2024 to 2025 of \$196,158. Restricted fund balance increased \$327,544 and other financing sources increased \$859,760 from 2024 to 2025. All of these factors combined have resulted in an increase in the Secondary Roads fund balance of \$326,512. The County continues to plan for long-range projects including grading, paving and bridge replacement projects, and expects to fund a portion of those projects through local option sales tax revenue. Steps continue to be taken to re-design current projects to reduce costs, yet still meet the needs and safety of the traveling public.

	<u>2025</u>	<u>2024</u>
Ending Total Fund Balance	\$ 8,166,267	\$ 7,839,755
Nonspendable	305,011	306,043
Restricted	7,861,256	7,533,712
Revenue	8,007,682	7,811,524
Other Financing Sources	4,288,046	3,428,286
Expenditures	11,969,216	10,891,809

The Rural Service Fund revenues increased \$83,672 from prior year due to increased property taxes. The 2025 transfer to Secondary Roads was \$3,360,768. Total fund balance increased \$336,983.

BUDGETARY HIGHLIGHTS

In accordance with the Code of Iowa, the Board of Supervisors annually adopts a budget following required public notice and hearing for all funds, except custodial funds. Although the budget document presents functional disbursements by fund, the legal level of control is at the aggregated functional level (activity), not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The County budget is prepared on the cash basis. Benton County amended its operating budget three times during the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY25, Benton County had \$63,415,845 invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Debt

At June 30, 2025, the County had \$3,180,201 of General Obligation Bonds outstanding, compared to \$3,921,502 at June 30, 2024. More detailed information about the County's long-term debt is presented in Note 6 to the financial statements.

The Constitution of the State of Iowa limits the amount of general obligation debt that counties can issue to 5 percent of the assessed value of all taxable property within the County's corporate limits. The County's outstanding general obligation debt limitation is \$179.6 million, based on 2024 values.

100% Assessed Values for Calculating Debt Capacity

<u>2024 for 25/26 collections</u>	<u>2023 for 24/25 collections</u>	<u>2022 for 23/24 collections</u>
\$3,592,826,844	\$3,541,217,753	\$2,845,853,689

Other obligations include accrued vacation pay and sick leave. More detailed information about the County's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Benton County's elected and appointed officials and citizens considered many factors when setting the 2026 fiscal year budget, tax rates, and the fees that will be charged for the various County activities.

Inflation in the State is comparable to the increase in the national Consumer Price Index of 3 percent for calendar year 2025.

Benton County takes the economic situation in account when adopting the General Fund budget for FY26. Benton County continues to use local option sales and services tax receipts to fund activities in the Rural Fund resulting in a reduced levy. Benton County will continue to use fund reserves to finance programs we currently offer and offset the effect of inflation on program costs. The County has allocated the remainder of the American Rescue Plan Act (ARPA) funds to also offset some equipment purchases and helped offset costs for courthouse grounds and maintenance. This fiscal year the County started utilizing the Opioid Abatement Funds as well and will continue to look for ways to incorporate these funds into programs and offset expenses that are qualified uses.

Overall budgeted program disbursements are expected to increase in FY26 in comparison to actual disbursements for FY25. Activities with relatively large increases include Public Safety and Legal Services and Administration. Part of the Public Safety and Legal Services increased due to the final payments for the finished Emergency Communications Project, with ongoing yearly maintenance fees. The Emergency Medical Services Levy was passed by voters and implemented into FY25 as well. Capital Projects has continued to see an increase due to grant funding obtained by the Conservation, which has been offset by the revenue reimbursement. Administration costs have slightly decreased due to various reasons. The restructuring of the mental health regions eliminated positions in the County, along with the reduction of Human Resource Department and a few other positions that haven't been filled as of recent. Insurance premiums decreased by 4% with the County's wellness program participation activity and will qualify for the same for FY26. Other areas of continued costs have increased with the overall general inflation which leads to higher costs for goods and services that counties procure, such as utilities, office supplies, and maintenance services. The County also has to comply with mandates from the state and federal governments, which may require implementation of new programs or expansion of existing ones. This scenario forces counties to allocate additional resources to meet these obligations. Such mandates associated with our increase to the Physical Health and Social Services were because of the increased juvenile detention and medical costs that are still ongoing.

The County will closely monitor changes in the political climate and in the administration at both the Federal and State level and the potential affect it may have on the County and its financial position. The County must plan and cautiously make financial decisions today based on the careful analysis of its current and future financial condition. Those decisions however may be impacted by future changes in funding levels from the Federal and State government as well as legislation that may affect the County's funding and/or provision of services. The County's management actively looks for alternate ways to deliver services that would improve efficiency and reduce expenses. The County performs long-term planning for capital improvements and other major expenses in an effort to moderate financial impacts. The County must be financially prepared to respond to natural and man-made disasters with the ability to protect the safety and welfare of its citizens while continuing to provide essential services.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Benton 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 County Auditor's Office, Benton County, P.O. Box 549, 111 E. 4th Street, Vinton, Iowa 52349.

Basic Financial Statements
June 30, 2025

Benton County

Benton County
Exhibit A – Statement of Net Position
June 30, 2025

	Governmental Activities
Assets	
Cash and Pooled Investments	\$ 27,815,317
Receivables	
Property tax	
Delinquent	27,384
Succeeding year	17,306,354
Interest and penalty on property tax	30,244
Accounts	152,602
Opioid settlement	506,026
Due from Other Governments	1,612,281
Lease Receivable	17,100
Inventories	305,011
Prepaid Expenses	91,281
Capital Assets	
Capital assets, not being depreciated/amortized	12,075,817
Capital assets, net of accumulated depreciation/amortization	51,340,028
Total assets	111,279,445
Deferred Outflows of Resources	
Pension Related Deferred Outflows	1,616,795
OPEB Related Deferred Outflows	138,634
Total deferred outflows of resources	1,755,429
Liabilities	
Accounts Payable	584,367
Salaries and Benefits Payable	529,444
Unearned Revenue	277,370
Long-Term Liabilities	
Portion due or payable within one year	
General obligation bonds	720,000
Lease agreements	32,264
Compensated absences	849,825
Portion due or payable after one year	
General obligation bonds	2,460,201
Lease agreements	41,713
Net pension liability	2,556,870
Total OPEB liability	855,813
Total liabilities	8,907,867

Benton County
Exhibit A – Statement of Net Position
June 30, 2025

	Governmental Activities
Deferred Inflows of Resources	
Succeeding Year Property Tax Revenue	\$ 17,306,354
Pension Related Deferred Inflows	199,610
OPEB Related Deferred Inflows	440,390
Lease Related	17,100
Total deferred inflows of resources	17,963,454
Net Position	
Net Investment in Capital Assets	60,800,329
Restricted for	
Secondary roads purposes	8,667,555
Supplemental levy purposes	3,932,010
Other purposes	7,811,484
Endowments	
Expendable	211,980
Nonexpendable	847,965
Unrestricted	3,892,230
Total net position	\$ 86,163,553

Benton County
Exhibit B - Statement of Activities
Year Ended June 30, 2025

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Service	Operating Grants and Contributions		Capital Grants and Contributions
Functions/Programs					
Governmental Activities					
Public safety and legal services	\$ 7,842,480	\$ 909,308	\$ -	\$ -	\$ (6,933,172)
Physical health and social services	1,258,183	472,895	333,447	-	(451,841)
County environment and education	1,848,016	172,922	484,696	580,884	(609,514)
Roads and transportation	11,362,267	656,940	6,326,040	7,284,760	2,905,473
Government services to residents	1,121,098	688,695	-	-	(432,403)
Administration	4,501,941	482,507	303,204	851,644	(2,864,586)
Non-program	280,102	-	-	-	(280,102)
Interest on long-term debt	70,649	-	-	-	(70,649)
Total Governmental Activities	<u>\$ 28,284,736</u>	<u>\$ 3,383,267</u>	<u>\$ 7,447,387</u>	<u>\$ 8,717,288</u>	<u>\$ (8,736,794)</u>
General Revenues					
Property and other County tax levied for					
General purposes					\$ 14,541,716
Debt service					780,316
Emergency medical service					1,195,211
Penalty and interest on property tax					51,518
State tax credits					994,094
Local option sales tax					1,356,221
Unrestricted investment earnings					401,808
Miscellaneous					<u>360,305</u>
Total General Revenues					<u>19,681,189</u>
Change in Net Position					10,944,395
Net Position Beginning of Year, as previously reported					75,408,754
Restatement, Note 12					<u>(189,596)</u>
Net Position Beginning of Year, as restated					<u>75,219,158</u>
Net Position End of Year					<u>\$ 86,163,553</u>

Benton County
Exhibit C – Balance Sheet
Governmental Funds
June 30, 2025

	Special Revenue			Nonmajor Governmental Funds	Total
	General	Rural Services	Secondary Roads		
Assets					
Cash and Pooled Investments	\$ 11,016,060	\$ 2,434,557	\$ 7,648,445	\$ 6,093,421	\$ 27,192,483
Receivables					
Property tax					
Delinquent	18,721	5,049	-	3,614	27,384
Succeeding year	10,667,107	4,548,918	-	2,090,329	17,306,354
Interest and penalty on property tax	30,244	-	-	-	30,244
Accounts	81,686	-	64,807	6,109	152,602
Opioid settlement	-	-	-	506,026	506,026
Due from Other Funds	1,089	-	-	-	1,089
Due from Other Governments	102,599	-	1,017,606	492,076	1,612,281
Lease Receivable	17,100	-	-	-	17,100
Inventories	-	-	305,011	-	305,011
Prepays	47,324	-	-	43,957	91,281
Total assets	\$ 21,981,930	\$ 6,988,524	\$ 9,035,869	\$ 9,235,532	\$ 47,241,855
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	\$ 242,028	\$ 10,457	\$ 256,286	\$ 55,027	\$ 563,798
Salaries and benefits payable	402,607	14,809	112,028	-	529,444
Unearned revenue	277,370	-	-	-	277,370
Due to other funds	-	-	-	1,089	1,089
Total liabilities	922,005	25,266	368,314	56,116	1,371,701
Deferred Inflows of Resources					
Unavailable revenues					
Succeeding year property tax	10,667,107	4,548,918	-	2,090,329	17,306,354
Other	48,718	4,928	501,288	471,436	1,026,370
Lease related	17,100	-	-	-	17,100
Total deferred inflows of resources	10,732,925	4,553,846	501,288	2,561,765	18,349,824
Fund Balances					
Nonspendable	47,324	-	305,011	891,922	1,244,257
Restricted	3,932,010	2,409,412	7,861,256	5,732,393	19,935,071
Committed	642,000	-	-	-	642,000
Unassigned	5,705,666	-	-	(6,664)	5,699,002
Total fund balances	10,327,000	2,409,412	8,166,267	6,617,651	27,520,330
Total liabilities, deferred inflows of resources, and fund balances	\$ 21,981,930	\$ 6,988,524	\$ 9,035,869	\$ 9,235,532	\$ 47,241,855

Benton County
 Exhibit D – Reconciliation of the Balance Sheet –
 Governmental Funds to the Statement of Net Position
 June 30, 2025

Total Governmental Fund Balances		\$ 27,520,330
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.		63,415,845
Other long-term assets are not available to pay current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.		1,026,370
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources		1,755,429
Deferred inflows of resources		(640,000)
The Internal Service Fund is used by the County to charge the costs of health insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position.		602,265
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position. Balances at June 30, 2025, are:		
Compensated absences	\$ (849,825)	
Total OPEB liability	(855,813)	
General obligation bonds, including premium	(3,180,201)	
Lease agreements	(73,977)	
Net pension liability	(2,556,870)	
Total long-term liabilities	(7,516,686)	(7,516,686)
Net Position of Governmental Activities		\$ 86,163,553

Benton County
Exhibit E – Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2025

	Special Revenue			Capital Projects Previously Reported as Major	Nonmajor Governmental Funds	Total
	General	Rural Services	Secondary Roads			
Revenues						
Property and other County tax	\$ 10,144,616	\$ 4,395,209	\$ -		\$ 3,331,219	\$ 17,871,044
Interest and penalty on property tax	73,857	-	-		-	73,857
Intergovernmental	3,628,454	214,493	7,445,553		775,858	12,064,358
Licenses and permits	18,993	-	69,115		-	88,108
Charges for service	999,235	6,300	-		4,556	1,010,091
Use of money and property	473,615	-	-		40,162	513,777
Miscellaneous	347,865	1,079	493,014		95,653	937,611
Total revenues	15,686,635	4,617,081	8,007,682		4,247,448	32,558,846
Expenditures						
Operating						
Public safety and legal services	6,939,783	7,845	-		626,398	7,574,026
Physical health and social services	1,248,374	-	-		27,302	1,275,676
County environment and education	1,473,880	588,790	-		273,855	2,336,525
Roads and transportation	-	290,823	9,737,389		-	10,028,212
Governmental services to residents	1,099,869	9,431	-		8,373	1,117,673
Administration	4,042,057	22,441	-		200,801	4,265,299
Non-program	-	-	-		280,102	280,102
Debt service	-	-	-		811,950	811,950
Capital projects	-	-	2,231,827		368,812	2,600,639
Total expenditures	14,803,963	919,330	11,969,216		2,597,593	30,290,102
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	882,672	3,697,751	(3,961,534)		1,649,855	2,268,744
Other Financing Sources (Uses)						
Sale of capital assets	5,384	-	99,514		-	104,898
Transfers in	65,000	-	4,188,532		200,000	4,453,532
Transfers out	(495,264)	(3,360,768)	-		(597,500)	(4,453,532)
Total other financing sources (uses)	(424,880)	(3,360,768)	4,288,046		(397,500)	104,898
Net Change in Fund Balances	457,792	336,983	326,512		1,252,355	2,373,642
Fund Balances Beginning of Year, as						
previously reported	9,869,208	2,072,429	7,839,755	\$ 639,513	4,725,783	25,146,688
Changes within the Financial Reporting Entity	-	-	-	(639,513)	639,513	-
Fund Balances Beginning of Year, as restated	9,869,208	2,072,429	7,839,755	\$ -	5,365,296	25,146,688
Fund Balances End of Year	\$ 10,327,000	\$ 2,409,412	\$ 8,166,267		\$ 6,617,651	\$ 27,520,330

Exhibit F – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds to the Statement of Activities
 Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds \$ 2,373,642

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	\$ 5,168,683	
Contributed capital assets	6,651,583	
Depreciation/amortization expense	<u>(2,994,870)</u>	
		8,825,396

In the Statement of Activities, only the gain or the loss on the disposal of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the book value of the assets being disposed. (10,268)

Proceeds from issuing long-term liabilities are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.

Repayments and premium amortization 772,612

Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are reported as deferred inflows of resources in the governmental funds as follows:

Property tax	(19,919)	
Grants	(23,592)	
Opioid settlement	<u>(42,685)</u>	
		(86,196)

The current year County IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position. 883,469

Exhibit F – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds to the Statement of Activities
 Year Ended June 30, 2025

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	\$ (40,607)	
OPEB expense	(75,802)	
Pension expense	<u>(1,399,277)</u>	\$ (1,515,686)

The Internal Service Fund is used by the County to charge the costs of employee health benefits to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities.

(298,574)

Change in Net Position of Governmental Activities

\$ 10,944,395

Benton County
Exhibit G – Statement of Net Position
Proprietary Fund
June 30, 2025

	<u>Internal Service - Benton County Co-Insurance</u>
Assets	
Cash and pooled investments	\$ 622,834
Liabilities	
Accounts payable	<u>20,569</u>
Net Position	
Unrestricted	<u><u>\$ 602,265</u></u>

Benton County
 Exhibit H – Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Fund
 Year Ended June 30, 2025

	Internal Service - Benton County <u>Co-Insurance</u>
Operating Revenues	
Charges for service	\$ 2,171,035
Miscellaneous	<u>101,703</u>
Total operating revenues	<u>2,272,738</u>
Operating Expenses	
Insurance premiums	2,175,034
Claims and administrative expenses	<u>396,278</u>
Total operating expenses	<u>2,571,312</u>
Change in Net Position	(298,574)
Net Position Beginning of Year	<u>900,839</u>
Net Position End of Year	<u><u>\$ 602,265</u></u>

Benton County
 Exhibit I – Statement of Cash Flows
 Proprietary Fund
 Year Ended June 30, 2025

	<u>Internal Service - Benton County Co-Insurance</u>
Cash Flows from Operating Activities	
Cash received from employees and others	\$ 2,272,738
Cash paid for administrative fees and supplies	(407,452)
Cash paid for insurance claims/premiums	<u>(2,175,034)</u>
Net Cash used for Operating Activities	(309,748)
Cash and Pooled Investments at Beginning of Year	<u>932,582</u>
Cash and Pooled Investments at End of Year	<u><u>\$ 622,834</u></u>
Reconciliation of Change in Net Position to Net Cash provided by Operating Activities	
Change in net position	\$ (298,574)
Adjustments to reconcile change in net position to net cash used for operating activities	
Decrease in accounts payable	<u>(11,174)</u>
Net Cash used for Operating Activities	<u><u>\$ (309,748)</u></u>

Benton County
 Exhibit J – Statement of Fiduciary Net Position
 Custodial Funds
 June 30, 2025

Assets	
Cash and pooled investments	
County Treasurer	\$ 3,569,598
Other County officials	56,073
Receivables	
Property tax	
Delinquent	84,418
Succeeding year	39,736,241
Special assessments	1,005
Due from other governments	<u>58,217</u>
Total assets	<u>43,505,552</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities	
Accounts payable	37,133
Due to other governments	1,475,643
Trusts payable	21,095
Compensated absences	<u>54,052</u>
Total liabilities	<u>1,587,923</u>
Deferred Inflows of Resources	
Unavailable revenues	
Succeeding year property tax	<u>39,736,241</u>
Net Position	<u><u>\$ 2,181,388</u></u>

Benton County
 Exhibit K – Statement of Changes in Fiduciary Net Position
 Custodial Funds
 Year Ended June 30, 2025

Additions	
Property and other county tax	\$ 37,977,573
911 surcharge	255,000
State tax credits	2,469,745
Auto licenses and use tax	10,969,839
Office fees and collections	544,975
Intergovernmental	310,818
Assessments	37,241
Trusts	603,632
Miscellaneous	<u>53,472</u>
Total additions	<u>53,222,295</u>
Deductions	
Agency remittances	
To other governments	50,916,006
Payments for the benefit of other governments	870,271
Trusts paid out	<u>1,147,317</u>
Total deductions	<u>52,933,594</u>
Changes in Net Position	288,701
Net Position Beginning of Year	<u>1,892,687</u>
Net Position End of Year	<u><u>\$ 2,181,388</u></u>

Note 1 - Summary of Significant Accounting Policies

Benton County (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 (GASB).

Reporting Entity

For financial reporting purposes, Benton 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.

Based on the above criteria, the County has determined that there are no potential component units which must be included in the County's financial statements as of and for the year ended June 30, 2025.

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: Benton County Assessor's Conference Board, Benton County Emergency Management Commission, Benton County Joint E911 Service Board and Benton County Solid Waste Disposal Commission. 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.

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 debt balances 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 imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

Fund Financial Statements

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

The County reports the following major governmental funds:

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 funds 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 Funds - 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, required transfers from the General and Rural Services Funds and other revenues to be used for secondary road construction and maintenance.

Additionally, the County reports the following fund types:

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

Permanent Fund – The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the County’s programs.

Debt Service Fund – 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.

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.

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 period or soon enough thereafter to pay liabilities of the current period. 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue 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.

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

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

Special Assessments Receivable – Special assessments receivable represent amounts due from individuals for work done which benefit their property. These assessments are payable by individuals in not less than ten nor more than twenty annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Assessments receivable represent assessments which are due and payable but have not been collected.

Opioid Litigation Settlement – 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 and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2025, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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 are recorded as expenditures when consumed rather than when purchased.

Prepaid Items – Prepaid items represent certain payments to vendors that reflect costs applicable to future accounting periods.

Capital Assets – Capital assets, which include property, equipment and vehicles, intangibles, and infrastructure assets acquired after July 1, 1980 (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the County), are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of \$5,000 and estimated useful lives in excess of two years.

Capital assets of the County are depreciated/amortized using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Infrastructure	15 - 65
Intangibles	2 - 20
Buildings	20 - 50
Equipment	2 - 30

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

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

The 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.

County as Lessor: The County is a lessor for a noncancellable lease of building space and farmland. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

The County uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the employer after the measurement date but before the end of the employer’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 governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the County has not made a qualifying expenditure. Unearned revenue consists of unspent American Rescue Plan Act proceeds.

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death, or retirement. A liability is recorded when 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 or in the function which they were budgeted.

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.

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB, deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the Benton County’s actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net assets that applicable to future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within sixty days after year end. In addition, deferred inflows related to leases where the County is the lessor is reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) over the term of the lease.

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

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 purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

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

Unassigned – All amounts not included in other classifications.

Net Position – The net position of the internal service fund, Benton County Co-Insurance, is designated for future payments of premiums and claims and administrative expenses of the County.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Supervisors has provided otherwise in its commitment of assignment actions.

Fund Balance Classification	Purpose	Fund	Amount	
Nonspendable	Prepays	General	\$ 47,324	
	Prepays	Local Option Sales Tax	43,957	
	Inventories	Secondary Roads	305,011	
	Donor Restricted	Carol Sue Donovan Conservation Fund	847,965	
			<u>\$ 1,244,257</u>	
Restricted	General Supplemental	General Fund	\$ 3,932,010	
	Rural Services	Rural Services	2,409,412	
	Secondary Roads	Secondary Roads	7,861,256	
	Records	County Recorder's		
	Management	Records Management	12,051	
	Conservation	REAP	31,608	
	Emergency Food and Shelter	Emergency Food and Shelter Program	18	
	Environment	Environmental Projects	200	
	Roads, Conservation, Libraries, Emergency Services	Local Option Sales Tax	3,321,715	
	Electronic Transactions	County Recorder's Electronic Transaction	598	
	Sheriff Forfeiture	County Sheriff's Forfeiture Fund	29,999	
	Commissary	County Sheriff's Commissary Fund	11,903	
	Sheriff	County Sheriff's Donation Fund	305	
	County Attorney	County Attorney Collections Incentive	57,129	
	County Attorney	County Attorney Forfeiture Fund	26,875	
	Opioid Abatement	Opioid Abatement Fund	250,398	
	Conservation	Land Acquisition Fund	224,337	
	Emergency Medical Services	Emergency Medical Services Trust Fund	855,700	
	Capital Projects	Capital Projects	638,662	
	Conservation	Carol Sue Donovan Conservation Fund	211,980	
	Debt Service	Debt Service Fund	58,915	
			<u>\$ 19,935,071</u>	
	Committed	Capital Expenditures	General Fund	\$ 592,000
		Emergency Response	General Fund	50,000
			<u>\$ 642,000</u>	

Budgets and Budgetary Accounting – The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2025, no functions exceeded the amounts budgeted.

Adoption of New Standard – As of July 1, 2024 the County adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of this standard on beginning net position is disclosed in Note 12.

Note 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 insure 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 held no such investments at June 30, 2025.

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

Note 3 - Interfund Balances and Transfers

The detail of interfund receivables and payables at June 30, 2025 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Fund (CDBG)	\$ 1,089

The balance is due to the elimination of reporting negative pooled cash.

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

Transfer To	Transfer From	Amount
General	Nonmajor Governmental	\$ 65,000
Secondary Roads	General	295,264
	Rural Services	3,360,768
	Nonmajor Governmental	532,500
		<u>4,188,532</u>
Nonmajor Governmental	General	200,000
Total		<u>\$ 4,453,532</u>

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

Note 4 - Due to Other Governments

The County acts as a fee and tax collection agent for various governmental units. The custodial funds also include accruals of property tax for the succeeding year. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments related to tax collections at June 30, 2025 is as follows:

Custodial Funds	
County Recorder	\$ 34,573
County Recorder's Electronic Fee	847
Agricultural Extension	2,102
Schools	190,355
Community Colleges	18,912
Corporations	111,766
Townships	75,448
Auto License and Use Tax	871,906
Brucellosis and Tuberculosis Eradication	25
Fire Districts	764
City Special Assessments	1,628
Treasurer's Trust	<u>167,317</u>
Total for Custodial Funds	<u>\$ 1,475,643</u>

Note 5 - 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
Governmental Activities				
Capital assets not being depreciated/amortized				
Land	\$ 2,833,776	\$ 1,267,882	\$ -	\$ 4,101,658
Construction in progress	1,238,326	8,374,403	(1,638,570)	7,974,159
Total capital assets not being depreciated/amortized	4,072,102	9,642,285	(1,638,570)	12,075,817
Capital assets being depreciated/amortized				
Buildings	10,746,577	172,624	(27,414)	10,891,787
Equipment	19,372,346	2,193,447	(473,335)	21,092,458
Right-to-use leased equipment	157,875	-	-	157,875
Infrastructure	74,477,712	1,450,480	-	75,928,192
Total capital assets being depreciated/amortized	104,754,510	3,816,551	(500,749)	108,070,312
Less accumulated depreciation/amortization for				
Buildings	4,113,912	274,013	(22,420)	4,365,505
Equipment	13,505,793	998,632	(468,061)	14,036,364
Right-to-use leased equipment	47,362	23,681	-	71,043
Infrastructure	36,558,828	1,698,544	-	38,257,372
Total accumulated depreciation/amortization	54,225,895	2,994,870	(490,481)	56,730,284
Total capital assets being depreciated/amortized, net	50,528,615	821,681	(10,268)	51,340,028
Governmental Activities Capital Assets, Net	\$ 54,600,717	\$ 10,463,966	\$ (1,648,838)	\$ 63,415,845

Depreciation/amortization expense was charged to the following functions:

Governmental Activities	
Public safety and legal services	\$ 518,507
Physical health and social services	2,256
County environment and education	141,113
Roads and transportation	2,209,114
Governmental services to residents	15,783
Administration	108,097
Total Depreciation/Amortization Expense – Governmental Activities	\$ 2,994,870

Note 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	Compensated Absences	Total
Balance beginning of year, as restated	\$ 3,921,502	\$ 105,288	\$ 809,218	\$ 4,836,008
Increases	-	-	40,607	40,607
Decreases	(741,301)	(31,311)	-	(772,612)
Balance end of year	<u>\$ 3,180,201</u>	<u>\$ 73,977</u>	<u>\$ 849,825</u>	<u>\$ 4,104,003</u>
Due within one year	<u>\$ 720,000</u>	<u>\$ 32,264</u>	<u>\$ 849,825</u>	<u>\$ 1,602,089</u>

The roll-forward schedule only reports the net change in the compensated absences liability.

Bonds Payable

On March 1, 2022, the County issued \$5,025,000 of general obligation emergency communications bonds, Series 2022, with interest rates of 3.00% per annum. The bonds were issued to provide funds to purchase radio equipment. During the year ended June 30, 2025, the County paid \$700,000 of principal and \$111,450 of interest on the bonds. At June 30, 2025, the balance of the bond premium was \$165,202, with \$41,301 of the premium being amortized during the year ended June 30, 2025. A summary of the County's June 30, 2025 general obligation bonded indebtedness is as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 720,000	\$ 90,450	\$ 810,450
2027	740,000	68,850	808,850
2028	765,000	46,650	811,650
2029	790,000	23,700	813,700
Total	<u>\$ 3,015,000</u>	<u>\$ 229,650</u>	<u>\$ 3,244,650</u>

Lease Agreements

On September 27, 2022, the County entered into a lease agreement for printers. An initial lease liability was recorded in the amount of \$157,875. The agreement requires annual payments of \$34,042 over five years with an initial payment made in October 2022 for \$2,837, with an implicit interest rate of 3.00% and final payment due in September 2027. During the year ended June 30, 2025, principal and interest paid were \$31,311 and \$2,730, respectively. Lease payments are made by the General Fund. Future principal and interest lease payments as of June 30, 2025 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 32,264	\$ 1,778	\$ 34,042
2027	33,245	797	34,042
2028	<u>8,468</u>	<u>42</u>	<u>8,510</u>
Total	<u>\$ 73,977</u>	<u>\$ 2,617</u>	<u>\$ 76,594</u>

Note 7 - Pension Plan

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

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

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, 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 for members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

Sheriffs, deputies and protection occupation members may retire at normal retirement age, which is generally at age 55. Sheriffs, 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 sheriff and deputy member's monthly IPERS benefit includes:

60% of average salary after completion of 22 years of service, plus an additional 2.5% of average salary for years of service greater than 22 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 the 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 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 that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50% for each month that the member receives benefits before age 65.

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

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. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that 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 pay and the County contributed 9.44% for a total rate of 15.73%. Sheriffs, deputies, and the County each contributed 8.51% of covered payroll, for a total rate of 17.02%. Protection occupation members contributed 6.21% of pay and the County contributed 9.31% for a total rate of 15.52%.

The County’s contributions to IPERS for the year ended June 30, 2025 were \$883,469.

Net Pension Liabilities, Pension Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2025 the County reported a liability of \$2,556,870 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 the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2024, the County’s collective proportion was 0.070215%, which was an increase of 0.016940% from its collective proportion measured as of June 30, 2023.

For the year ended June 30, 2025 the County recognized pension expense of \$1,399,277. 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 results	\$ 576,288	\$ 1,495
Changes of assumptions	-	85,471
Net difference between projected and actual earnings on pension plan investments	66,273	-
Changes in proportion and differences between county contributions and proportionate share of contributions	90,765	112,644
County contributions subsequent to the measurement date	883,469	-
Total	\$ 1,616,795	\$ 199,610

\$883,469 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30,	Total
2026	\$ (427,517)
2027	970,552
2028	80,375
2029	(95,742)
2030	6,048
	\$ 533,716

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability (asset) 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 pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Rate of Return
Domestic equity	21.00 %	3.52 %
International equity	13.00	5.18
Global smart beta equity	5.00	4.12
Core-plus fixed income	25.50	3.04
Public credit	3.00	4.53
Cash	1.00	1.69
Private equity	17.00	8.89
Private real assets	9.00	4.25
Private credit	5.50	6.62
	100.00 %	

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 that employee contributions will be made at the contractually required rate and that 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 of 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 to Changes in the Discount Rate – The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 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)	\$ 8,087,571	\$ 2,556,870	\$ (2,068,109)

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

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

Note 8 - Other Postemployment Benefits (OPEB)

Plan Description – The County operates a single-employer retiree benefit plan which provides medical benefits for retirees and their spouses. Participants must be age 55 or older at retirement. 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. The Plan does not issue a stand-alone report.

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

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

Inactive employees or beneficiaries receiving benefit payments		0
Active employees		132
Total		132

Total OPEB Liability- The County’s total OPEB liability of \$855,813 was measured as of June 30, 2025 and was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions- The total OPEB liability in the June 30, 2025 interim actuarial measurement 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, 2020)	2.60% per annum
Rates of salary increase (effective June 30, 2020)	3.25% per annum including inflation
Discount rate (effective June 30, 2025)	5.20% compounded annually including inflation.
Healthcare cost trend rate (effective June 30, 2025)	8.00% initial rate decreasing by .25% annually to an ultimate rate of 4.50%.

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

Mortality rates are from the SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021 (general retirees), SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021 (special service retirees), and the SOA Pub-2010 Contingent Headcount Weighted Mortality Table fully generational using Scale MP-2021 (surviving spouses). Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2025 interim valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability Beginning of Year	\$ 779,266
Changes for the Year	
Service cost	95,165
Interest	36,814
Changes in assumptions	26,123
Differences between expected and actual experiences	(81,555)
Net Changes	76,547
Total OPEB Liability End of Year	\$ 855,813

Changes of assumptions reflect a change in the discount rate from 4.21% in fiscal year 2024 to 5.20% 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 (4.20%) or 1% higher (6.20%) than the current discount rate.

	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB liability	\$ 918,981	\$ 855,813	\$ 796,753

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% decreasing to 3.50%)	Healthcare Cost Trend Rates (8.00% decreasing to 4.50%)	1% Increase (9.00% decreasing to 5.50%)
Total OPEB liability	\$ 757,042	\$ 855,813	\$ 972,661

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2025, the County recognized OPEB expense of \$75,802. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 46,812	\$ 406,530
Changes in assumptions	91,822	33,860
Total	\$ 138,634	\$ 440,390

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

Year Ending June 30,	Total
2026	\$ (89,249)
2027	(45,761)
2028	(28,284)
2029	(28,282)
2030	(42,094)
Thereafter	(68,086)
Total	\$ (301,756)

Note 9 - Termination Benefits

The County offers an early retirement benefit to non-union employees who have met certain requirements, such as age and years of service. Those who participate in the benefit receive \$425 per month towards the cost of a single premium under the County’s health insurance plan until the retiree turns 65.

As of June 30, 2025, there are no participants in the plan.

Note 10 - Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Benton County has entered into an agreement, as allowed by Chapter 331.301 of the Code of Iowa, to become a member in a local government risk pool. The pool was formed July 1, 1987, to provide workers' compensation and property/casualty insurance to counties in the State of Iowa. At present, ten counties are members of the pool.

The risk pool was created for the purpose of providing and maintaining self-insurance benefits on a group basis substantially at cost.

Each member County is responsible for the payment of member contributions to the risk pool on an annual basis. Member contributions to the risk pool are recorded as expenditures from the operating funds at the time of payment to the risk pool. In the event of payment of any loss by the risk pool, the risk pool is subrogated to the extent of such payment to all the rights of the member County against any person or other entity legally responsible for damages for said loss, and in such event, the member County is responsible for rendering all reasonable assistance, other than pecuniary assistance, to affect recovery. The risk pool is responsible for paying the premiums on the insurance policies when due; to pay claims in accordance with the various coverages and to make other payments as required by applicable law; to establish and accumulate a reserve or reserves in amounts which are deemed advisable or required by law to carry out the purposes of the risk pool; and to pay all reasonable and necessary expenses for administering the risk pool.

Initial risk of loss for the self-insured coverages is retained by the risk pool. The risk pool obtained a reinsurance policy for the year ended June 30, 2025, which covered exposures of specific losses in excess of \$750,000, with a \$250,000 corridor deductible, per occurrence up to the statutory limits for workers' compensation, including the retention of the pool. The pool also purchased a reinsurance policy for property coverage with a retention of \$250,000 per occurrence for losses involving covered wind and hail events and a retention of \$100,000 per occurrence for all other covered events to a maximum of \$30,000,000 (limited to scheduled values) in covered property (including the retention). In addition, the pool purchased a reinsurance policy in excess of \$400,000 per covered occurrence up to a maximum of \$7,000,000 per occurrence, including the retention of the pool for general liability, automobile liability, law enforcement liability, and public officials' liability coverage. The risk pool fund records a liability for unpaid claims based on estimates of the costs of individual cases of losses and claims reported to year-end, plus a provision for losses incurred but not yet reported (IBNR). The IBNR estimates are based on the past experience of the Pool and upon the recommendations of By the Numbers Actuarial Consulting, Inc., who also performs an annual actuarial review of the entire program. At June 30, 2025, 2024, and 2023, the risk pool fund reported a surplus of pool assets over liabilities.

Member counties retain the risk of claims, if any, exceeding maximum reinsurance coverages and/or the amount of surplus maintained in the risk pool, by means of an assessment that would be charged to the member county in addition to the premium contributions. As of June 30, 2025, settled claims have not exceeded the risk pool or reinsurance company coverage since commencement of the risk pool for Benton County.

Initial membership into the risk pool was for a mandatory three-year period. Subsequent to the initial term, a member county may withdraw at the end of the fifth fiscal year of any five-year term, with a minimum of ninety (90) days written notice to the Chairman of the Board of Trustees. The initial membership period for the County commenced July 1, 1987. The County extended their membership for a five-year period, commencing July 1, 2015, until June 30, 2020. The County has subsequently extended their membership for another five-year period, commencing July 1, 2020 through June 30, 2025. The County also carries commercial insurance purchased by the risk pool from other insurers for coverage associated with equipment breakdown and cyber liability. The Public Officials Bond and crime coverage is purchased through a local broker. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 11 - Donor-Restricted Endowment

The County has a permanent endowment fund (Carol Sue Donovan Conservation Fund) established for the maintenance and operation of wildlife and other conservation areas, and to promote and preserve the health and general welfare of the people by encouraging the orderly development and conservation of natural resources. Any net earnings that are earned are required to be spent for the purposes for which the endowment was established.

Note 12 - Changes within the Financial Reporting Entity and Change in Accounting Principle

During fiscal year 2025, the Capital Projects Fund, which was previously reported as a major governmental fund, is no longer a major fund due to not meeting the quantitative threshold to be classified as a major fund.

As of July 1, 2024, the County implemented GASB Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. With respect to financial statements prepared using the current financial resources measurement focus, this statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

The effect of the changes within the financial reporting entity and change in accounting principle on beginning net position and fund balances is shown as follows:

	July 1, 2024 As Previously Reported	Change within the Financial Reporting Entity	Change in Accounting Principle	July 1, 2024 As Restated
Government-Wide				
Governmental Activities	<u>\$ 75,408,754</u>	<u>\$ -</u>	<u>\$ (189,596)</u>	<u>\$ 75,219,158</u>
Governmental Funds				
Major Funds				
General	\$ 9,869,208	\$ -	\$ -	\$ 9,869,208
Rural Services	2,072,429	-	-	2,072,429
Secondary Roads	7,839,755	-	-	7,839,755
Capital Projects	639,513	(639,513)	-	-
Nonmajor Funds	<u>4,725,783</u>	<u>639,513</u>	-	<u>5,365,296</u>
Total Governmental Funds	<u>\$ 25,146,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,146,688</u>

Required Supplementary Information
June 30, 2025

Benton County

Benton 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**

	Governmental			Variance- Over (Under) Budget	Actual as % of Final Budget
	Fund Types	Budgeted Amounts			
		Actual	Original		
Receipts					
Property and other County tax	\$ 17,861,156	\$ 18,552,651	\$ 18,552,651	\$ (691,495)	96%
Interest and penalty on property tax	80,451	82,806	82,806	(2,355)	97
Intergovernmental	11,989,082	11,714,463	13,009,026	(1,019,944)	92
Licenses and permits	140,284	76,255	76,255	64,029	184
Charges for service	964,488	867,175	867,175	97,313	111
Use of money and property	500,778	57,971	407,971	92,807	123
Miscellaneous	851,937	766,906	986,061	(134,124)	86
Total receipts	32,388,176	32,118,227	33,981,945	(1,593,769)	95
Disbursements					
Operating					
Public safety and legal services	8,651,350	9,117,442	10,531,542	(1,880,192)	82%
Physical health and social services	1,323,957	1,806,419	2,131,110	(807,153)	62
County environment and education	2,686,874	2,732,574	3,106,324	(419,450)	86
Roads and transportation	10,061,891	11,391,138	11,445,138	(1,383,247)	88
Governmental services to residents	1,110,148	1,309,206	1,321,206	(211,058)	84
Administration	4,218,362	5,027,742	5,910,162	(1,691,800)	71
Non-program	280,899	160,700	910,700	(629,801)	31
Debt service	811,950	811,950	811,950	-	100
Capital projects	3,924,731	4,965,521	4,365,521	(440,790)	90
Total disbursements	33,070,162	37,322,692	40,533,653	(7,463,491)	82
Excess (Deficiency) of Receipts Over (Under) Disbursements	(681,986)	(5,204,465)	(6,551,708)	5,869,722	
Other Financing Sources, Net	50,453	32,000	32,000	18,453	
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	(631,533)	(5,172,465)	(6,519,708)	5,888,175	
Balance Beginning of Year	27,634,313	18,698,155	18,698,155	8,936,158	
Balance End of Year	\$ 27,002,780	\$ 13,525,690	\$ 12,178,447	\$ 14,824,333	

Benton 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	\$ 32,388,176	\$ 170,670	\$ 32,558,846
Expenditures	33,070,162	(2,780,060)	30,290,102
Net	(681,986)	2,950,730	2,268,744
Other financing sources, net	50,453	54,445	104,898
Beginning fund balances	27,634,313	(2,487,625)	25,146,688
Ending fund balances	\$ 27,002,780	\$ 517,550	\$ 27,520,330

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

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund or fund type. These nine functions are: public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, the three budget amendments increased budgeted disbursements by \$3,210,961. 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 Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2025, disbursements did not exceed the amounts budgeted for any function.

Benton County
 Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
 Iowa Public Employee's Retirement System
 For the Last Ten Years
 Required Supplementary Information

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
County's Collective Proportion of the Net Pension Liability (Asset)	0.0702%	0.0533%	0.0432%	0.5884%	0.0629%	0.0583%	0.0583%	0.0620%	0.0639%	0.0605%
County's Collective Proportionate Share of the Net Pension Liability (Asset)	\$ 2,556,870	\$ 2,404,653	\$ 1,630,522	\$ (2,031,455)	\$ 4,417,449	\$ 3,377,472	\$ 3,691,582	\$ 4,127,125	\$ 4,019,266	\$ 2,986,669
County's Covered Payroll	\$ 8,779,804	\$ 8,038,302	\$ 7,091,813	\$ 7,039,392	\$ 6,805,378	\$ 6,575,434	\$ 6,059,655	\$ 5,783,634	\$ 5,744,757	\$ 5,569,491
County's Collective Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	29.12%	29.91%	22.99%	-28.86%	64.91%	51.37%	60.92%	71.36%	69.96%	53.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	92.30%	90.13%	91.41%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%

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

Benton County
 Schedule of the County Contributions
 Iowa Public Employee's Retirement System
 For the Last Ten Years
 Required Supplementary Information

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily Required Contribution	\$ 883,469	\$ 815,101	\$ 748,973	\$ 670,233	\$ 659,296	\$ 651,720	\$ 634,402	\$ 555,053	\$ 528,953	\$ 527,819
Contributions in Relation to the Statutorily Required Contribution	883,469	815,101	748,973	670,233	659,296	651,720	634,402	555,053	528,953	527,819
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 9,520,550	\$ 8,779,804	\$ 8,038,302	\$ 7,091,813	\$ 7,039,392	\$ 6,805,378	\$ 6,575,434	\$ 6,059,655	\$ 5,783,634	\$ 5,744,757
Contributions as a Percentage of Covered Payroll	9.28%	9.28%	9.32%	9.45%	9.37%	9.58%	9.65%	9.16%	9.15%	9.19%

Changes of Benefit Terms

Litigation passed in 2024 modified 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 an experience 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%.

Benton County
Schedule of Changes in the County's Total OPEB Liability, and Related Ratios
For the Last Eight Years
Required Supplementary Information

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 95,165	\$ 71,992	\$ 72,175	\$ 70,580	\$ 57,497	\$ 68,998	\$ 77,388	\$ 46,160
Interest cost	36,814	29,951	27,647	16,599	15,202	23,438	36,279	21,638
Change of benefit terms	-	158,513	-	-	-	-	-	-
Difference between expected and actual experiences	(81,555)	(190,127)	(48,805)	(98,544)	105,322	(195,837)	(358,281)	209,305
Changes in assumptions	26,123	55,720	(1,582)	(59,054)	18,979	56,014	10,406	55,230
Benefit payments	-	-	-	(26,217)	(21,043)	(34,787)	(38,067)	(23,122)
Net change in total OPEB liability	<u>76,547</u>	<u>126,049</u>	<u>49,435</u>	<u>(96,636)</u>	<u>175,957</u>	<u>(82,174)</u>	<u>(272,275)</u>	<u>309,211</u>
Total OPEB liability beginning of year	<u>779,266</u>	<u>653,217</u>	<u>603,782</u>	<u>700,418</u>	<u>524,461</u>	<u>606,635</u>	<u>878,910</u>	<u>569,699</u>
Total OPEB liability end of year	<u>\$ 855,813</u>	<u>\$ 779,266</u>	<u>\$ 653,217</u>	<u>\$ 603,782</u>	<u>\$ 700,418</u>	<u>\$ 524,461</u>	<u>\$ 606,635</u>	<u>\$ 878,910</u>
Covered-employee payroll	\$ 9,384,776	\$ 8,736,168	\$ 7,448,053	\$ 6,574,682	\$ 5,908,900	\$ 5,722,906	\$ 5,457,905	\$ 5,286,107
Total OPEB liability as a percentage of covered-employee payroll	9.1%	8.9%	8.8%	9.2%	11.9%	9.2%	11.1%	16.6%

Notes to Schedule of Changes in the County’s Total OPEB liability and Related Ratios

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 2025	5.20%
Year ended June 30, 2024	4.21%
Year ended June 30, 2023	4.13%
Year ended June 30, 2022	4.09%
Year ended June 30, 2021	2.19%
Year ended June 30, 2020	2.66%
Year ended June 30, 2019	3.56%
Year ended June 30, 2018	3.87%

GASB Statement No.75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

Other Supplementary Information
Benton County

Benton County
Schedule 1 – Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds										
	County Recorder's Records Management	Resource Enhancement and Protection	Emergency Food and Shelter Program	Environmental Projects	CDBG	Local Option Sales Tax	County Recorder's Electronic Transaction	County Sheriff's Forfeiture Fund	County Sheriff's Commissary Fund	County Sheriff's Donation Fund	County Attorney Collections Incentive
Assets											
Cash and Pooled Investments	\$ 13,008	\$ 31,608	\$ 18	\$ 200	\$ -	\$ 2,829,639	\$ 598	\$ 29,999	\$ 11,903	\$ 305	\$ 51,020
Receivables											
Property tax											
Delinquent	-	-	-	-	-	-	-	-	-	-	-
Succeeding Year	-	-	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-	-	-	6,109
Opioid settlement	-	-	-	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	492,076	-	-	-	-	-
Prepays	-	-	-	-	-	43,957	-	-	-	-	-
Total assets	\$ 13,008	\$ 31,608	\$ 18	\$ 200	\$ -	\$ 3,365,672	\$ 598	\$ 29,999	\$ 11,903	\$ 305	\$ 57,129
Liabilities, Deferred Inflows of Resources, and Fund Balances											
Liabilities											
Accounts payable	\$ 957	\$ -	\$ -	\$ -	\$ 5,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	1,089	-	-	-	-	-	-
Total liabilities	957	-	-	-	6,664	-	-	-	-	-	-
Deferred Inflows of Resources											
Unavailable revenues											
Succeeding year property tax	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-	-
Fund Balances											
Nonspendable	-	-	-	-	-	43,957	-	-	-	-	-
Restricted	12,051	31,608	18	200	-	3,321,715	598	29,999	11,903	305	57,129
Unassigned	-	-	-	-	(6,664)	-	-	-	-	-	-
Total fund balances	12,051	31,608	18	200	(6,664)	3,365,672	598	29,999	11,903	305	57,129
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,008	\$ 31,608	\$ 18	\$ 200	\$ -	\$ 3,365,672	\$ 598	\$ 29,999	\$ 11,903	\$ 305	\$ 57,129

Benton County
 Schedule 1 – Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2025

	Special Revenue Funds			Capital Projects Fund		Permanent Fund	Debt Service	Total Nonmajor Governmental Funds
	County Attorney Forfeiture Fund	Local Government Opioid Abatement Fund	Emergency Medical Services Trust Fund	Conservation Land Acquisition Fund	Capital Projects Fund	Carol Sue Donovan Conservation Fund		
Assets								
Cash and Pooled Investments	\$ 26,875	\$ 215,420	\$ 900,983	\$ 224,337	\$ 638,662	\$ 1,059,945	\$ 58,901	\$ 6,093,421
Receivables								
Property Tax								
Delinquent	-	-	2,205	-	-	-	1,409	3,614
Succeeding year	-	-	1,279,379	-	-	-	810,950	2,090,329
Accounts	-	-	-	-	-	-	-	6,109
Opioid settlement	-	506,026	-	-	-	-	-	506,026
Due from Other Governments	-	-	-	-	-	-	-	492,076
Prepays	-	-	-	-	-	-	-	43,957
Total assets	\$ 26,875	\$ 721,446	\$ 2,182,567	\$ 224,337	\$ 638,662	\$ 1,059,945	\$ 871,260	\$ 9,235,532
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ 3,188	\$ 45,307	\$ -	\$ -	\$ -	\$ -	\$ 55,027
Due to other funds	-	-	-	-	-	-	-	1,089
Total liabilities	-	3,188	45,307	-	-	-	-	56,116
Deferred Inflows of Resources								
Unavailable revenues								
Succeeding year property tax	-	-	1,279,379	-	-	-	810,950	2,090,329
Other	-	467,860	2,181	-	-	-	1,395	471,436
Total deferred inflows of resources	-	467,860	1,281,560	-	-	-	812,345	2,561,765
Fund Balances								
Nonspendable	-	-	-	-	-	847,965	-	891,922
Restricted	26,875	250,398	855,700	224,337	638,662	211,980	58,915	5,732,393
Unassigned	-	-	-	-	-	-	-	(6,664)
Total fund balances	26,875	250,398	855,700	224,337	638,662	1,059,945	58,915	6,617,651
Total liabilities, deferred inflows of resources, and fund balances	\$ 26,875	\$ 721,446	\$ 2,182,567	\$ 224,337	\$ 638,662	\$ 1,059,945	\$ 871,260	\$ 9,235,532

Benton County
Schedule 2 – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds										
	County Recorder's Records Management	Resource Enhancement and Protection	Emergency Food and Shelter Program	Environmental Projects	CDBG	Local Option Sales Tax	County Recorder's Electronic Transaction	County Sheriff's Forfeiture Fund	County Sheriff's Commissary Fund	County Sheriff's Donation Fund	County Attorney Collections Incentive
Revenues											
Property and other County tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,355,692	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and penalty on property tax	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	13,424	-	-	275,540	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-
Charges for service	4,556	-	-	-	-	-	-	-	-	-	-
Use of money and property	85	224	-	-	-	857	4	633	-	2	-
Miscellaneous	-	-	-	-	-	-	-	3,252	-	-	33,076
Total revenues	4,641	13,648	-	-	275,540	1,356,549	4	3,885	-	2	33,076
Expenditures											
Operating											
Public safety and legal services	-	-	-	-	-	193,128	-	863	-	-	12,076
Physical health and social services	-	-	-	-	-	-	-	-	-	-	-
County environment and education	-	13,500	-	-	-	240,355	-	-	-	-	-
Roads and transportation	-	-	-	-	-	-	-	-	-	-	-
Governmental services to residents	8,373	-	-	-	-	-	-	-	-	-	-
Administration	-	-	-	-	-	200,801	-	-	-	-	-
Non program	-	-	-	-	280,102	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	8,373	13,500	-	-	280,102	634,284	-	863	-	-	12,076
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,732)	148	-	-	(4,562)	722,265	4	3,022	-	2	21,000
Other Financing Sources (Uses)											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(597,500)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(597,500)	-	-	-	-	-
Net change in fund balances	(3,732)	148	-	-	(4,562)	124,765	4	3,022	-	2	21,000
Fund Balances Beginning of Year, as Previously Reported	15,783	31,460	18	200	(2,102)	3,240,907	594	26,977	11,903	303	36,129
Change within the Financial Reporting Entity	-	-	-	-	-	-	-	-	-	-	-
Fund Balances Beginning of Year, as Restated	15,783	31,460	18	200	(2,102)	3,240,907	594	26,977	11,903	303	36,129
Fund Balances End of Year	\$ 12,051	\$ 31,608	\$ 18	\$ 200	\$ (6,664)	\$ 3,365,672	\$ 598	\$ 29,999	\$ 11,903	\$ 305	\$ 57,129

Benton County
Schedule 2 – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds			Capital Projects Fund		Permanent Fund	Debt Service	Total Nonmajor Governmental Funds
	County Attorney Forfeiture Fund	Local Government Opioid Abatement Fund	Emergency Medical Services Trust Fund	Conservation Land Acquisition Fund	Capital Projects Fund	Carol Sue Donovan Conservation Fund		
Revenues								
Property and other County tax	\$ -	\$ -	\$ 1,195,211	\$ -	\$ -	\$ -	\$ 780,316	\$ 3,331,219
Intergovernmental	-	-	76,918	360,461	-	-	49,515	775,858
Charges for service	-	-	-	-	-	-	-	4,556
Use of money and property	184	5,787	3,902	-	-	28,484	-	40,162
Miscellaneous	3	51,822	-	7,500	-	-	-	95,653
Total revenues	187	57,609	1,276,031	367,961	-	28,484	829,831	4,247,448
Expenditures								
Operating								
Public safety and legal services	-	-	420,331	-	-	-	-	626,398
Physical health and social services	-	27,302	-	-	-	-	-	27,302
County environment and education	-	-	-	-	-	20,000	-	273,855
Governmental services to residents	-	-	-	-	-	-	-	8,373
Administration Nonprogram	-	-	-	-	-	-	-	200,801
Debt service	-	-	-	-	-	-	811,950	811,950
Capital projects	-	-	-	367,961	851	-	-	368,812
Total expenditures	-	27,302	420,331	367,961	851	20,000	811,950	2,597,593
Excess (Deficiency) of Revenues Over (Under) Expenditures	187	30,307	855,700	-	(851)	8,484	17,881	1,649,855
Other Financing Sources (Uses)								
Transfers in	-	-	-	200,000	-	-	-	200,000
Transfers out	-	-	-	-	-	-	-	(597,500)
Total other financing sources (uses)	-	-	-	200,000	-	-	-	(397,500)
Net change in fund balances	187	30,307	855,700	200,000	(851)	8,484	17,881	1,252,355
Fund Balances Beginning of Year, as Previously Reported	26,688	220,091	-	24,337	-	1,051,461	41,034	4,725,783
Change within the Financial Reporting Entity	-	-	-	-	639,513	-	-	639,513
Fund Balances Beginning of Year, as Restated	26,688	220,091	-	24,337	639,513	1,051,461	41,034	5,365,296
Fund Balances End of Year	\$ 26,875	\$ 250,398	\$ 855,700	\$ 224,337	\$ 638,662	\$ 1,059,945	\$ 58,915	\$ 6,617,651

Benton County
Schedule 3 – Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2025

	County Recorder	County Recorder Electronic Fee	County Sheriff	Agricultural Extension Education Fund	County Assessor Fund	Schools Fund	Community Colleges Fund	Corporations Fund	Townships Fund
Assets									
Cash and Pooled Investments									
County Treasurer	\$ -	\$ -	\$ -	\$ 1,599	\$ 1,471,883	\$ 142,976	\$ 14,398	\$ 81,724	\$ 74,653
Other County officials	34,573	405	21,095	-	-	-	-	-	-
Receivables									
Property tax									
Delinquent	-	-	-	503	1,179	47,379	4,514	30,042	795
Succeeding year	-	-	-	292,193	674,278	25,023,914	2,678,818	10,380,482	536,466
Special assessments	-	-	-	-	-	-	-	-	-
Due From Other Governments	-	442	-	-	-	-	-	-	-
Total assets	<u>34,573</u>	<u>847</u>	<u>21,095</u>	<u>294,295</u>	<u>2,147,340</u>	<u>25,214,269</u>	<u>2,697,730</u>	<u>10,492,248</u>	<u>611,914</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances									
Liabilities									
Accounts payable	-	-	-	-	1,766	-	-	-	-
Due to other governments	34,573	847	-	2,102	-	190,355	18,912	111,766	75,448
Trust payable	-	-	21,095	-	-	-	-	-	-
Compensated absences	-	-	-	-	39,318	-	-	-	-
Total liabilities	<u>34,573</u>	<u>847</u>	<u>21,095</u>	<u>2,102</u>	<u>41,084</u>	<u>190,355</u>	<u>18,912</u>	<u>111,766</u>	<u>75,448</u>
Deferred Inflows of Resources									
Unavailable revenues									
Succeeding year property tax	-	-	-	292,193	674,278	25,023,914	2,678,818	10,380,482	536,466
Net Position									
Restricted for individuals, organizations and other governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,431,978</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Benton County
Schedule 3 – Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2025

	Auto License and Use Tax Fund	Brucellosis and Tuberculosis Eradication Fund	Fire Districts Fund	E911 Surcharge Fund	Joint Disaster Services Fund	City Special Assessments Fund	Treasurer's Trust Fund	Total
Assets								
Cash and Pooled Investments								
County Treasurer	\$ 871,906	\$ 19	\$ 764	\$ 673,018	\$ 68,718	\$ 623	\$ 167,317	\$ 3,569,598
Other County officials	-	-	-	-	-	-	-	56,073
Receivables								
Property tax								
Delinquent	-	6	-	-	-	-	-	84,418
Succeeding year	-	-	150,090	-	-	-	-	39,736,241
Special assessments	-	-	-	-	-	1,005	-	1,005
Due From Other Governments	-	-	-	57,625	150	-	-	58,217
Total assets	<u>871,906</u>	<u>25</u>	<u>150,854</u>	<u>730,643</u>	<u>68,868</u>	<u>1,628</u>	<u>167,317</u>	<u>43,505,552</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities								
Accounts payable	-	-	-	35,311	56	-	-	37,133
Due to other governments	871,906	25	764	-	-	1,628	167,317	1,475,643
Trust payable	-	-	-	-	-	-	-	21,095
Compensated absences	-	-	-	-	14,734	-	-	54,052
Total liabilities	<u>871,906</u>	<u>25</u>	<u>764</u>	<u>35,311</u>	<u>14,790</u>	<u>1,628</u>	<u>167,317</u>	<u>1,587,923</u>
Deferred Inflows of Resources								
Unavailable revenues								
Succeeding year property tax	-	-	150,090	-	-	-	-	39,736,241
Net Position								
Restricted for individuals, organizations and other governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 695,332</u>	<u>\$ 54,078</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,181,388</u>

Benton County
Schedule 4 – Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2025

	County Recorder	County Recorder Electronic Fee	County Sheriff	Agricultural Extension Education Fund	County Assessor Fund	Schools Fund	Community Colleges Fund	Corporations Fund	Townships Fund
Additions									
Property and other County tax 911 surcharge	\$ -	\$ -	\$ -	\$ 272,942	\$ 639,143	\$ 23,356,518	\$ 2,441,942	\$ 9,646,623	\$ 501,300
State tax credits	-	-	-	16,533	38,714	1,447,981	147,759	789,657	23,106
Auto licenses and use tax	-	-	-	-	-	-	-	-	-
Office fees and collections	461,812	4,492	2,511	-	515	-	-	-	-
Intergovernmental Assessments	-	-	-	1,507	3,480	-	-	109,085	856
Trusts	-	-	603,632	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total additions	461,812	4,492	606,143	290,982	681,852	24,804,499	2,589,701	10,545,365	525,262
Deductions									
Agency remittances									
To other governments	461,812	4,492	2,511	290,982	-	24,804,499	2,589,701	10,545,365	525,262
For the benefit of other governments	-	-	-	-	500,864	-	-	-	-
Trusts	-	-	603,632	-	-	-	-	-	-
Total deductions	461,812	4,492	606,143	290,982	500,864	24,804,499	2,589,701	10,545,365	525,262
Changes in Net Position	-	-	-	-	180,988	-	-	-	-
Net Position Beginning of Year	-	-	-	-	1,250,990	-	-	-	-
Net Position End of Year	\$ -	\$ -	\$ -	\$ -	\$ 1,431,978	\$ -	\$ -	\$ -	\$ -

Benton County
Schedule 4 – Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2025

	Auto License and Use Tax Fund	Brucellosis and Tuberculosis Eradication Fund	Fire Districts Fund	E911 Surcharge Fund	Joint Disaster Services Fund	City Special Assessments Fund	Treasurer's Trust Fund	Total
Additions								
Property and other County tax	\$ -	\$ 3,164	\$ 141,395	\$ -	\$ -	\$ -	\$ 974,546	\$ 37,977,573
911 surcharge	-	-	-	255,000	-	-	-	255,000
State tax credits	-	191	5,804	-	-	-	-	2,469,745
Auto licenses and use tax	10,969,839	-	-	-	-	-	-	10,969,839
Office fees and collections	-	-	-	-	-	-	75,645	544,975
Intergovernmental	-	24	440	12,065	183,361	-	-	310,818
Assessments	-	-	-	-	-	37,241	-	37,241
Trusts	-	-	-	-	-	-	-	603,632
Miscellaneous	-	-	-	26,270	424	-	26,778	53,472
Total additions	10,969,839	3,379	147,639	293,335	183,785	37,241	1,076,969	53,222,295
Deductions								
Agency remittances								
To other governments	10,969,839	3,379	147,639	-	-	37,241	533,284	50,916,006
For the benefit of other governments	-	-	-	195,397	174,010	-	-	870,271
Trusts	-	-	-	-	-	-	543,685	1,147,317
Total deductions	10,969,839	3,379	147,639	195,397	174,010	37,241	1,076,969	52,933,594
Changes in Net Position	-	-	-	97,938	9,775	-	-	288,701
Net Position Beginning of Year	-	-	-	597,394	44,303	-	-	1,892,687
Net Position End of Year	\$ -	\$ -	\$ -	\$ 695,332	\$ 54,078	\$ -	\$ -	\$ 2,181,388

Benton County
Schedule 5 – Schedule of Revenues by Source and Expenditure by Function – All Governmental Funds
For the Last Ten Years

	Modified Accrual Basis									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Property and other County tax	\$ 17,871,044	\$ 16,012,656	\$ 15,363,248	\$ 14,598,207	\$ 12,393,869	\$ 10,729,740	\$ 10,105,857	\$ 9,893,064	\$ 9,608,610	\$ 9,383,641
Interest and penalty on property tax	73,857	60,761	60,502	49,575	73,915	22,157	47,672	53,847	46,645	54,004
Intergovernmental	12,064,358	11,833,248	9,863,315	11,921,164	13,356,763	11,179,436	9,374,366	7,825,924	8,028,085	7,572,012
Licenses and permits	88,108	101,697	94,482	83,658	69,889	68,281	68,313	73,142	60,141	65,548
Charges for service	1,010,091	862,078	872,777	929,892	997,209	845,094	882,129	881,892	816,903	844,395
Use of money and property	513,777	430,423	299,521	127,922	137,593	132,913	107,825	191,315	89,245	101,403
Miscellaneous	937,611	1,100,026	1,105,468	1,200,905	1,184,481	731,920	543,923	529,201	527,920	355,650
Total	\$ 32,558,846	\$ 30,400,889	\$ 27,659,313	\$ 28,911,323	\$ 28,213,719	\$ 23,709,541	\$ 21,130,085	\$ 19,448,385	\$ 19,177,549	\$ 18,376,653
Expenditures										
Operating										
Public safety and legal services	\$ 7,574,026	\$ 7,487,969	\$ 5,893,591	\$ 6,070,988	\$ 4,660,359	\$ 4,562,040	\$ 4,344,032	\$ 4,019,187	\$ 3,884,346	\$ 3,777,516
Physical health and social services	1,275,676	1,250,503	1,107,373	1,063,873	997,359	952,423	1,082,917	980,849	913,160	908,267
Mental health	-	-	-	1,397,982	1,319,766	999,890	813,179	843,669	955,600	939,392
County environment and education	2,336,525	2,232,827	2,016,453	3,978,080	5,562,923	5,250,632	3,262,597	2,125,837	1,877,291	1,943,572
Roads and transportation	10,028,212	10,347,086	8,492,148	8,943,791	7,562,315	8,608,241	8,898,519	7,243,446	8,020,685	7,284,266
Governmental services to residents	1,117,673	1,092,775	1,027,595	937,055	780,481	815,278	740,414	727,617	713,645	675,738
Administration	4,265,299	3,824,106	3,601,240	2,295,657	1,857,273	1,878,905	1,861,769	1,973,233	1,754,532	1,593,103
Non-program	280,102	47,644	92,175	110,490	120,636	106,780	107,340	109,663	105,123	115,201
Debt service	811,950	811,850	812,575	-	-	-	559,882	139,511	140,956	142,131
Capital projects	2,600,639	3,328,515	3,698,237	344,965	1,678,563	1,317,302	967,075	433,638	1,963,367	2,057,251
Total	\$ 30,290,102	\$ 30,423,275	\$ 26,741,387	\$ 25,142,881	\$ 24,539,675	\$ 24,491,491	\$ 22,637,724	\$ 18,596,650	\$ 20,328,705	\$ 19,436,437

Information Provided to Comply with
Government Auditing Standards and the Uniform Guidance
June 30, 2025

Benton County



**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 Benton County, Iowa:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Benton County, Iowa, (the County) as of and for the year then ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Benton County’s basic financial statements, and have issued our report thereon dated February 26, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs, 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 and questioned costs as items 2025-001, 2025-002, and 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 and questioned costs as items 2025-004, 2025-005, and 2025-006 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 that are required to be reported under *Government Auditing Standards*.

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

County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The 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.

The image shows a handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, professional style.

Dubuque, Iowa
February 26, 2026



Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Officials of Benton County, Iowa:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Benton County, Iowa's (County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended June 30, 2025. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

The image shows a handwritten signature in black ink that reads "Eric Sully LLP". The signature is written in a cursive, flowing style.

Dubuque, Iowa
February 26, 2026

Benton County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services Pass-through program from Iowa Department of Human Services SNAP Cluster State Administrative Matching Grants for the Supplemental Nutritional Assistance Program	10.561	00002130722	\$ 21,488
Department of Housing and Urban Development Pass-through program from Iowa Economic Development Authority Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	20-DRI-025	280,102
Department of Transportation Pass-through program from Iowa Department of Transportation Highway Planning and Construction	20.205	BROS-C006(122)--8J-06	83,999
Highway Planning and Construction	20.205	BROS-C006(123)--8J-06	436,665
Highway Planning and Construction	20.205	BROS-C006(127)--8J-06	260,148
Highway Planning and Construction	20.205	BROS-C006(128)--8J-06	436,433
Total Highway Planning and Construction			1,217,245
Pass-through program from East Central Iowa Council of Governments Formula Grants for Rural Areas and Tribal Transit Program	20.509	FTA5311	122,591
Total Department of Transportation			1,339,836
Department of Treasury COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		1,154,848

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Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services			
Pass-through program from			
Iowa Department of Human Services			
Guardianship Assistance	93.090	00002130722	\$ 5
Title IV-E Prevention Program	93.472	00002130722	526
Refugee and Entrant Assistance - State Administered Programs	93.566	00002130722	257
CCDF Cluster			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	00002130722	3,576
Foster Care-Title IV-E	93.658	00002130722	7,051
Adoption Assistance - Title IV-E	93.659	00002130722	1,288
Social Services Block Grant	93.667	00002130722	5,507
Children's Health Insurance Program	93.767	00002130722	2,967
Medicaid Cluster			
Grants to States for Medicaid	93.778	00002130722	<u>28,660</u>
Total Department of Health and Human Services			<u>49,837</u>
Total Federal Financial Assistance			<u>\$ 2,846,111</u>

Note 1 - Basis of Presentation

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

Note 2 - Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

The County has not elected to use the 10% de minimis cost rate.

Part I: Summary of Independent Auditor’s Results:

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516 (a):	No

Identification of major program:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
Highway Planning and Construction	20.205
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Part II: Findings Related to the Basic Financial Statements:

Material Weaknesses

2025-001 Material Audit Adjustments

Criteria – A properly designed system of internal control over financial reporting allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

Condition – During the course of our engagement, we proposed material audit adjustments to receivables.

Cause – There is a limited number of office employees with varying levels of experience with the reporting requirements. This significantly limits the County's review procedures.

Effect – The effect of this condition was financial data was not in accordance with generally accepted accounting principles.

Recommendation – We recommend that County staff continue to receive relevant training and that additional review procedures be implemented, especially in the area of receivables and payables.

Response – There have been new procedures and cross checks put into place that continue to implement segregation of duties, with room for improvement.

2025-002 Preparation of Financial Statements

Criteria – A properly designed system of internal control over financial reporting includes the preparation of an entity's financial statements and accompanying notes to the financial statements and the schedule of expenditures of federal awards by internal personnel of the entity.

Condition – As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements and the schedule of expenditures of federal awards. It is the responsibility of management and those charged with governance to make the decision to accept the degree of risk associated with this condition because of cost or other considerations.

Cause – We recognize that with a limited number of office employees, preparation of the financial statements is difficult.

Effect – The effect of this condition is that the year-end financial reporting is prepared by a party outside of the entity. The outside party does not have the constant contact with ongoing financial transactions that internal staff have.

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

Recommendation – We recommend that County officials continue reviewing operating procedures in order to obtain the maximum internal control possible under the circumstances to enable staff to draft the financial statements internally.

Response – The County continues to implement new procedures and policies to help allow for segregating the duties. With the various levels of experience and continuing the cross training, this will help improve the process, but it is agreed that there is always room for improvement.

2025-003 Treasurer’s Office – Segregation of Duties

Criteria – Properly designed segregation of duties allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

Condition – Several persons in the Treasurer’s office take turns receipting funds, making deposits, and reconciling bank statements. This situation presents a lack of segregation of duties.

Cause – With a limited number of office employees, segregation of duties is difficult.

Effect – Since job functions were not properly segregated, misstatements may not have been prevented or detected on a timely basis in the normal course of operations.

Recommendation – The Treasurer has done a good job enhancing controls through supervision and review of work. We recommend that the Treasurer continue to look for opportunities to increase controls as staff changes.

Response – The Treasurer or 1st, 2nd or 3rd deputy perform the daily balancing. The First Deputy balances the bank account daily. Monthly balancing is done by the Treasurer, first and second deputy. Monthly motor vehicle balancing to the state report is completed by the second deputy with first deputy verifying the amounts. Bank statements are done in the computer by the Treasurer, and the hard copies of all deposits are verified to the statements by the second deputy. In addition, a daily verification of the Daily Bank Deposit Transfers Journal Entry is performed. We continually look for ways to separate the duties performed within the confines of the staff available.

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

Significant Deficiencies

2025-004 Sheriff's Office – Segregation of Duties

Criteria – Properly designed segregation of duties allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

Condition – The Sheriff's Office has implemented various procedures to enhance internal controls, including the Stellar Teller System and involving additional staff in the receipt function. However, there are receipt and disbursement processes in which a full segregation of duties has not yet been obtained.

Cause – With a limited number of office employees, segregation of duties is difficult.

Effect – Since job functions were not properly segregated, misstatements may not have been prevented or detected on a timely basis in the normal course of operations.

Recommendation – County officials should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances.

Response – Agrees with finding.

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

2025-005 Recorder's Office – Segregation of Duties

Criteria – Properly designed segregation of duties allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

Condition – In the Recorder's Office there are generally only one or two individuals in the office with control over the receipts and disbursements areas for which no compensating controls exist.

Cause – With a limited number of office employees, segregation of duties is difficult.

Effect – Since job functions were not properly segregated, misstatements may not have been prevented or detected on a timely basis in the normal course of operations.

Recommendation – County officials should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances.

Response – Agrees with finding. Still limited on staff in the office.

2025-006 Conservation Camping Fees – Segregation of Duties

Criteria – Properly designed segregation of duties allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

Condition – The collection of camping fees is generally performed by the same park ranger that has performed the camper counts. In addition, the reconciliation process is performed by staff, who also have access to the monies collected.

Cause – With a limited number of employees, segregation of duties is difficult.

Effect – Since job functions were not properly segregated, misstatements may not have been prevented or detected on a timely basis in the normal course of operations.

Recommendation – We understand that the County has made improvements in the collection process. County officials should continue to review the operating procedures of collecting camper fees to obtain the maximum internal control possible under the circumstances.

Response – Two people are currently counting the camping fees to agree on totals. The individuals counting fees are not the park rangers who collect fees and perform counts, creating a double check. The camper registration rosters are sent to the director and office coordinator to cross reference camping receipts. Credit card payments are also accepted; staff do not handle cash for those reservations. There is also an on-line reservation system for cabins and shelters, cash is not handled in these situations either.

Part III: Federal Findings and Questioned Costs for Federal Awards:

There were no federal findings and questioned costs to report.

Part IV: Other Findings Related to Required Statutory Reporting:

2025-IA-A Certified Budget – Disbursements during the year ended June 30, 2025 did not exceed the amounts appropriated by function or department.

2025-IA-B Questionable Expenditures – No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979, were noted.

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

2025-IA-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
Tracy Seeman (Supervisor)	Services	\$ 13,376
John's Tire Service, owned by husband of Melinda Schottmer (County Treasurer)	Services	6,290
Trevor Seeman, son of Tracy Seeman (Supervisor)	Services	5,090
Damien Fairbanks, d/b/a American Honey (employee)	Supplies	1,500

According to Chapter 331.342 of the Code of Iowa, an officer or employee of a county shall not have an interest, direct or indirect, in a contract with that county. The provision does not apply to transactions that do not exceed a cumulative total purchase price of \$6,000 in a fiscal year or to contracts made by a county upon competitive bid. Not all transactions with Tracy Seeman or John’s Tire Service were competitively bid.

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

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

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

- 2025-IA-G Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.
- 2025-IA-H Deposits and Investments** – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.
- 2025-IA-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-IA-J Annual Urban Renewal Report** – The annual urban renewal report was properly approved and certified to the Iowa Department of Management on or before December 1.