

Official Statement

Assuming compliance with certain covenants, in the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present law and assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Notes is excludable from gross income for federal income tax purposes. Interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Interest on the Notes is not exempt from present Iowa income taxes. The Notes will be designated as "qualified tax-exempt obligations". See "TAX MATTERS" herein for a more detailed discussion.



\$6,000,000*
POTTAWATTAMIE COUNTY, IOWA
General Obligation Capital Loan Notes, Series 2026

Dated Date of Delivery Book-Entry Bank Qualified Due Serially June 1, 2027 - 2035

The \$6,000,000* General Obligation Capital Loan Notes, Series 2026 (the "Notes") are being issued by Pottawattamie County, Iowa (the "County" or the "Issuer"). Interest is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2026. Interest is calculated based on a 360-day year of twelve 30-day months. The Notes will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Notes. The ownership of one fully registered Note for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Notes will be made to purchasers. The Notes will mature on June 1 in the following years and amounts.

AMOUNTS*, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS

Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)	Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)
\$950,000	2027	_____ %	_____ %	_____	\$580,000	2032	_____ %	_____ %	_____
990,000	2028	_____ %	_____ %	_____	600,000	2033	_____ %	_____ %	_____
515,000	2029	_____ %	_____ %	_____	625,000	2034	_____ %	_____ %	_____
535,000	2030	_____ %	_____ %	_____	650,000	2035	_____ %	_____ %	_____
555,000	2031	_____ %	_____ %	_____					

Any consecutive maturities may be aggregated into term Notes at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

OPTIONAL REDEMPTION

Notes due June 1, 2027 - 2033, inclusive, are not subject to optional redemption. Notes due June 1, 2034 - 2035, inclusive, are callable in whole or in part on any date on or after June 1, 2033, at a price of par and accrued interest. If less than all the Notes are called, they shall be redeemed in such principal amounts and from such maturities as determined by the County and within any maturity by lot. See "OPTIONAL REDEMPTION" herein.

PURPOSE, LEGALITY AND SECURITY

The proceeds of the Notes are expected to be used to: (i) pay the costs of acquisition, construction and installation of peace officer equipment and other emergency services communication equipment and systems including new towers, equipment, microwaves and consoles, and (ii) pay certain costs of issuance related to the Notes.

In the opinion of Bond Counsel, Ahlers & Cooney, P.C., Des Moines, Iowa, the Notes will constitute valid and legally binding obligations of the County payable both as to principal and interest from ad valorem taxes levied against all taxable, real property within the corporate limits of the County without limitation as to rate or amount, all except as limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to the enforcement of creditors' rights generally and except that enforcement by equitable and similar remedies, such as mandamus, is subject to the exercise of judicial discretion.

The County intends to designate the Notes as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986.

This Official Statement is dated April 1, 2026, and has been prepared under the authority of the County. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Official Statement Sales Calendar". Additional copies may be obtained from Mary Ann Hanusa, County Auditor, Pottawattamie County, 227 South 6th Street, Council Bluffs, Iowa 51501, or from the Registered Municipal Advisors to the County.



*Subject to principal adjustment in accordance with the Official Terms of Offering.

(1) CUSIP numbers appearing in this Official Statement have been provided by CUSIP Global Services ("CGS"), which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The County is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Notes or as set forth on the cover of this Official Statement.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the County from time to time (collectively, the “Official Statement”), may be treated as an Official Statement with respect to the Notes described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the County.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Notes, together with any other information required by law or deemed appropriate by the County, shall constitute a “Final Official Statement” of the County with respect to the Notes, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Notes and other information may be included in a separate document entitled “Final Official Statement” rather than through supplementing the Official Statement by an addendum or addenda.

No dealer, broker, salesperson or other person has been authorized by the County to give any information or to make any representations with respect to the Notes other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the County. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the County and, while believed to be reliable, is not guaranteed as to completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COUNTY SINCE THE RESPECTIVE DATES THEREOF.

No representation is made regarding whether the Notes constitute legal investments under the laws of any state for banks, savings banks, savings and loan associations, life insurance companies, and other institutions organized in such state, or fiduciaries subject to the laws of such state.

THE NOTES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATIONS OF THE NOTES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE NOTES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE NOTES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

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OFFICIAL BID FORM

OFFICIAL TERMS OF OFFERING

 Exhibit A – Example Issue Price Certificate

NOTE ISSUE SUMMARY

This Note Issue Summary is expressly qualified by the entire Official Statement, including the Official Terms of Offering and the Official Bid Form, which are provided for the convenience of potential investors and should be reviewed in their entirety by potential investors.

Issuer:	Pottawattamie County, Iowa.
Issue:	\$6,000,000* General Obligation Capital Loan Notes, Series 2026.
Dated Date:	Date of delivery (expected to be on or about May 13, 2026).
Interest Due:	Each June 1 and December 1, commencing December 1, 2026.
Principal Due:	Serially each June 1, commencing June 1, 2027 through 2035, as detailed on the cover page of this Official Statement.
Optional Redemption:	Notes maturing on or after June 1, 2034, are callable at the option of the County on any date on or after June 1, 2033, at a price of par plus accrued interest. See “ OPTIONAL REDEMPTION ” herein.
Authorization:	The Notes are being issued pursuant to authority established in Code of Iowa, 2025 as amended, Chapter 331 (collectively, the “Act”), and all laws amendatory thereof and supplementary thereto, and in conformity with a resolution (the “Resolution” or the “Note Resolution”) of the County expected to be adopted on April 28, 2026.
Security:	The Notes are valid and legally binding obligations of the County payable both as to principal and interest from ad valorem taxes levied against all taxable real property within the corporate limits of the County without limitation as to rate or amount, all except as limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to the enforcement of creditors’ rights generally and except that enforcement by equitable and similar remedies, such as mandamus, is subject to the exercise of judicial discretion.
Investment Rating:	An investment rating for the Notes has been requested from Moody’s Investors Service, Inc., New York, New York. See “ INVESTMENT RATING ” herein.
Purpose:	The proceeds of the Notes will be used to: (i) pay the costs of acquisition, construction and installation of peace officer equipment and other emergency services communication equipment and systems including new towers, equipment, microwaves and consoles, and (ii) pay certain costs of issuance related to the Notes.
Tax Matters:	Ahlers & Cooney, P.C., Des Moines, Iowa, will provide an opinion as to the tax exemption of the Notes as discussed under “ TAX MATTERS ” in this Official Statement. Interest on the Notes is not exempt from present State of Iowa income taxes. See APPENDIX C for a draft form of legal opinion for the Notes.
Bank Qualified:	The County intends to designate the Notes as “qualified tax-exempt obligations”.
Note Registrar/Paying Agent:	UMB Bank, n.a., West Des Moines, Iowa (the “Registrar”).
Delivery:	The Notes are expected to be delivered on or about May 13, 2026.
Book-Entry Form:	The Notes will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Notes. See APPENDIX B herein.
Denomination:	\$5,000 or integral multiples thereof.
Municipal Advisor:	Speer Financial, Inc., Waterloo, Iowa and Chicago, Illinois.

*Subject to change.

POTTAWATTAMIE COUNTY, IOWA

Board of Supervisors

Brian Shea..... Chairman
Keith Jones.....Member
Jeff JorgensenMember
Susan Miller.....Member
Tim WichmanMember

Officials

Joe Casson..... County Assessor
Matthew Wilber County Attorney
Mary Ann Hanusa..... County Auditor
Andrew Moats.....County Recorder
Andrew Brown..... County Sheriff
Lea Voss County Treasurer

SECURITY AND SOURCE OF PAYMENT

Pursuant to the Resolution and the Act, the Notes and the interest thereon are general obligations of the County, and all taxable real property within the corporate boundaries of the County is subject to the levy of taxes to pay the principal of and interest on the Notes without constitutional or statutory limitation as to rate or amount. For a description of certain constitutional limits on the issuance of general obligation debt by the County, see “Debt Limitation” herein.

Section 76.2 of the Code of Iowa, 2025, as amended (the “Iowa Code”), provides that when an Iowa political subdivision issues general obligation bonds or notes, the governing authority of such political subdivision shall, by resolution adopted before issuing the bonds or notes, provide for the assessment of an annual levy upon all the taxable real property in the political subdivision sufficient to pay the interest and principal of the bonds or notes. A certified copy of such resolution shall be filed with the County Auditor in which the Issuer is located, giving rise to a duty of the County Auditor to annually enter this levy for collection from the taxable real property within the boundaries of the Issuer, until funds are realized to pay the bonds or notes in full.

For the purpose of providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on the Notes as the same become due, the Resolution provides for the levy of a tax sufficient for that purpose on all the taxable real property in the Issuer in each of the years while the Notes are outstanding. The Issuer shall file a certified copy of the Resolution with the County Auditor, pursuant to which the County Auditor is instructed to enter for collection and assess the tax authorized. When annually entering such taxes for collection, the County Auditor shall include the same as a part of the tax levy for Debt Service Fund purposes of the Issuer and when collected, the proceeds of the taxes shall be converted into the Debt Service Fund of the Issuer and set aside therein as a special account to be used solely and only for the payment of the principal of and interest on the Notes and for no other purpose whatsoever.

Nothing in the Resolution prohibits or limits the ability of the County to use legally available moneys other than the proceeds of the general ad valorem property taxes levied as described in the preceding paragraph to pay all or any portion of the principal of or interest on the Notes. If and to the extent such other legally available moneys are used to pay the principal of or interest on the Notes, the County may, but shall not be required to, (a) reduce the amount of taxes levied for such purpose, as described in the preceding paragraph; or (b) use proceeds of taxes levied, as described in the preceding paragraph, to reimburse the fund or account from which such other legally available moneys are withdrawn for the amount withdrawn from such fund or account to pay the principal of or interest on the Notes.

CERTAIN NOTEHOLDERS' RISKS

An investment in the Notes is subject to certain risks. No person should purchase the Notes unless such person understands the risks described below and is willing to bear those risks. There may be other risks not listed below which may adversely affect the value of the Notes. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto) in order to make a judgement as to whether the Notes are an appropriate investment.

Secondary Market

There can be no guarantee that there will be a secondary market for the Notes or, if a secondary market exists, that such Notes can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, secondary marketing practices in connection with a particular bond or note issue are suspended or terminated. Additionally, prices of bond or note issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Notes.

EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE NOTES AND MUST BE ABLE TO BEAR THE ECONOMIC RISK OF SUCH INVESTMENT. THE SECONDARY MARKET FOR THE NOTES, IF ANY, COULD BE LIMITED.

Ratings Loss

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "___" to the Notes. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of Moody's, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Notes.

Various factors, including additional regulation of rating agencies could materially alter the methodology, rating levels, and types of ratings available, for example, and these changes, if ever, could materially affect the market value of the Notes.

Redemption Prior to Maturity

In considering whether to make an investment in the Notes, it should be noted the Notes are subject to optional redemption, as outlined herein, without Noteholder discretion or consent. See "**OPTIONAL REDEMPTION**" herein.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “anticipated,” “plan,” “expect,” “projected,” “estimate,” “budget,” “pro-forma,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and the actual results. These differences could be material and could impact the availability of funds of the County to pay debt service when due on the Notes.

Tax Matters, Bank Qualification and Loss of Tax Exemption

As discussed under the heading “**TAX MATTERS**” herein, the interest on the Notes could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Notes, as a result of acts or omissions of the Issuer in violation of its covenants in the Resolution. Should such an event of taxability occur, the Notes would not be subject to a special prepayment and would remain outstanding until maturity or until prepaid under the prepayment provisions contained in the Notes, and there is no provision for an adjustment of the interest rate on the Notes.

The Issuer intends to designate the Notes as “qualified tax-exempt obligations” under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The County has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. Actions, or inactions, by the County in violation of its covenants could affect the designation, which could also affect the pricing and marketability of the Notes.

It is possible that legislation will be proposed or introduced that could result in changes in the way that tax exemption is calculated, or whether interest on certain securities are exempt from taxation at all. Prospective purchasers should consult with their own tax advisors regarding any pending or proposed federal income tax legislation. The likelihood of any pending or future legislation being enacted or whether the currently proposed terms of any pending legislation will be altered or removed during the legislative process cannot be reliably predicted.

DTC-Beneficial Owners

Beneficial Owners of the Notes may experience some delay in the receipt of distributions of principal of and interest on the Notes since such distributions will be forwarded by the Paying Agent to DTC and DTC will credit such distributions to the accounts of the Participants which will thereafter credit them to the accounts of the Beneficial Owner either directly or indirectly through Indirect Participants. Neither the County nor the Paying Agent will have any responsibility or obligation to assure that any such notice or payment is forwarded by DTC to any Participants or by any Participant to any Beneficial Owner.

In addition, since transactions in the Notes can be effected only through DTC Participants, Indirect Participants and certain banks, the ability of a Beneficial Owner to pledge the Notes to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Notes, may be limited due to lack of a physical certificate. Beneficial Owners will be permitted to exercise the rights of registered Owners only indirectly through DTC and the Participants. See **APPENDIX B – Describing Book-Entry Only Issuance.**

Pension and Other Post-Employment Benefits (“OPEB”) Information

The County participates in the Iowa Public Employee’s Retirement System (IPERS). Summary descriptions of the IPERS Plan follows, for more detailed information including amongst other things pension benefits, Issuer’s deferred outflows and inflows on resources related to pensions, actuarial assumptions, discount rate sensitivity, and expenses, see **APPENDIX A – FISCAL YEAR 2025 AUDIT Note 9**.

In fiscal year 2025, pursuant to the IPERS’ required rate, the County’s Regular employees (members) contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriffs and Deputies members and the County each contributed 8.51% of covered payroll, for a total rate of 17.02%. The County’s contributions to IPERS for the year ended June 30, 2025 were \$3,460,878. The County’s share of the contributions, payable from the applicable funds of the County, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The County has always made its full required contributions to IPERS.

At June 30, 2025, the County reported a liability of \$9,140,789 for its proportionate share of the IPERS 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 discount rate used to measure the total pension liability was 7%. 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. While the County’s contributions to IPERS are controlled by state law, there can be no assurance the County will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the County.

Bond Counsel, Disclosure Counsel, the Municipal Advisor, and the County undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from IPERS discussed above or included on the IPERS websites, including, but not limited to, updates of such information on the State Auditor’s website or links to other Internet sites accessed through the IPERS websites.

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

The following table shows the County’s changes to the total OPEB liability:

Total OPEB Liability beginning of year	\$2,365,097
Changes for the year:	
Service Cost.....	116,374
Interest.....	88,357
Differences between expected and actual experiences	(143,181)
Changes in Assumptions.....	(557,644)
Benefit Payments.....	<u>(121,466)</u>
Net Changes.....	<u>(617,560)</u>
Total OPEB Liability end of year.....	\$1,747,537

See **APPENDIX A – Notes (9) and (10)** herein for further discussion of the County’s employee retirement benefit obligations.

Continuing Disclosure

A failure by the County to comply with continuing disclosure obligations (see “**CONTINUING DISCLOSURE**” herein) will not constitute an event of default on the Notes. Material failures must be disclosed in accordance with Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and may adversely affect the transferability and liquidity of the Notes and their market price.

The County will covenant in a Continuing Disclosure Certificate for the benefit of the Owners and Beneficial Owners of the Notes to provide annually certain financial information and operating data relating to the County (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. See “**APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE.**” The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in “**APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE.**” These covenants have been made in order to assist the Underwriter in complying with the Rule.

Cybersecurity

The County, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the County will be completely successful to guard against and prevent cyber threats and attacks. Failure to properly maintain functionality, control, security, and integrity of the County’s information systems could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant. Along with significant liability claims or regulatory penalties, any security breach could have a material adverse impact on the County’s operations and financial condition. The County cannot predict whether its cyber liability policy will be sufficient in the event of a cyberattack. However, the Notes are secured by an unlimited ad valorem property tax as described herein. See “**SECURITY AND SOURCE OF PAYMENT**” herein.

Suitability of Investment

The interest rate borne by the Notes is intended to compensate the investor for assuming the risk of investing in the Notes. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Notes are an appropriate investment for such investor.

Bankruptcy and Insolvency

The rights and remedies provided in the Resolution may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors’ rights, to the exercise of judicial discretion in appropriate cases and to limitations in legal remedies against exercise of judicial discretion in appropriate cases and to limitations on legal remedies against municipal corporations in the State. The various opinions of counsel to be delivered with respect to the Notes, and the Resolution, including the opinion of Bond Counsel, will be similarly qualified. If the County were to file a petition under Chapter Nine of the Federal Bankruptcy Code, the owners of the Notes could be prohibited from taking any steps to enforce their rights under the Resolution. In the event the County fails to comply with its covenants under the Resolution or fails to make payments on the Notes, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Notes.

Under sections 76.16 and 76.16A of the Iowa Code, as amended, a city, county, or other political subdivision may become a debtor under Chapter Nine of the Federal Bankruptcy Code, if it is rendered insolvent, as defined in 11 U.S.C. §101(32)(c), as a result of a debt involuntarily incurred. As used therein, “debt” means an obligation to pay money, other than pursuant to a valid and binding collective bargaining agreement or previously authorized bond issue, as to which the governing body of the city, county, or other political subdivision has made a specific finding set forth in a duly adopted resolution of each of the following: (1) that all or a portion of such obligation will not be paid from available insurance proceeds and must be paid from an increase in general tax levy; (2) that such increase in the general tax levy will result in a severe, adverse impact on the ability of the city, county, or political subdivision to exercise the powers granted to it under applicable law, including without limitation providing necessary services and promoting economic development; (3) that as a result of such obligation, the city, county, or other political subdivision is unable to pay its debts as they become due; and (4) that the debt is not an obligation to pay money to a city, county, entity organized pursuant to Chapter 28E of the Iowa Code, or other political subdivision.

Matters Relating to Enforceability of Agreements

There is no note trustee or similar person to monitor or enforce the provisions of the Resolution. The owners of the Notes should, therefore, be prepared to enforce such provisions themselves if the need to do so arises. In the event of a default in the payment of principal of or interest on the Notes, there is no provision for acceleration of maturity of the principal of the Notes. Consequently, the remedies of the owners of the Notes (consisting primarily of an action in the nature of mandamus requiring the County and certain other public officials to perform the terms of the Resolution) may have to be enforced from year to year.

Holders of the Notes shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa and of the United States of America for the enforcement of payment of the Notes, including, but not limited to, the right to a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Resolution.

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Resolution. The remedies available to the owners of the Notes upon an event of default under the Resolution, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, including specifically the Federal Bankruptcy Code, certain of the remedies specified in the Resolution may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in these documents. The legal opinions to be delivered concurrently with the delivery of the Notes will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Legislation

From time to time, there are proposals pending in Congress and in the Iowa General Assembly that could, if enacted, alter or amend one or more of the matters described herein in certain respects or would adversely affect the market value of the Notes, or otherwise prevent holders of the Notes from realizing the full benefit of the tax exemption of interest on the Notes. Further such proposals may impact the marketability or market value of the Notes simply by being proposed. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Notes. In addition regulatory actions are from time to time announced or proposed, and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Notes would be impacted thereby.

From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Such alterations could adversely affect the County's financial condition. Historically, changes to property tax calculations and impositions are imposed on a prospective basis. However, there is no assurance future changes to property taxation by the Iowa General Assembly will not be applied retroactively. See "Property Tax Legislation" herein for a discussion on recent changes to the property tax process. It is impossible to predict the outcome of future property taxation changes by the Iowa General Assembly or resulting impacts on the County's financial condition. However, the Notes are secured by an unlimited ad valorem property tax as described more fully in the "**SECURITY AND SOURCE OF PAYMENT**" herein.

Financial Condition of the Issuer from Time to Time

No representation is made as to the future financial condition of the Issuer. Certain risks discussed herein could adversely affect the financial condition and or operations of the Issuer in the future. However, the Notes are secured by an unlimited ad valorem property tax as described more fully in the "**SECURITY AND SOURCE OF PAYMENT**" herein.

Potential Impacts Resulting from Epidemics or Pandemics

The County's finances may be materially adversely affected by unforeseen impacts of future public health events, including epidemics and pandemics. The County cannot predict future impacts of epidemics or pandemics, any similar outbreaks, or their impact on travel, on assemblies or gatherings, on the local, State, national or global economy, or on securities markets, or whether any such disruptions may have a material adverse impact on the financial condition or operations of the County, included but not limited to the payment of debt service on any of its outstanding debt obligations.

Tax Levy Procedures

The Notes are general obligations of the County, payable from and secured by a continuing ad valorem tax levied against all of the taxable real property within the corporate limits of the County. See **"PROPERTY ASSESSMENT AND TAX INFORMATION"** herein for more details. As part of the budgetary process each fiscal year, the County will have an obligation to request a debt service levy to be applied against all of the taxable real property within the corporate limits of the County. A failure on the part of the County to make a timely levy request or a levy request by the County that is inaccurate or is insufficient to make full payments of the debt service of the Notes for a particular fiscal year may cause Noteholders to experience delay in the receipt of distributions of principal of and/or interest on the Notes. In the event of a default in the payment of principal of or interest on the Notes, there is no provision for acceleration of maturity of the principal of the Notes. Consequently, the remedies of the owners of the Notes (consisting primarily of an action in the nature of mandamus requiring the County and certain other public officials to perform the terms of the Resolution) may have to be enforced from year to year.

Loss of Tax Base

Economic and other factors beyond the County's control, such as economic recession, deflation of property values, or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the corporate boundaries of the County. In addition, the State of Iowa has been susceptible to tornados, flooding and other extreme weather wherein winds and flooding have from time to time caused significant damage, which if such events were to occur, may have an adverse impact on the County's financial position.

Federal Funds Orders and State Funds Legislation

Various federal executive orders, and Iowa Code Chapter 27A (collectively "ICE Enforcement Initiatives"), impose requirements intended to ensure compliance with the federal immigration detention processes. The ICE Enforcement Initiatives impose various penalties for non-compliance, including the loss of state and/or federal funding under certain circumstances. The loss of state and/or federal funds in any significant amount could negatively impact the County's overall financial position and may affect its rating and could slow down completion of certain of the Projects. However, the Notes are secured by an unlimited ad valorem property tax and are not secured by state or federal funds. See **"SECURITY AND SOURCE OF PAYMENT"** herein.

Other Factors

An investment in the Notes involves an element of risk. The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Notes. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Official Statement and the Appendices hereto.

THE COUNTY

The County is located in southwestern Iowa, approximately 130 miles southwest of Des Moines. The second-largest county in the State of Iowa (the “State”) by area. The Missouri River forms a natural southwestern border between the states of Iowa and Nebraska with the County on the eastern side of the Missouri River and the City of Omaha, Nebraska located on the western side. The County was established in 1847, covers approximately 959 square miles, and includes 15 incorporated communities: Avoca, Carson, Carter Lake, Council Bluffs, Crescent, Hancock, Macedonia, McClelland, Minden, Neola, Oakland, Shelby, Treynor, Underwood and Walnut. The City of Council Bluffs (the “City”) had a 2020 population of 62,799, which is approximately 67% of the County’s total population. The City is the county seat for the County.

County Organization and Services

The County currently operates under a five member Board of Supervisors. Each member is elected at large to a four-year term. The Board of Supervisors is the legislative authority over the County. Annually, the Board adopts a budget and establishes tax rates to support County programs. Also elected to four-year terms at large are the following officials: Attorney, Auditor, Recorder, Sheriff and Treasurer. These officials, along with department heads appointed by the Board, are responsible for administering the programs and policies adopted by the Board of Supervisors as well as the budget amounts allocated to their department by the Board.

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 employs approximately 443 employees, which includes 167 County Sheriff employees and 56 highway and maintenance workers. Various County employees are members of four collective bargaining units, including Local 2364, General Drivers & Helpers Union, Teamsters, Local No. 554 and the Pottawattamie County Deputy Sheriff’s Association. Collective bargaining agreements for each of these units expire on June 30, 2026 or June 30, 2028.

Community Life

The County and its surrounding area provide residents with numerous recreational opportunities, including: over 40 public and private golf courses, over 70 public tennis courts, over 100 public parks, and over 30 public swimming pools. The over 100 public parks in the County offer County residents opportunities for boating, fishing, water and snow skiing, swimming, camping, hiking, picnicking, canoeing, ice skating, and snowmobiling. Other recreational facilities located in County parks include flower gardens, bicycle trails, nature trails, and fitness trails.

Cultural facilities in the area include the Joslyn Art Museum and the Orpheum Theater, home of the Omaha Symphony, the Omaha Ballet Company, and the Omaha Opera Company. Over thirty area theaters serve County residents as well as several museums. Annual cultural events include the Summer Arts Series and the Renaissance Faire.

The health care industry represents one of the leading employers in the County. The following is a summary of the County’s leaders in medical technology and health care.

Methodist Jennie Edmundson Hospital

The Methodist Jennie Edmundson Hospital has served the health and medical needs of southwestern Iowa since 1886 and is a 236-bed regional health center. The Methodist Jennie Edmundson Hospital has a full range of inpatient and outpatient medical, surgical and rehabilitation services.

CHI Health Mercy Council Bluffs

CHI Health Mercy Council Bluffs is a regional health network healing ministry of the church while creating healthier communities. Headquartered in Omaha, the combined organization consists of 14 hospitals, two stand-alone behavioral health facilities, a free standing emergency department, more than 150 employed physician practice locations and more than 12,000 employees in Nebraska and southwest Iowa, including locations in the County. CHI Health services as the primary teaching partner of Creighton University's health sciences schools.

Education

The County residents are served by 12 public school districts, including the Council Bluffs Community School District and the Lewis Central Community School District. The Council Bluffs Community School District is comprised of 16 schools and has a 2025-2026 certified enrollment of 8,309.3 students. The Lewis Central School District has a certified enrollment of 2,557.4 students.

Other school districts located within the County include: AHSTW School District, which serves the communities of Avoca, Hancock, Shelby, Tennant and Walnut; Atlantic School District; Glenwood School District; Griswold School District; Missouri Valley School District; Red Oak School District; Riverside School District, serving the communities of Oakland, Carson, and Macedonia; Treynor Community School District; Tri-Center Community School District; and Underwood School District.

The Iowa School for the Deaf is also located in the County. The School is a state tax-supported school open to any student in Iowa under the age of 21 with a hearing impairment. Located on a 120-acre campus in Council Bluffs, the School offers full educational and limited health and dental care services to its students.

Post-secondary education is offered to County residents at various colleges located throughout the County. Iowa Western Community College (the "College") has campuses in Council Bluffs, Clarinda and four centers in the region. The College offers 84 programs in both vocational and technical areas as well as in liberal arts. Enrollment at the College is approximately 5,500 full time equivalent enrollment students. Buena Vista University, located on the Iowa Western Community College campus in Council Bluffs, is a private 4-year liberal arts college.

Other post-secondary educational opportunities are located in the Omaha metropolitan area. These colleges and universities include: Bellevue University, Clarkson College, College of St. Mary, Creighton University, Doane College, Grace University, Metropolitan Community College, Nebraska Methodist College, University of Nebraska at Omaha, and University of Nebraska Medical Center.

Transportation

The County is located at the intersection of two major Interstates 80 and 29, four U.S. and six state highways. Interstate 80 extends from New York City through Chicago, Chicago through Council Bluffs, Council Bluffs through Salt Lake City, and ends in San Francisco. Interstate 29 runs from Winnipeg, Canada to Kansas City.

Public transportation in the Council Bluffs-Omaha area is provided by Metropolitan Area Transit (MAT). MAT operates a fleet of approximately 108 buses with regular line service throughout the area. Bus service to areas outside of the County is provided by Greyhound, with its area main terminal in Omaha.

As described above, four freight railroads serve the County. In addition, passenger rail service is provided to County residents through Amtrak.

Air passenger and freight service is provided to the County through Eppley Airfield located in Omaha. The airport is located within a 15 minute drive from any location in Council Bluffs. The Council Bluffs Municipal Airport is located approximately two miles east of Council Bluffs and includes a 5,500-foot, hard-surface runway capable of handling corporate aircraft.

With the Missouri River access, Council Bluffs also offers barge and river transport for large industrial users as well as recreational boaters.

SOCIOECONOMIC INFORMATION

The following demographic information is for the County. Additional comparisons are made with the State of Iowa (the “State”).

Population

The following table reflects population trends for the County, the County and the State.

Population Comparison(1)

<u>Year</u>	<u>The County</u>	<u>Percent Change</u>	<u>The State</u>	<u>Percent Change</u>
1970	86,991	n/a	2,824,376	n/a
1980	86,561	(0.49%)	2,913,808	3.17%
1990	82,628	(4.54%)	2,776,755	(4.70%)
2000	87,704	6.14%	2,926,324	5.39%
2010	93,158	6.22%	3,046,355	4.10%
2020	93,667	0.55%	3,190,369	4.73%

Note: (1) Source: U.S. Bureau of the Census.

Employment

Following are lists of large employers located in the County.

Major County Employers(1)(2)

<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Council Bluffs Community Schools	Education	1,000 to 2,499
Horseshoe Casino	Entertainment and Recreation	1,000 to 2,499
Harrah’s Council Bluffs Casino	Arts, Entertainment and Recreation	1,000 to 2,499
Tyson Foods, Inc.	Meat Packing and Processing.....	1,000 to 2,499
Iowa Western Community College.....	Public Community College.....	1,000 to 2,499
Ameristar Casino and Hotels	Entertainment and Recreation	750 to 999
ConAgra Brands, Inc.	Frozen Food Products	750 to 999
Owen Industries	Steel Manufacturer	678
OSI Industries, LLC	Food Processing.....	635
City of Council Bluffs	Municipal Government.....	507
Plumrose USA, Inc.	Food Processing.....	400

Notes: (1) Source: City of Council Bluffs and the 2026 Manufacturers database.
 (2) Includes full-time and part-time positions.

A representative list of larger employers in the greater Omaha, Nebraska metro area is as follows:

Major Omaha Area Employers(1)

<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Offutt Air Force Base	U.S. Military Base	5,000 +
Nebraska Medicine.....	Health Services	5,000 +
CHI Health System.....	Health Services	5,000 +
Omaha Public Schools	Public Education	5,000 +
Methodist Health System.....	Health Services	5,000 +
University of Nebraska Medical Center	Health Services Research	5,000 +
Union Pacific Railroad	Transportation and Warehousing.....	2,500 to 4,999
City of Omaha	Government.....	2,500 to 4,999
First National Bank of Omaha.....	Finance & Insurance.....	2,500 to 4,999
Mutual of Omaha.....	Finance & Insurance.....	2,500 to 4,999
Fiserv	Information	2,500 to 4,999

Note: (1) Source: Greater Omaha Economic Development.

The following tables show employment by industry and by occupation for the County and the State as reported by the U.S. Census Bureau 2020 - 2024 American Community Survey 5-year estimated values.

Employment By Industry(1)

<u>Classification</u>	<u>The County</u>		<u>The State</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Agriculture, forestry, fishing and hunting, and mining.....	885	2.0%	61,372	3.7%
Construction	3,412	7.5%	113,871	6.9%
Manufacturing.....	5,280	11.7%	241,106	14.7%
Wholesale trade	1,320	2.9%	39,554	2.4%
Retail trade.....	6,279	13.9%	188,629	11.5%
Transportation and warehousing, and utilities.....	3,454	7.6%	83,794	5.1%
Information	429	0.9%	22,587	1.4%
Finance and insurance, and real estate and rental and leasing.....	3,290	7.3%	124,916	7.6%
Professional, scientific, and management, and administrative and waste management services	3,587	7.9%	124,829	7.6%
Educational services, and health care and social assistance	9,475	20.9%	396,455	24.2%
Arts, entertainment, and recreation, and accommodation and food services.....	4,014	8.9%	113,941	7.0%
Other services, except public administration	2,134	4.7%	71,602	4.4%
Public administration	1,732	3.8%	56,485	3.4%
Total	45,291	100.0%	1,639,141	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2020 - 2024.

Employment By Occupation(1)

<u>Classification</u>	<u>The County</u>		<u>The State</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Management, business, science, and arts occupations	15,533	34.3%	645,467	39.4%
Service occupations	7,423	16.4%	247,895	15.1%
Sales and office occupations	9,498	21.0%	312,278	19.1%
Natural resources, construction, and maintenance occupations.....	4,636	10.2%	155,845	9.5%
Production, transportation, and material moving occupations	8,201	18.1%	277,656	16.9%
Total	45,291	100.0%	1,639,141	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2020 - 2024.

The following shows the annual average unemployment rates for the County, the State and the United States.

Annual Average Unemployment Rates(1)(2)

Calendar Year	The County	The State	United States
2016	3.4%	3.6%	4.9%
2017	2.8%	3.1%	4.4%
2018	2.5%	2.6%	3.9%
2019	2.5%	2.7%	3.7%
2020(3)	5.4%	5.2%	8.1%
2021(3)	4.1%	3.9%	5.4%
2022	3.0%	2.8%	3.7%
2023	3.0%	2.9%	3.6%
2024	3.1%	3.0%	4.0%
2025(4)	3.9%	3.3%	4.1%

- Notes: (1) Source: Iowa Workforce Development and U.S. Bureau of Labor Statistics.
 (2) Not seasonally adjusted.
 (3) The increase in unemployment rates may be attributable to the COVID-19 pandemic.
 (4) Preliminary rates for the month of December 2025.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the County's owner-occupied homes was \$195,700. This compares to \$208,000 for the State. The following table represents the five year average market value of specified owner-occupied units for the County and the State at the time of the 2020 - 2024 American Community Survey.

Home Values(1)

Value	The County		The State	
	Number	Percent	Number	Percent
Less than \$50,000	1,494	5.7%	62,521	6.6%
\$50,000 to \$99,999	2,212	8.4%	105,620	11.2%
\$100,000 to \$149,999	3,980	15.1%	130,163	13.8%
\$150,000 to \$199,999	5,854	22.2%	152,900	16.2%
\$200,000 to \$299,999	5,942	22.6%	217,500	23.1%
\$300,000 to \$499,999	5,132	19.5%	200,475	21.3%
\$500,000 to \$999,999	1,414	5.4%	63,849	6.8%
\$1,000,000 or more	283	1.1%	10,368	1.1%
Total	26,311	100.0%	943,396	100.0%

- Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2019 - 2023.

Mortgage Status(1)

Mortgage Status	The County		The State	
	Number	Percent	Number	Percent
Housing units with a mortgage	15,649	59.5%	560,118	59.4%
Housing units without a mortgage	10,662	40.5%	383,278	40.6%
Total	26,311	100.0%	943,396	100.0%

- Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2020 - 2024.

Income and Benefits

The U.S. Census Bureau 5-year estimated values reported that the County had a median family income of \$92,178. This compares to \$97,491 for the State. The following table represents the distribution of family incomes for the County and the State at the time of the 2020 - 2024 American Community Survey.

Family Income(1)

Income	The County		The State	
	Number	Percent	Number	Percent
Less than \$10,000	708	3.0%	18,643	2.3%
\$10,000 to \$14,999	329	1.4%	10,966	1.4%
\$15,000 to \$24,999	978	4.1%	26,663	3.3%
\$25,000 to \$34,999	1,330	5.6%	36,212	4.5%
\$35,000 to \$49,999	2,097	8.8%	67,819	8.4%
\$50,000 to \$74,999	3,722	15.6%	130,152	16.1%
\$75,000 to \$99,999	3,993	16.7%	126,525	15.6%
\$100,000 to \$149,999	5,742	24.0%	193,375	23.9%
\$150,000 to \$199,999	2,728	11.4%	99,722	12.3%
\$200,000 or more	<u>2,275</u>	<u>9.5%</u>	<u>99,759</u>	<u>12.3%</u>
Total	23,902	100.0%	809,836	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2020 to 2024.

The U.S. Census Bureau 5-year estimated values reported that the County had a median household income of \$73,602. This compares to \$75,059 for the State. The following table represents the distribution of household incomes for the County and the State at the time of the 2020 - 2024 American Community Survey.

Household Income(1)

Income	The County		The State	
	Number	Percent	Number	Percent
Less than \$10,000	1,567	4.2%	52,401	4.0%
\$10,000 to \$14,999	1,263	3.4%	42,753	3.2%
\$15,000 to \$24,999	2,979	7.9%	88,109	6.7%
\$25,000 to \$34,999	2,513	6.7%	94,568	7.2%
\$35,000 to \$49,999	4,293	11.4%	149,145	11.3%
\$50,000 to \$74,999	6,640	17.6%	230,392	17.5%
\$75,000 to \$99,999	5,469	14.5%	184,128	14.0%
\$100,000 to \$149,999	7,034	18.7%	245,953	18.7%
\$150,000 to \$199,999	3,287	8.7%	115,618	8.8%
\$200,000 or more	<u>2,597</u>	<u>6.9%</u>	<u>112,640</u>	<u>8.6%</u>
Total	37,642	100.0%	1,315,707	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2020 - 2024.

Agriculture

Shown below is information on the agricultural value of the County and the statewide average.

Average Value Per Acre(1)

	2021	2022	2023	2024	2025
Average Value Per Acre:					
The County	\$10,019	\$12,145	\$12,473	\$11,360	\$11,571
State of Iowa	9,751	11,411	11,835	11,467	11,549

Note: (1) Source: Iowa State University Extension and Outreach.

Local Option Sales Tax

The County approved a 1% local option sales and service tax (“Local Option Tax”) at a special referendum. The Local Option Tax for the County became effective April 1995. The County’s Local Option Tax referendum question stated that proceeds of such tax would be designated for: County Roads (70%), County East Soil Conservation (5%), County West Soil Conservation (5%), County Conservation (5%) and General Tax Relief (15%).

The State Director of Revenue (the “Director”) administers collection and disbursement of all local option sales and services taxes in conjunction with administration of the State-wide sales, services and use tax. The Director credits the Local Option Tax receipts to the County’s account in the Local Option Tax fund. Historically, by August 15 of each fiscal year, the Director is required to send the County an estimate of the amount of local option sales and services taxes it will receive for the year and by month. By August 31, the Director is required to remit 95% of the estimated tax receipts for the County to the County’s account and by the last day of each following month. By November 10 of the next fiscal year, the Director is required to make the final payment, which could include needed adjustments for over- or under-payments when comparing actual tax receipts against the payments made based upon estimates. Beginning with the October 2022 Local Option Tax payment, the State Department of Revenue (the “Department of Revenue”) makes distributions based on actual Local Option Tax receipts in the preceding month.

Local Option Taxes are based on the same sales currently taxed by the state-wide 6% sales and services tax, with the present statutory exceptions of (i) certain sales of motor fuel or special fuel as defined in Chapter 452A, (ii) the sale of natural gas or electric energy in a city or county where the gross receipts are subject to a franchise fee or user fee during the period the franchise or user fee is imposed, (iii) the sales price from a pay television service consisting of a direct-to-home satellite service, or (iv) the sale of equipment by the State Department of Transportation.

Once approved, a Local Option Tax can only be repealed through a public referendum at which a majority voting approves the repeal or tax rate change (or upon motion of the governing body), provided no obligations secured by the Local Option Tax are outstanding. If a Local Option Tax is not imposed county-wide, then the question of repeal is voted upon only by voters in such areas of a county where the tax has been imposed. Local Option Tax may not be repealed within one year of the effective date.

The following table shows the trend of the County’s Local Option Tax receipts.

Local Option Tax Receipts(1)

Fiscal Year Ending June 30	Local Option Sales Tax Receipts(2)	Percent Change +/-
2017	\$3,358,208	n/a
2018	3,589,729	6.89%
2019	3,978,260	10.82%
2020	4,312,804	8.41%
2021	4,477,471	3.82%
2022	4,414,435	(1.41%)
2023	4,667,694	5.74%
2024	5,224,463	11.93%
2025	5,324,097	1.91%
2026	5,425,254(3)	1.90%

- Notes: (1) Source: Iowa Department of Revenue.
 (2) Includes a reconciliation payment attributable to the previous fiscal year for fiscal years 2017 through 2022.
 (3) Collections received or expected to be received.

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Retail Sales

The Department of Revenue provides retail sales figures based on sales tax reports for years ending June 30. The Department of Revenue figures provide recent data to confirm trends in retail sales activity in the County. The following amounts exclude the County’s Local Option Tax.

Retail Taxable Sales(1)

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Taxable</u> <u>Sales</u>	<u>Annual Percent</u> <u>Change + (-)</u>
2015	\$1,218,297,296	n/a
2016	1,213,240,357	(0.42%)
2017	1,185,431,694	(2.29%)
2018	1,217,017,602	2.66%
2019	1,298,625,838	6.71%
2020	1,250,333,776	(3.72%)
2021	1,328,222,664	6.23%
2022	1,425,871,326	7.35%
2023	1,561,081,552	9.48%
2024	1,564,617,225	0.23%
Growth from 2015 to 2024		28.83%

Note: (1) Source: the Iowa Department of Revenue.

THE PROJECT

Note proceeds are expected to be used to: (i) pay the costs of acquisition, construction and installation of peace officer equipment and other emergency services communication equipment and systems including new towers, equipment, microwaves and consoles, and (ii) pay certain costs of issuance related to the Notes.

DEFAULT RECORD

The County has no record of default and has met its debt repayment obligations promptly.

SHORT-TERM BORROWING

The County has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

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DEBT INFORMATION

After issuance of the Notes, the County will have outstanding \$23,380,000* principal amount of general obligation debt.

Debt Limitation

The amount of general obligation debt a political subdivision of the State can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of taxable property within the corporate limits, taken from the last County Tax list. According to and based upon the January 1, 2024 property valuations, for taxes payable in September 2025 and March 2026, the County’s debt limit, based upon said valuation, amounts to the following:

2024 100% Actual Valuation of Property	\$13,640,209,089
Constitutional Debt Limit	\$ 682,010,454
Outstanding Bonds/Notes Applicable to Debt Limit:	
Total G.O. Debt Subject to Debt Limit.....	\$ <u>23,380,000*</u>
Total Applicable Debt	\$ <u>23,380,000*</u>
Remaining Debt Capacity.....	\$ 658,630,454*

*Subject to change.

The County does not expect to issue any additional general obligation debt in calendar year 2026.

Summary of Outstanding General Obligation Bonded Debt(1)
 (Principal Only)

Series 2016 Capital Loan Notes	\$ 195,000
Series 2020B LOST Bonds	1,075,000
Series 2021A Capital Loan Notes.....	990,000
Series 2021B GO Urban Renewal Bonds.....	9,825,000
Series 2021C LOST Bonds	4,770,000
Series 2022 Capital Loan Notes	525,000
The Notes(2)	<u>6,000,000</u>
Total(2)	<u>\$23,380,000</u>

Notes: (1) Source: the County.
 (2) Subject to change.

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General Obligation Debt(1)
 (Principal Only)

Fiscal Year Ending June 30	Series 2016	Series 2020B	Series 2021A	Series 2021B	Series 2021C	Series 2022	Total Outstanding		The Notes(2)	Total General Obligation Debt(2)	Cumulative Retirement(2)	
							General Obligation Debt				Amount	Percent
2026	\$ 95,000	\$ 205,000	\$240,000	\$ 740,000	\$ 290,000	\$150,000	\$ 1,720,000	\$ 0	\$ 1,720,000	\$ 1,720,000	9.90%	
2027	100,000	210,000	245,000	800,000	295,000	125,000	1,775,000	950,000	2,725,000	3,495,000	20.11%	
2028	0	215,000	250,000	825,000	295,000	125,000	1,710,000	990,000	2,700,000	5,205,000	29.95%	
2029	0	220,000	255,000	850,000	300,000	125,000	1,750,000	515,000	2,265,000	6,955,000	40.02%	
2030	0	225,000	0	875,000	305,000	0	1,405,000	535,000	1,940,000	8,360,000	48.10%	
2031	0	0	0	900,000	535,000	0	1,435,000	555,000	1,990,000	9,795,000	56.36%	
2032	0	0	0	925,000	545,000	0	1,470,000	580,000	2,050,000	11,265,000	64.82%	
2033	0	0	0	950,000	560,000	0	1,510,000	600,000	2,110,000	12,775,000	73.50%	
2034	0	0	0	960,000	570,000	0	1,530,000	625,000	2,155,000	14,305,000	82.31%	
2035	0	0	0	1,000,000	580,000	0	1,580,000	650,000	2,230,000	15,885,000	91.40%	
2036	0	0	0	1,000,000	495,000	0	1,495,000	0	1,495,000	17,380,000	100.00%	
Total	\$195,000	\$1,075,000	\$990,000	\$9,825,000	\$ 4,770,000	\$525,000	\$17,380,000	\$6,000,000	\$23,380,000			

Note: (1) Source: the County. For term notes, mandatory redemption amounts are shown.
 (2) Subject to change.

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Detailed Overlapping Bonded Debt(1)(2)

	Outstanding Debt	Applicable to the County	
		Percent(2)	Amount
Cities:			
Avoca.....	\$ 747,128	100.00%	\$ 747,128
Carson.....	661,000	100.00%	661,000
Carter Lake.....	3,055,000	100.00%	3,055,000
Council Bluffs.....	64,572,538	100.00%	64,572,538
Crescent.....	215,461	100.00%	215,461
Hancock.....	0	100.00%	0
Macedonia.....	16,801	100.00%	16,801
McClelland.....	0	100.00%	0
Minden.....	255,000	100.00%	255,000
Neola.....	6,333,349	100.00%	6,333,349
Oakland.....	1,779,000	100.00%	1,779,000
Shelby.....	1,401,019	100.00%	1,401,019
Treynor.....	3,677,096	100.00%	3,677,096
Underwood.....	1,470,000	100.00%	1,470,000
Walnut.....	210,200	100.00%	210,200
Total Cities.....			\$ 84,393,593
Schools:			
A-H-S-T-W.....	\$ 13,837,000	74.00%	\$ 10,239,380
Atlantic.....	770,000	1.47%	11,319
Council Bluffs.....	30,695,000	100.00%	30,695,000
Glenwood.....	1,425,000	0.06%	855
Griswold.....	6,480,000	22.65%	1,467,720
Lewis Central.....	20,500,000	96.64%	19,811,200
Missouri Valley.....	3,312,062	20.70%	685,597
Red Oak.....	13,670,000	0.17%	23,239
Riverside.....	8,193,000	100.00%	8,193,000
Treynor.....	10,445,000	97.78%	10,213,121
Tri-Center.....	0	62.38%	0
Underwood.....	100,000	100.00%	100,000
Iowa Western Community College(3).....	45,770,000	48.88%	22,372,376
Southwest Iowa Community College(3).....	0	0.02%	0
Total Schools.....			\$103,812,807
Total Cities and Schools Overlapping Bond Debt.....			\$188,206,400

- Notes: (1) Source: Treasurer of the State of Iowa - Outstanding Obligations Report as of June 30, 2025.
 (2) Overlapping debt percentages based on January 1, 2024 Taxable Value.
 (3) Excludes \$4,075,000 (IWCC) and \$5,320,000 (SWCC) in Industrial New Jobs Training Certificates, which are retired by proceeds from anticipated job credits from withholding taxes.

Statement of Bonded Indebtedness(1)(2)

County Actual Value, January 1, 2024.....	\$13,640,209,089
County Taxable Value, January 1, 2024.....	\$ 6,685,427,044

	Total Applicable Amount	Ratio to County Actual Value	Ratio to County Taxable Value	Per Capita (2020 Pop. 93,667)
Direct Bonded Debt(3).....	\$ 23,380,000	0.17%	0.35%	\$ 249.61
Indirect Bonded Debt:				
Cities.....	\$ 84,393,593	0.62%	1.26%	\$ 901.00
Schools.....	103,812,807	0.76%	1.55%	1,108.32
Total Overlapping Bonded Debt.....	\$188,206,400	1.38%	2.82%	\$2,009.31
Total Direct and Overlapping Bonded Debt(3).....	\$211,586,400	1.55%	3.16%	\$2,258.92

Per Capita Actual Value.....	\$145,624.49
Per Capita Taxable Value.....	\$ 71,374.41

- Notes: (1) Source: the County, Audited Financial Statements and Treasurer of the State of Iowa - Outstanding Obligations Report, debt as of June 30, 2025 for the School District, Community College and Cities.
 (2) As of the date of issuance for the Direct Bonded Debt and June 30, 2025 for Overlapping Debt.
 (3) Subject to change.

PROPERTY ASSESSMENT AND TAX INFORMATION

Property Tax Assessment

In compliance with Section 441.21 of the Iowa Code, the Director annually directs all county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The final values, called Actual Valuation, are then adjusted by the County Auditor. Assessed or Taxable Valuation subject to tax levy is then determined by the application of State determined rollback percentages, principally to residential property and commercial property.

Beginning in 1978, the State required a reduction in Actual Valuation to reduce the impact of inflation on its residents. The resulting value is defined as the Assessed or Taxable Valuation. Such rollback percentages may be changed in future years. Certain historical rollback percentages for residential, multi-residential, agricultural and commercial valuations are as follows:

Percentages for Taxable Valuation After Rollbacks(1)

<u>Fiscal Year</u>	<u>Residential</u>	<u>Multi-Residential</u>	<u>Ag Land & Buildings</u>	<u>Commercial & Industrial</u>
2017/18.....	56.9391%	82.5000%	47.4996%	90.0000%
2018/19.....	55.6209%	78.7500%	54.4480%	90.0000%
2019/20.....	56.9180%	75.0000%	56.1324%	90.0000%
2020/21.....	55.0743%	71.2500%	81.4832%	90.0000%
2021/22.....	56.4094%	67.5000%	84.0305%	90.0000%
2022/23.....	54.1302%	63.7500%	89.0412%	90.0000%
2023/24.....	54.6501%	n/a	91.6430%	90.0000%
2024/25.....	46.3428%	n/a	71.8370%	90.0000%
2025/26.....	47.4316%	n/a	73.8575%	90.0000%
2026/27.....	44.5345%	n/a	59.4401%	90.0000%

- Notes: (1) Source: the Iowa Department of Revenue.
 (2) In assessment year 2025 (applicable to fiscal year 2026/27 valuations), the taxable value rollback rate is 44.5345% of actual value for residential property; 59.4401% of actual value for agricultural property and 94.2059% or 98.0000% of the actual value of utility property. The residential taxable rollback rate of 44.5345% applies to the value of each property unit of commercial, industrial and railroad property that exceeds zero dollars (\$0), but does not exceed one hundred fifty thousand dollars (\$150,000), with a taxable value rollback rate of 90.0000% to the value that exceeds one hundred fifty thousand dollars (\$150,000).

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. For example, the assessments finalized on January 1, 2024, are used to calculate tax liability for the tax year starting July 1, 2025 through June 30, 2026.

Property Tax Collection

Each county is required by State law to collect all tax levies within its jurisdiction and remit, before the fifteenth of each month, the amount collected through the last day of the preceding month to underlying units of government, including the County. Property tax payments are made at the office of each county treasurer in full or one-half by September 30 and March 31, pursuant to the Code of Iowa, Sections 445.36 and 445.37. Where the first half of any property tax has not been paid by October 1, such installment becomes delinquent. If the second installment is not paid, it becomes delinquent on April 1. Delinquent taxes and special assessments are subject to a penalty at the rate of one and one-half percent per month, to a maximum of eighteen percent per annum.

If taxes are not paid when due, the property may be offered at the regular tax sale on the third Tuesday of June following the delinquency date. Purchasers at the tax sale must pay an amount equal to the taxes, special assessments, interest and penalties due on the property, and funds so received are applied to the payment of taxes. A property owner may redeem from the regular tax sale, but failing redemption within two years, the tax sale purchaser is entitled to a deed which in general conveys the title free and clear of all liens except future installments of taxes.

Actual (100%) Valuations for the County(1)(2)

Property Class	Fiscal Year:	2022/23	2023/24	2024/25	2025/26	2026/27
	Levy Year:	2021	2022	2023	2024	2025
Residential		\$ 5,392,041,615	\$ 5,814,978,863	\$ 7,115,219,982	\$ 7,220,563,844	\$ 8,335,208,755
Agricultural		747,893,900	747,344,450	1,040,566,031	1,041,876,131	1,297,861,800
Commercial		1,543,823,163	1,575,203,693	1,615,981,802	1,658,703,888	2,111,775,951
Industrial		337,493,107	344,070,559	698,485,182	782,250,234	909,925,602
Multi-residential(3)		327,403,968	0	0	0	0
Railroads		75,276,766	80,214,175	84,725,290	84,371,735	82,108,639
Utilities without Gas and Electric(4)		87,082,876	84,796,614	91,573,223	77,563,792	95,186,075
Gas and Electric Utility(4)		1,911,936,120	2,783,357,636	3,013,119,445	2,826,468,965	3,207,178,020
Less: Military Exemption		(7,156,128)	(6,874,624)	(31,830,177)	(51,589,500)	(52,814,000)
Total		\$10,415,795,387	\$11,423,091,366	\$13,627,840,778	\$13,640,209,089	\$15,986,430,842
Percent Change +/-		4.67%(5)	9.67%	19.30%	0.09%	17.20%

- Notes: (1) Source: Iowa Department of Management.
 (2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2021	2022	2023	2024	2025
TIF Valuation	\$153,323,090	\$161,711,331	\$237,474,109	\$216,138,146	\$323,676,622

- (3) Included in Residential Property Class starting with January 1, 2022 valuations.
 (4) See **"PROPERTY ASSESSMENT AND TAX INFORMATION - Utility Property Tax Replacement"** herein.
 (5) Based on 2020 Actual Valuation of \$9,950,629,571.

For the January 1, 2025 levy year, the County's Taxable Valuation was comprised of approximately 49% residential, 24% commercial, 11% industrial, 10% agriculture, 5% utilities, 1% railroads and less than 1% exemptions.

Taxable ("Rollback") Valuations for the County(1)(2)

Property Class	Fiscal Year:	2022/23	2023/24	2024/25	2025/26	2026/27
	Levy Year:	2021	2022	2023	2024	2024
Residential		\$2,918,722,886	\$3,177,891,955	\$3,297,392,511	\$3,424,828,665	\$3,712,043,204
Agricultural		665,933,583	684,889,147	747,511,554	769,503,718	771,450,215
Commercial		1,389,440,857	1,341,109,368	1,355,977,178	1,396,382,469	1,792,001,459
Industrial		303,743,798	304,606,776	621,897,308	697,421,105	812,000,790
Multi-residential(3)		208,720,148	0	0	0	0
Railroads		67,749,091	71,927,634	75,925,330	75,615,304	73,556,783
Utilities without Gas and Electric(4)		87,082,876	84,796,614	91,573,223	77,563,792	93,282,353
Gas and Electric Utility(4)		298,163,877	280,950,545	286,959,854	295,701,491	319,300,322
Less: Military Exemption		(7,156,128)	(6,874,624)	(31,830,177)	(51,589,500)	(52,814,000)
Total		\$5,932,400,988	\$5,939,297,415	\$6,445,406,781	\$6,685,427,044	\$7,520,821,126
Percent Change +/-		4.38%(5)	0.12%	8.52%	3.72%	12.50%

- Notes: (1) Source: Iowa Department of Management.
 (2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2021	2022	2023	2024	2025
TIF Valuation	\$153,323,090	\$161,711,331	\$172,080,240	\$154,523,924	\$247,551,710

- (3) Included in Residential Property Class starting with January 1, 2022 valuations.
 (4) See **"PROPERTY ASSESSMENT AND TAX INFORMATION - Utility Property Tax Replacement"** herein.
 (5) Based on 2020 Taxable Valuation of \$5,683,519,540.

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The following shows the trend in the County's tax extensions and collections.

Tax Extensions and Collections(1)

Levy Year	Fiscal Year	Amount Levied	Amount Collected(2)	Percent Collected
2015.....	2016-17.....	\$42,168,662	\$40,043,784	94.96%
2016.....	2017-18.....	42,197,772	40,236,735	95.35%
2017.....	2018-19.....	43,078,976	41,227,152	95.70%
2018.....	2019-20.....	44,930,425	42,159,126	93.83%
2019.....	2020-21.....	44,930,425	44,265,664	98.52%
2020.....	2021-22.....	46,993,775	45,441,195	96.70%
2021.....	2022-23.....	45,619,412	45,562,839	99.88%
2022.....	2023-24.....	48,209,683	47,031,755	97.56%
2023.....	2024-25.....	50,607,838	51,458,216	101.68%
2024.....	2025-26.....	49,719,740	--In Collection --	

- Notes: (1) Source: the State of Iowa Department of Management and the County.
 Does not include Levies or Collections for Utility Replacement.
 (2) Includes delinquent taxes.

Principal Taxpayers(1)

Taxpayer Name	Business/Service	Levy Year 2024 Taxable Valuation(2)
MidAmerican Energy Company	Utility	\$ 309,312,637
Questa LLC	Commercial Property	297,037,888
Horseshoe Council Bluffs, LLC	Casino/Hotel	79,948,624
Menards, Inc.....	Retail Store.....	61,252,797
Harrahs Council Bluffs LLC.....	Casino/Hotel.....	55,645,115
Northern Natural Gas Pipeline.....	Utility.....	55,331,571
Tetra LLC.....	Storage Tanks.....	54,954,283
Southwest Iowa Renewable Energy.....	Utility.....	50,405,358
Pinnacle Entertainment, Inc.....	Casino/Hotel.....	45,137,298
B33 Metro Crossing II LLC.....	Commercial Property/Retail Stores.....	44,117,679
Total		\$1,053,143,250
Ten Largest Taxpayers as Percent of County's 2024 Taxable Valuation (\$6,685,427,044).....		15.75%

- Notes: (1) Source: the County.
 (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked.

Property Tax Rates

Property Tax Rates(1)(2)
 (Per \$1,000 Actual Valuation)

	Fiscal Year: Levy Year:	2021/22 2020	2022/23 2021	2023/24 2022	2024/25 2023	2025/26 2024
County:						
General Basic.....		\$3.71000	\$3.69000	\$3.69000	\$3.58253	\$3.51228
General Supplemental.....		3.28410	3.28410	3.38000	3.38000	3.18000
Mental Health.....		0.36163	0.00000	0.00000	0.00000	0.00000
Debt Service.....		0.49392	0.48587	0.49484	0.36325	0.18282
Total County Rate.....		\$7.84965	\$7.45997	\$7.56484	\$7.32578	\$6.87510

- Notes: (1) Source: Iowa Department of Management.
 (2) Does not include tax rate for agriculture.

Tax Levy Procedures

The Notes are general obligations of the County, payable from and secured by a continuing ad valorem tax levied against all of the taxable real property within the corporate limits of the County. As part of the budgetary process each fiscal year, the County will have an obligation to request a debt service levy to be applied against all of the taxable real property within the corporate limits of the County. A failure on the part of the County to make a timely levy request or a levy request by the County that is inaccurate or is insufficient to make full payments of the debt service of the Notes for a particular fiscal year may cause Note holders to experience delay in the receipt of distributions of principal of and/or interest on the Notes. In the event of a default in the payment of principal of or interest on the Notes, there is no provision for acceleration of maturity of the principal of the Notes. Consequently, the remedies of the owners of the Notes (consisting primarily of an action in the nature of mandamus requiring the County and certain other public officials to perform the terms of the Resolution for the Notes) may have to be enforced from year to year.

Notwithstanding the foregoing, Iowa Code section 76.2 provides when an Iowa political subdivision issues general obligation bonds or notes, “the governing authority of these political subdivisions before issuing bonds or notes shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds or notes within a period named not exceeding twenty years. A certified copy of this Resolution shall be filed with the county auditor or auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditor(s) to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds or notes in full.”

Utility Property Tax Replacement

Property owned by entities involved primarily in the production, delivery, service and sale of electricity, natural gas and rate-regulated water utilities (“Utilities”) pay a replacement tax based upon the delivery of energy by Utilities in lieu of property taxes. All replacement taxes are allocated among local taxing bodies by the State Department of Revenue and the Department of Management. This allocation is made in accordance with a general allocation formula developed by the Department of Management on the basis of general property tax equivalents. Utility properties paying the replacement tax are exempt from the levy of property tax by political subdivisions. In addition to the replacement tax, Utility property will continue to be valued by a special method as provided in the statute and taxed at the rate of three cents per one thousand dollars for the general fund of the State.

By statute, the replacement tax collected by the State and allocated among local taxing bodies (including the County) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. It is possible that the general obligation debt capacity of the County could be adjudicated to be proportionately reduced in future years if Utility property were determined to be other than “taxable property” for purposes of computing the County’s debt limit under Article XI of the Constitution of the State of Iowa. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the County can issue or (ii) adversely affect the County’s ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Notes. Approximately 5.5% of the County’s levy year 2025 taxable valuation currently is utility property.

Tax Increment Financing

The Code of Iowa currently authorizes the use of two types of tax increment financing by local taxing districts in the State of Iowa. The first type allows local governments to establish TIF districts for the purposes of financing designated urban renewal projects which contribute to the urban redevelopment and economic development of the immediate area. The taxable valuation used for this type of TIF district in the County for levy year 2025 is \$247,551,710.

The second type of tax increment financing was authorized by state legislative action in the mid-1980's. The area community colleges can establish TIF districts by contract with specific local businesses and industries to provide jobs training programming for new employees of existing expanding businesses or employees of new businesses. The revenues from these job training TIF districts then retires the debt incurred from the issuance of jobs training certificates which finance the cost of jobs training programming over a maximum of ten years. Upon payment of all jobs training certificates, the district dissolves and the incremental value from the new or expanded business reverts to the general tax base. There is no current valuation for this second type of TIF district.

Property Tax Legislation

Over time, the Iowa Legislature has modified the process and calculation of taxable valuations for various classifications of property. For example, in 2013 maximum annual taxable value growth due to revaluation of residential and agricultural property was reduced from 4% to 3%, rollback calculations were modified, a new multi-residential classification was created, and an appropriation made to replace some lost tax revenue due to rollbacks. In 2019, the process for hearings on total maximum property tax dollars under certain levies in the County's budget was modified and a super-majority vote required to raise taxes above a prescribed formula. In 2021, the multi-residential classification was removed, and a phase out of the appropriation for rollback initiated.

On May 4, 2023, the Governor signed House File 718 ("HF 718"), a property tax reform law aimed at reducing property tax growth in Iowa. Among other things, HF 718 permanently consolidates a number of existing county property tax levies. HF 718 also creates a new adjusted general county basic levy ("AGCBL") and an adjusted rural county basic levy ("ARCBL"). To control the growth of property taxes, the new levies are subject to potential limitation or reduction by constraining growth by 2% or 3% each year depending on if certain growth triggers are met or exceeded during the prior year. The levy limitation is only applicable Fiscal Year 2024-25 through Fiscal Year 2027-28 and will be specific to each issuer. For Fiscal Year 2023-24, the County will calculate the new AGCBL and ARCBL as the baseline rates and the first annual AGCBL and ARCBL adjustments will begin Fiscal Year 2024-25. The AGCBL and ARCBL rates for Fiscal Years 2024-25 through 2027-28 are based on growth in county taxed value and the previous year's county tax rates. Beginning in Fiscal Year 2028-29, all counties go to \$3.50 AGCBL and \$3.95 ARCBL maximums and the levy limitation calculation ceases. The levy for debt service is not included in the new levy limitations. If the County's future property valuation growth exceeds the new legislative caps, the County's general fund levies could lag its relative valuation growth. Future County budgets will need to accommodate reduced tax revenues compared to valuation growth.

On May 1, 2024, new legislation ("SF 2442") was signed into law by the Governor, which amongst other things, adjusts levy rates modified under HF 718 based on default rates and certain growth parameters for taxes and budgets for Fiscal Year 2025-26.

From time to time, legislative proposals are pending in Congress and the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described herein. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for taxes levied by the County or have an adverse impact on standing appropriations or the future tax collections of the County. Purchasers of the Notes should consult their tax advisors regarding any pending or proposed federal or state tax legislation. The opinions expressed by Bond Counsel are based upon existing legislation as of the date of issuance and delivery of the Notes and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending federal or state tax legislation.

Notwithstanding any modifications to property tax revenues that may result from prior or any pending or future legislation, the Notes are secured by an unlimited ad valorem property tax. See "**SECURITY AND SOURCE OF PAYMENT**" herein.

FINANCIAL INFORMATION

Financial Reports

The County's financial statements are audited annually by certified public accountants. The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. See **APPENDIX A – FISCAL YEAR 2025 ANNUAL AUDIT REPORT** for more detail.

No Consent or Updated Information Requested of the Auditor

The tables and excerpts (collectively, the "Excerpted Financial Information") contained in this "**FINANCIAL INFORMATION**" section are from the audited financial statements of the County, including the audited financial statements for the fiscal year ended June 30, 2025 (the "2025 Audit"). The 2025 Audit has been prepared by the Office of Auditor of State of Iowa, Des Moines, Iowa, (the "Auditor"), and received by the County. The County has not requested the Auditor to update information contained in the Excerpted Financial Information and the 2025 Audit; nor has the County requested that the Auditor consent to the use of the Excerpted Financial Information and the 2025 Audit in this Official Statement. The inclusion of the Excerpted Financial Information and the 2025 Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the County since the date of the 2025 Audit. Questions or inquiries relating to financial information of the County since the date of the 2025 Audit should be directed to the County.

Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for the County's 2025 Audit. The County's expects its General Fund balance for the fiscal year ending June 30, 2026 to decrease by approximately \$6,300,000. The decrease is primarily due to planned spenddown for capital projects. To date, revenues and expenditures are generally within budgeted amounts.

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**Statement of Net Position
 Governmental Activities(1)**

	Audited as of June 30				
	2021	2022	2023	2024	2025
Assets:					
Cash, Cash Equivalents and Pooled Investments.....	\$ 65,241,135	\$ 87,440,087	\$ 83,313,860	\$ 77,208,891	\$82,067,472
Receivables:					
Property Tax:					
Delinquent.....	138,223	141,716	126,440	123,295	126,616
Succeeding Year.....	47,161,000	47,719,000	49,210,000	53,853,000	50,598,000
Succeeding Year Tax Increment Financing.....	0	0	0	110,000	134,000
Interest and Penalty on Property Tax.....	1,055,233	1,125,566	1,204,683	1,314,378	1,316,648
Accounts.....	475,355	346,865	302,442	646,747	669,600
Opioid Settlement.....	0	2,786,078	2,198,983	3,771,197	3,663,001
Drainage Assessments.....	50	50	50	50	50
Due from Other Governments.....	3,276,503	2,602,018	3,426,991	3,320,442	3,841,737
Interactivity loan receivable.....	0	0	0	1,775,231	1,775,231
Leases Receivable.....	0	73,844	166,299	114,101	74,274
Inventories.....	802,046	794,912	1,072,097	1,005,581	2,019,904
Prepaid Items.....	325,144	470,301	755,383	876,433	1,093,563
Net Pension Asset.....	0	10,591,432	0	0	0
Capital Assets Not Being Depreciated/Amortized.....	32,934,402	28,312,013	37,867,564	38,435,258	16,202,855
Capital Assets (Net).....	<u>96,415,576</u>	<u>106,981,065</u>	<u>107,404,605</u>	<u>120,815,895</u>	<u>143,030,018</u>
Total Assets.....	<u>\$247,824,667</u>	<u>\$289,384,947</u>	<u>\$287,049,397</u>	<u>\$303,370,499</u>	<u>\$306,612,969</u>
Deferred Outflows of Resources:					
Pension Related Deferred Outflows.....	\$ 6,676,422	\$ 5,291,811	\$ 5,249,248	\$ 8,479,501	\$ 6,458,870
OPEB Related Deferred Outflows.....	911,735	812,325	710,448	611,471	512,493
Total Deferred Outflows of Resources.....	<u>\$ 7,588,157</u>	<u>\$ 6,104,136</u>	<u>\$ 5,959,696</u>	<u>\$ 9,090,972</u>	<u>\$ 6,971,363</u>
Liabilities:					
Accounts Payable.....	\$ 625,725	\$ 1,775,628	\$ 2,641,548	\$2,772,479	\$1,292,651
Accrued Interest Payable.....	13,185	40,927	40,752	34,148	28,986
Salaries and Benefits Payable.....	1,127,793	1,326,678	1,407,360	1,610,052	1,859,743
Due to Other Governments.....	299,224	169,434	344,424	230,010	99,672
Unearned Revenue.....	9,052,087	12,004,628	9,562,939	4,436,083	2,119,721
Long-Term Liabilities:					
Portion Due or Payable Within One Year:					
General Obligation Bonds.....	185,000	875,000	880,000	1,215,000	1,235,000
General Obligation Capital Loan Notes.....	1,565,000	1,765,000	2,165,000	1,315,000	485,000
Lease Agreement.....	0	21,585	29,525	31,075	8,725
Compensated Absences.....	1,904,582	1,959,781	1,671,391	2,143,696	1,849,271
OPEB Liability.....	167,417	86,367	112,885	98,303	120,659
Portion Due or Payable After One Year:					
General Obligation Bonds.....	1,660,000	17,765,000	16,885,000	15,670,000	14,435,000
General Obligation Capital Loan Notes.....	3,850,000	3,765,000	3,025,000	1,710,000	1,225,000
Lease Agreement.....	0	51,415	232,093	201,018	186,379
Compensated Absences.....	647,319	646,106	1,003,282	1,062,259	2,589,091
Net Pension Liability.....	17,313,367	0	5,101,178	8,768,067	9,093,045
OPEB Liability.....	<u>2,273,203</u>	<u>2,451,097</u>	<u>2,138,120</u>	<u>2,251,096</u>	<u>1,615,274</u>
Total Liabilities.....	<u>\$ 40,683,902</u>	<u>\$ 44,703,646</u>	<u>\$ 47,240,497</u>	<u>\$ 43,548,286</u>	<u>\$ 38,243,217</u>
Deferred Inflows of Resources:					
Lease Related.....	\$ 0	\$ 73,844	\$ 166,299	\$ 114,101	\$ 74,274
Unavailable Property Tax Revenue.....	47,161,000	47,719,000	49,210,000	53,853,000	50,598,000
Unavailable Tax Increment Financing Revenue.....	0	0	0	110,000	134,000
Pension Related Deferred Inflows.....	1,144,972	22,334,610	2,895,242	842,187	664,350
OPEB Related Deferred Inflows.....	<u>116,008</u>	<u>104,522</u>	<u>464,949</u>	<u>416,287</u>	<u>999,925</u>
Total Deferred Inflows of Resources.....	<u>\$ 48,421,980</u>	<u>\$ 70,231,976</u>	<u>\$ 52,736,490</u>	<u>\$ 55,335,575</u>	<u>\$ 52,470,549</u>

(continued next page)

Statement of Net Position
Governmental Activities(1)
 (continued)

	Audited as of June 30				
	2021	2022	2023	2024	2025
Net Position:					
Net Investment in Capital Assets	\$122,089,978	\$126,669,149	\$129,866,162	\$140,065,357	\$141,657,769
Restricted for:					
Supplemental Levy Purposes	7,490,907	8,280,080	10,149,316	10,067,437	12,256,507
Mental Health Purposes	875,154	0	0	0	0
Rural Services Purposes	1,558,916	1,744,928	2,767,371	3,427,637	3,051,862
Secondary Roads Purposes	10,536,286	11,107,287	12,888,808	14,140,105	15,301,186
Opioid Settlement	0	2,786,078	2,807,382	5,034,946	5,279,233
Debt Service	706,713	778,819	844,880	856,333	1,026,485
Capital Projects	2,520,296	278,716	0	0	182,157
Other Purposes	4,549,813	3,963,232	4,184,681	4,635,324	5,286,754
Unrestricted	15,978,879	24,945,172	29,523,506	35,890,471	38,828,613
Total Net Position	<u>\$166,306,942</u>	<u>\$180,553,461</u>	<u>\$193,032,106</u>	<u>\$214,117,610</u>	<u>\$222,870,566</u>

Note: (1) Source: Audited financial statements of the County for the fiscal years ended June 30, 2021 - 2025.

Statement of Activities
Governmental Activities(1)

	Audited for the Year Ended June 30				
	2021	2022	2023	2024	2025
Functions/Programs:					
Governmental Activities:					
Public Safety and Legal Services	\$ (27,084,117)	\$ (24,196,275)	\$ (27,401,053)	\$ (28,096,894)	\$ (30,188,852)
Physical Health and Social Services	(2,276,083)	540,326	(2,195,881)	(376,981)	(1,113,481)
Mental Health	(2,427,217)	(2,759,410)	0	0	0
County Environment and Education	(3,709,143)	(8,463,379)	(6,221,277)	(3,838,504)	(5,666,754)
Roads and Transportation	2,031,287	(7,024,612)	(3,263,148)	(7,480,499)	(11,540,091)
Governmental Services to Residents	(805,903)	(347,913)	(562,768)	(774,407)	(402,759)
Administration	(9,266,232)	(9,312,427)	(8,631,388)	(10,360,260)	(12,184,975)
Non-Program	0	0	(89,647)	54,616	31,357
Interest on Long-Term Debt	(171,413)	(483,046)	(461,620)	(349,719)	(309,904)
Total Governmental Activities	<u>\$ (43,708,821)</u>	<u>\$ (52,046,736)</u>	<u>\$ (48,826,782)</u>	<u>\$ (51,222,648)</u>	<u>\$ (61,375,459)</u>
General Revenues:					
Property and Other County Tax Levied for:					
General Purposes	\$ 43,030,338	\$ 44,799,046	\$ 49,988,250	\$ 46,376,426	\$ 49,229,240
Debt Service	2,526,538	2,706,824	2,744,760	2,866,256	2,275,053
Tax increment financing	0	0	0	39,528	109,809
Penalty and Interest on Property Tax	508,972	448,248	411,563	470,965	396,722
State Tax Credits and Replacements	3,235,012	3,233,972	3,027,981	2,974,483	2,845,304
Local Option Sales Tax	4,672,432	4,563,168	4,877,118	5,224,463	5,324,094
Gaming and Wagering Tax	2,085,433	2,432,836	2,335,049	2,200,139	2,149,586
American Rescue Plan Act	0	6,099,546	2,491,689	6,124,967	2,254,361
Unrestricted Investment Earnings	252,197	168,874	1,185,557	4,083,505	3,710,558
Gain on Disposition of Capital Assets	147,389	317,903	297,784	426,588	235,146
Miscellaneous	1,121,196	1,522,838	1,278,200	980,832	2,138,542
Total General Revenues	<u>\$ 57,579,507</u>	<u>\$ 66,293,255</u>	<u>\$ 63,637,951</u>	<u>\$ 71,768,152</u>	<u>\$ 70,668,415</u>
Change in Net Position	\$ 13,870,686	\$ 14,246,519	\$ 14,811,169	\$ 20,545,504	\$ 9,292,956
Net Position Beginning of Year	152,436,256	166,306,942	178,220,937	193,032,106	213,577,610
Net Position End of Year	<u>\$166,306,942</u>	<u>\$180,553,461</u>	<u>\$193,032,106</u>	<u>\$213,577,610</u>	<u>\$222,870,566</u>

Note: (1) Source: Audited financial statements of the County for the fiscal years ended June 30, 2021 – 2025.

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**Balance Sheet
 General Fund(1)**

	Audited as of June 30				
	2021	2022	2023	2024	2025
Assets:					
Cash, Cash Equivalents and Pooled Investments.....	\$45,351,508	\$53,477,694	\$53,915,030	\$ 53,236,618	\$ 57,454,588
Receivables:					
Property Tax:					
Delinquent.....	108,903	118,067	105,375	103,739	108,743
Succeeding Year.....	36,458,000	38,599,000	39,797,000	44,458,000	42,504,000
Interest and Penalty on Property Tax.....	1,055,233	1,125,566	1,204,683	1,314,378	1,316,648
Accounts.....	318,108	330,001	285,006	539,133	418,398
Due from Other Governments.....	602,545	1,349,266	2,367,349	1,750,311	2,067,329
Interactivity loan receivable.....	0	0	0	1,775,231	1,775,231
Leases Receivable.....	0	73,844	166,299	114,101	74,274
Prepaid Items.....	325,144	470,301	742,410	876,433	1,075,997
Total Assets.....	<u>\$84,219,441</u>	<u>\$95,543,739</u>	<u>\$98,583,152</u>	<u>\$104,167,944</u>	<u>\$106,795,208</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities:					
Accounts Payable.....	\$ 372,678	\$ 757,340	\$ 509,953	\$ 1,818,186	\$ 842,967
Salaries and Benefits Payable.....	909,869	1,077,194	1,182,143	1,356,236	1,555,222
Due to Other Governments.....	218,073	168,555	310,311	224,536	97,378
Unearned Revenue.....	9,052,087	12,004,628	9,562,939	4,436,083	2,119,721
Total Liabilities.....	<u>\$10,552,707</u>	<u>\$14,007,717</u>	<u>\$11,565,346</u>	<u>\$ 7,835,041</u>	<u>\$ 4,615,288</u>
Deferred Inflows of Resources:					
Unavailable Revenues:					
Succeeding Year Property Tax.....	\$36,458,000	\$38,599,000	\$39,797,000	\$ 44,458,000	\$ 42,504,000
Other.....	1,312,658	2,011,249	2,797,376	2,328,328	2,187,705
Lease Related.....	0	73,844	166,299	114,101	74,274
Total Deferred Inflows of Resources.....	<u>\$37,770,658</u>	<u>\$40,684,093</u>	<u>\$42,760,675</u>	<u>\$ 46,900,429</u>	<u>\$ 44,765,979</u>
Fund Balances:					
Nonspendable:					
Prepaid Items.....	\$ 325,144	\$ 470,301	\$ 742,410	\$ 876,433	\$ 1,075,997
Supplemental Levy Purposes.....	0	0	0	0	1,500,000
Restricted for:					
Supplemental Levy Purposes.....	7,337,145	7,975,751	8,989,559	9,607,626	11,730,496
Conservation Purposes.....	368,510	391,141	362,534	433,486	348,361
Other Purposes.....	51,201	521,975	349,316	36,162	48,190
Assigned for:					
Property Tax Relief.....	2,168,860	3,921,971	4,338,461	3,707,573	3,647,569
County Attorney's Office.....	310,849	348,022	304,693	341,383	357,932
Land Purchase.....	5,864,902	4,993,786	3,686,317	5,456,559	4,665,236
Conservation Structures.....	111,508	128,887	142,326	137,637	143,558
Veteran Relocation.....	0	22,500	0	0	5,000
Unassigned.....	19,357,957	22,077,595	25,341,515	28,830,615	33,891,602
Total Fund Balances.....	<u>\$35,896,076</u>	<u>\$40,851,929</u>	<u>\$44,257,131</u>	<u>\$ 49,432,474</u>	<u>\$ 57,413,941</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances.....	<u>\$84,219,441</u>	<u>\$95,543,739</u>	<u>\$98,583,152</u>	<u>\$104,167,944</u>	<u>\$106,795,208</u>

Note: (1) Source: Audited financial statements of the County for the fiscal year ended June 30, 2021 – 2025.

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**Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund(1)**

	Audited for the Year Ended June 30				
	2021	2022	2023	2024	2025
Revenues:					
Property and Other County Tax	\$37,313,678	\$39,191,208	\$40,960,709	\$42,027,450	\$44,544,366
Interest and Penalty on Property Tax	647,035	370,954	331,893	361,150	394,452
Intergovernmental	10,742,082	17,848,744	14,371,989	21,129,148	18,169,737
Licenses and Permits	350	250	313	250	250
Charges for Service	3,556,554	3,576,290	3,459,703	3,550,424	4,026,343
Use of Money and Property	268,273	193,609	1,111,813	4,017,713	3,742,712
Miscellaneous	1,189,722	2,178,270	1,970,461	760,556	1,524,744
Total Revenues	<u>\$53,717,694</u>	<u>\$63,359,325</u>	<u>\$62,206,881</u>	<u>\$71,846,691</u>	<u>\$72,402,604</u>
Expenditures:					
Operating:					
Public Safety and Legal Services	\$29,113,576	\$30,009,478	\$32,683,786	\$34,228,619	\$35,040,354
Physical Health and Social Services	5,914,720	4,534,994	4,829,829	5,146,814	5,507,983
County Environment and Education	2,704,933	8,687,429	4,265,952	9,154,577	5,892,740
Roads and Transportation	0	0	515,796	496	910,471
Governmental Services to Residents	2,365,360	2,338,555	2,226,392	2,415,669	2,308,306
Administration	13,660,589	15,973,529	14,498,534	15,607,447	14,519,842
Capital Projects	816,091	6,615	0	0	0
Total Expenditures	<u>\$54,575,269</u>	<u>\$61,550,600</u>	<u>\$59,020,289</u>	<u>\$66,553,622</u>	<u>\$64,179,696</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures .	\$ (857,575)	\$ 1,808,725	\$ 3,186,592	\$ 5,293,069	\$ 8,222,908
Other Financing Sources (Uses):					
Transfers In	\$ 816,090	\$ 3,147,128	\$ 437	\$ 0	\$ 0
Transfers Out	0	0	(154,732)	(117,726)	(475,467)
Lease Agreements	0	0	225,330	0	0
Sale of Capital Assets	0	0	147,575	0	234,026
Total Other Financing Sources (Uses)	<u>\$ 816,090</u>	<u>\$ 3,147,128</u>	<u>\$ 218,610</u>	<u>\$ (117,726)</u>	<u>\$ (241,441)</u>
Change In Fund Balances	\$ (41,485)	\$ 4,955,853	\$ 3,405,202	\$ 5,175,343	\$ 7,981,467
Fund Balances Beginning of Year	35,937,561	35,896,076	40,851,929	44,257,131	49,432,474
Fund Balances End of Year	<u>35,896,076</u>	<u>40,851,929</u>	<u>44,257,131</u>	<u>49,432,474</u>	<u>57,413,941</u>

Note: (1) Source: Audited financial statements for the County for the fiscal years ending June 30- 2021 – 2025.

REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B – DESCRIBING BOOK-ENTRY-ONLY ISSUANCE** for information on registration, transfer and exchange of book-entry notes. The Notes will be initially issued as book-entry notes.

The County shall cause books for the registration and for the transfer of the Notes to be kept at the principal office maintained for the purpose by UMB Bank, n.a., West Des Moines, Iowa (the “Registrar”). The County will authorize to be prepared, and the Registrar shall keep custody of, multiple note blanks executed by the County for use in the transfer and exchange of Notes.

Any Note may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Resolution. Upon surrender for transfer or exchange of any Note at the principal office maintained for the purpose by the Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and duly executed by the registered owner or such owner’s attorney duly authorized in writing, the County shall execute and the Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Note or Notes of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the County of any fully registered Note shall constitute full and due authorization of such Note, and the Registrar shall thereby be authorized to authenticate, date and deliver such Note, provided, however, the principal amount of outstanding Notes of each maturity authenticated by the Registrar shall not exceed the authorized principal amount of Notes for such maturity less Notes previously paid.

The Registrar shall not be required to transfer or exchange any Note following the close of business on the fifteenth day of the month next preceding an interest payment date on such Note (known as the record date), nor to transfer or exchange any Note after notice calling such Note for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Notes.

The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Notes shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Notes, but the County or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Notes except in the case of the issuance of a Note or Notes for the unredeemed portion of a Note surrendered for redemption.

TAX MATTERS

Tax Exemption

Federal tax law contains a number of requirements and restrictions that apply to the Notes, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of Note proceeds and facilities financed with Note proceeds, and certain other matters. The County has covenanted to comply with all requirements that must be satisfied in order for the interest on the Notes to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Notes to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

Subject to the County's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Notes is excludable from gross income for federal income tax purposes. Interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors as to collateral federal income tax consequences.

Interest on the Notes is not exempt from present Iowa income taxes. Ownership of the Notes may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Notes. Prospective purchasers of the Notes should consult their tax advisors regarding the applicability of any such state and local taxes.

Qualified Tax Exempt Obligations

The Issuer intends to designate the Notes as "qualified tax-exempt obligations" under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). Actions, or inactions, by the Issuer in the future could affect the designation, which could also affect the pricing and marketability of the Notes. Purchasers should consult with their own tax advisors with respect to the implications of this designation.

Discount and Premium Notes

The initial public offering price of certain Notes may be less than the amount payable on such Notes at maturity (“Discount Notes”). Purchasers of Discount Notes should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Notes for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Notes. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Notes may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Notes may be greater than the amount of such Notes at maturity (“Premium Notes”). Purchasers of the Premium Notes should consult with their own tax advisors with respect to the determination of amortizable premium on Premium Notes for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Notes.

Other Tax Advice

In addition to the income tax consequences described above, potential investors should consider the additional tax consequences of the acquisition, ownership, and disposition of the Notes. For instance, state income tax law may differ substantially from state to state, and the foregoing is not intended to describe any aspect of the income tax laws of any state. Therefore, potential investors should consult their own tax advisors with respect to federal tax issues and with respect to the various state tax consequences of an investment in Notes.

Audits

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. To the best of the County’s knowledge, no obligations of the County are currently under examination by the Service. It cannot be predicted whether or not the Service will commence an audit of the Notes. If an audit is commenced, under current procedures the Service may treat the County as a taxpayer and the Noteholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Notes until the audit is concluded, regardless of the ultimate outcome.

Reporting and Withholding

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Notes, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Note owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Note owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Tax Legislation

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may be considered by the Iowa General Assembly. Court proceedings may also be filed, the outcome of which could modify the tax treatment. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest or other income on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Notes, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Enforcement

There is no trustee or similar person to monitor or enforce the terms of the Resolution. In the event of a default in the payment of principal of or interest on the Notes, there is no provision for acceleration of maturity of the principal of the Notes. Consequently, the remedies of the owners of the Notes (consisting primarily of an action in the nature of mandamus requiring the County and certain other public officials to perform the terms of the Resolution) may have to be enforced from year to year.

The owners of the Notes cannot foreclose on property within the boundaries of the County or sell such property in order to pay the debt service on the Notes. In addition, the enforceability of the rights and remedies of owners of the Notes may be subject to limitation as set forth in Bond Counsel's opinion. The opinion will state, in part, that the obligations of the County with respect to the Notes may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, to the exercise of judicial discretion in appropriate cases and to the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

The Opinion

The **FORM OF LEGAL OPINION**, in substantially the form set out in **APPENDIX C** to this Preliminary Official Statement, will be delivered at closing.

Bond Counsel's opinion is not a guarantee of a result, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the County described in this section. No ruling has been sought from the Service with respect to the matters addressed in the opinion of Bond Counsel and Bond Counsel's opinion is not binding on the Service, nor does the rendering of the opinion guarantee the outcome of any legal dispute that may arise out of the transaction. Bond Counsel assumes no obligation to update its opinion after the issue date to reflect any further action, fact or circumstance, or change in law or interpretation, or otherwise.

Bond Counsel Review

Bond Counsel has approved the language describing the Iowa and Federal law pertinent to the validity of and the tax-exempt status of interest on the Notes included in this "**TAX MATTERS**" Section but has not otherwise participated in the preparation of this Preliminary Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has not examined, nor attempted to examine or verify, any of the financial or statistical statements or data contained in this Preliminary Official Statement, and will express no opinion with respect thereto.

ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF OWNERSHIP OF THE NOTES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE).

CONTINUING DISCLOSURE

For the purpose of complying with the Rule, the County has covenanted for the benefit of the registered holders or beneficial owners from time to time of the outstanding Notes to provide reports of specified information and notice of the occurrence of certain events, as hereinafter described (the “Undertaking”). The information to be provided on an annual basis, and the events as to which notice is to be given, is set forth in “**APPENDIX D – Form of Continuing Disclosure Certificate**”. This covenant is being made by the County to assist the Underwriter(s) in complying with the Rule.

Pursuant to the Rule, the County notes the following in the last five years related to its prior Undertakings:

The County’s timely filed Annual Comprehensive Financial Report (“ACFR”) ended June 30, 2021, was not properly linked to all CUSIP numbers for Series 2021B (CUSIPS: 737875JD7 and 737875HV9) and for Series 2021C (CUSIP: 737875JU9). The unlinked CUSIPS are no longer outstanding. The foregoing description should not be construed as an acknowledgment any such instance was material. Other than as identified herein, in the previous five years, the County is not aware of other instances in which it has failed to comply, in all material respects, with previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

Breach of the Undertaking will not constitute a default or an “Event of Default” under the Notes or Resolution, respectively. A broker or dealer is to consider a known breach of the Undertaking, however, before recommending the purchase or sale of the Notes in the secondary market. Thus, a failure on the part of the County to observe the Undertaking may adversely affect the transferability and liquidity of the Notes and their market price.

Bond Counsel expresses no opinion as to whether the Disclosure Covenants comply with the requirements of Section (b)(5) of the Rule.

OPTIONAL REDEMPTION

Notes due June 1, 2027 - 2033 inclusive, are not subject to optional redemption. The Issuer reserves the right to optionally prepay part or all of the Notes maturing in each of the years 2034 through 2035, prior to and in any order of maturity, on June 1, 2033, or any date thereafter, upon terms of par and accrued interest. If less than all of the Notes of any like maturity are to be redeemed, the particular part of those Notes to be redeemed shall be selected by the Registrar by lot. The Notes may be called in part in one or more units of \$5,000.

If less than all of the maturity is called for redemption, the County will notify DTC of the particular amount of such maturity to be redeemed prior to maturity. DTC will determine by lot the amount of each Participant’s interest in such maturity to be redeemed and each Participant will then select by lot the beneficial ownership interests in such maturity to be redeemed.

Thirty days’ written notice of redemption shall be given to the registered owner of the Note. Failure to give written notice to any registered owner of the Notes or any defect therein shall not affect the validity of any proceedings for the redemption of the Notes. All Notes or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment. Written notice will be deemed completed upon transmission to the owner of record.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any proceedings of the County taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the County, threatened against the County that is expected to materially impact the financial condition of the County.

LEGAL MATTERS

The Notes are subject to approval as to certain legal matters by Ahlers & Cooney, P.C., Des Moines, Iowa, as Bond Counsel. Bond Counsel has not participated in the preparation of this Official Statement except for guidance concerning the tax status of interest on the Notes discussed in the “**TAX MATTERS**” section, and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements, or data contained in this Official Statement, and will express no opinion with respect thereto. A legal opinion in substantially the form set forth in **APPENDIX C** to this Official Statement will be delivered at closing. Ahlers & Cooney, P.C. is also serving as Disclosure Counsel for the County in connection with the issuance of the Notes.

The legal opinion to be delivered concurrently with the delivery of the Notes expresses the professional judgment of the attorneys rendering the opinion as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

In addition, the enforceability of the rights and remedies of owners of the Notes may be subject to limitation as set forth in the Bond Counsel’s opinion. The opinion will state, in part, that the obligation of the County with respect to the Notes may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable, and to the exercise of judicial discretion in appropriate cases.

OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Notes. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the County, and all expressions of opinion, whether or not so stated, are intended only as such.

This Official Statement is not to be construed as a contract or agreement amongst the County, the Underwriter, or the holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinions contained herein are subject to change without notice and neither the delivery of this Official Statement or the sale of the Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. The information contained in this Official Statement is not guaranteed.

INVESTMENT RATING

The County has supplied certain information and material concerning the Notes and the County to the rating service shown on the cover page, including certain information and materials which may not have been included in this Official Statement, as part of its application for an investment rating on the Notes. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Notes. An explanation of the significance of the investment rating may be obtained from the rating agency: Moody’s Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658.

UNDERWRITING

The Notes were offered for sale by the County at a public, competitive sale on April 14, 2026. The best bid submitted at the sale was submitted by _____ (the “Underwriter”). The County awarded the contract for sale of the Notes to the Underwriter at a price of \$ _____ (reflecting the par amount of \$ _____, plus a reoffering premium of \$ _____, and less an Underwriter’s discount of \$ _____). The Underwriter has represented to the County that the Notes have been subsequently re-offered to the public initially at the yields or prices set forth in the Final Official Statement.

The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into unit investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the initial public offering prices stated on the cover page. The initial public offering prices of the Notes may be changed, from time to time, by the Underwriter.

The Underwriter intends to engage in secondary market trading of the Notes subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Notes at the request of the holder thereof.

MUNICIPAL ADVISOR

The County has engaged Speer Financial, Inc. as municipal advisor (the “Municipal Advisor”) in connection with the issuance and sale of the Notes. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Notes. The financial information included in the Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Notes. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the County’s continuing disclosure undertaking.

MISCELLANEOUS

Brief descriptions or summaries of the County, the Notes, the Resolution and other documents, agreements and statutes are included in this Official Statement. The summaries or references herein to the Notes, the Resolution and other documents, agreements and statutes referred to herein, and the description of the Notes included herein, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entirety by reference to such documents, and the description herein of the Notes is qualified in its entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained from the County.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or Owners of any of the Notes.

The attached **APPENDICES A, B, C, and D** are integral parts of this Official Statement and must be read together with all of the foregoing statements.

It is anticipated that CUSIP identification numbers will be printed on the Notes, but neither the failure to print such numbers on any Notes nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Notes.

The County has reviewed the information contained herein which relates to it and has approved all such information for use within this Official Statement. The execution and delivery of this Official Statement has been duly authorized by the County.

/s/ **MARY ANN HANUSA**
County Auditor
Pottawattamie County, Iowa

/s/ **BRIAN SHEA**
Chair, Board of Supervisors
Pottawattamie County, Iowa

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APPENDIX A

POTTAWATTAMIE COUNTY, IOWA

FISCAL YEAR 2025 AUDITED FINANCIAL STATEMENTS

POTTAWATTAMIE COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025

Pottawattamie County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834

Rob Sand
Auditor of State

February 13, 2026

Officials of Pottawattamie County
Council Bluffs, Iowa

Dear Board Members:

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

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

Sincerely,

A handwritten signature in black ink that reads "Rob Sand". The signature is stylized and written in a cursive-like font.

Rob Sand
Auditor of State

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Pottawattamie County

Officials

(Before January 2025)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Brian Shea	Board of Supervisors	Jan 2025
Tim Wichman	Board of Supervisors	Jan 2025
Scott Belt	Board of Supervisors	Jan 2027
Jeff Jorgensen	Board of Supervisors	Jan 2027
Susan Miller	Board of Supervisors	Jan 2027
Melvyn Houser	County Auditor	Jan 2025
Lea Voss	County Treasurer	Jan 2027
Andrew Moats	County Recorder	Jan 2027
Andrew Brown	County Sheriff	Jan 2025
Matthew Wilber	County Attorney	Jan 2027
Penny Ravlin	County Assessor	(Resigned Sep 2024)
Joe Casson (Appointed Oct 2024)	County Assessor	Jan 2028

(After January 2025)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Scott Belt	Board of Supervisors	Jan 2027
Jeff Jorgensen	Board of Supervisors	Jan 2027
Susan Miller	Board of Supervisors	Jan 2027
Brian Shea	Board of Supervisors	Jan 2029
Tim Wichman	Board of Supervisors	Jan 2029
Mary Ann Hanusa	County Auditor	Jan 2029
Lea Voss	County Treasurer	Jan 2027
Andrew Moats	County Recorder	Jan 2027
Andrew Brown	County Sheriff	Jan 2029
Matthew Wilber	County Attorney	Jan 2027
Joe Casson	County Assessor	Jan 2028



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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

Rob Sand
Auditor of State

Independent Auditor's Report

To the Officials of Pottawattamie County:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pottawattamie 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 Pottawattamie 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 Pottawattamie County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 15 and 68 through 80 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 Pottawattamie County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2024 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information in Schedules 1 through 6 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 20, 2026 on our consideration of Pottawattamie 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 Pottawattamie County's internal control over financial reporting and compliance.



Brian R. Brustkern, CPA
Deputy Auditor of State

February 13, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

2025 FINANCIAL HIGHLIGHTS

- Pottawattamie County's governmental activities revenues decreased 2.8%, or approximately \$2,863,000, during fiscal year 2025. Charges for service increased approximately \$2,385,000 while operating grants, contributions and restricted interest decreased approximately \$1,187,000 and capital grants, contributions and restricted interest decreased approximately \$2,962,000. In addition, property tax revenue increased approximately \$2,261,000 and American Rescue Plan Act revenue decreased approximately \$3,871,000.
- Program expenses of the County's governmental activities increased 10.1%, or approximately \$8,390,000, during fiscal year 2025. Public safety and legal services increased approximately \$3,586,000. Roads and transportation and Administration increased by approximately \$2,258,000 and \$2,290,000, respectively.
- The County's net position increased 4.4%, or approximately \$9,573,000 during fiscal year 2025.
- Pottawattamie County's business type activities revenues increased 44.2%, or approximately \$469,000, during fiscal year 2025.
- Pottawattamie County's business type activities expenses decreased 11.3%, or approximately \$160,000, during fiscal year 2025.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

Supplementary Information provides detailed information about the nonmajor governmental and the individual Custodial Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES:

Government-wide Financial Statements

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

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

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

The County's governmental activities are presented in the Statement of Net Position and the Statement of Activities and report two kinds of activities:

- Governmental activities include public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, interest on long-term debt and non-program activities. Property tax and state and federal grants finance most of these activities.
- Business type activities include the Pottawattamie County Mt. Crescent Ski Area. This activity is financed primarily by user charges.

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

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

- 2) A proprietary fund accounts for the County’s Enterprise Fund and Internal Service, Employee Group Health Fund. The enterprise funds report services for which the County charges customers for the service it provides. Proprietary funds are reported in the same way all activities are reported in the Statement of Net Position and the Statement of Activities. The major difference between the proprietary funds and the business type activities included in the government-wide statements is the detail and additional information, such as cash flows, provided in the proprietary fund statements. Pottawattamie County’s Enterprise, Mt. Crescent Ski Area Fund accounts for the financial activity of the Pottawattamie County Mt. Crescent Ski Area. 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 fund include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

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

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

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

POTTAWATTAMIE COUNTY FINANCIAL ANALYSIS AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of financial position. The analysis that follows focuses on the changes in the net position of governmental and business type activities.

	Net Position at Year-End (Expressed in Thousands)					
	Governmental Activities		Business Type Activities		Total	
	June 30,		June 30,		June 30,	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 147,380	\$144,120	776	182	148,156	144,302
Capital assets	159,233	159,251	3,998	4,303	163,231	163,554
Total assets	306,613	303,371	4,774	4,485	311,387	307,856
Deferred outflows of resources	6,971	9,091	37	49	7,008	9,140
Long-term liabilities	32,842	34,466	1,844	1,846	34,686	36,312
Other liabilities	5,401	9,082	14	18	5,415	9,100
Total liabilities	38,243	43,548	1,858	1,864	40,101	45,412
Deferred inflows of resources	52,470	55,336	10	7	52,480	55,343
Net position						
Net investment in capital assets	141,658	140,065	2,223	2,527	143,881	142,592
Restricted	42,384	37,622	-	-	42,384	37,622
Unrestricted	38,829	35,891	720	136	39,549	36,027
Total net position	\$ 222,871	213,578	2,943	2,663	225,814	216,241

Net position of Pottawattamie County’s governmental activities increased 4.35% (approximately \$222.9 million compared to approximately \$213.6 million). Net position of business type activities increased 10.51% (approximately \$2.9 million compared to approximately \$2.7 million).

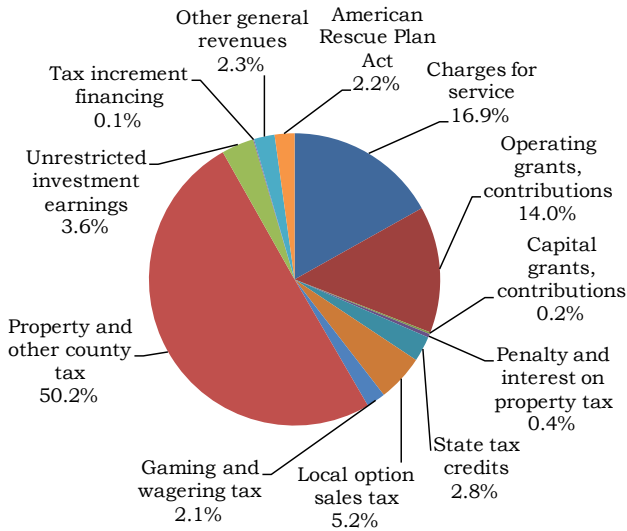
The largest portion of the County’s net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased less than one percent, or approximately \$1,289,000.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category increased approximately \$4,762,000, or 12.66%. This increase is primarily due to an increase in the amount held at year end for supplemental levy purposes and secondary roads purposes.

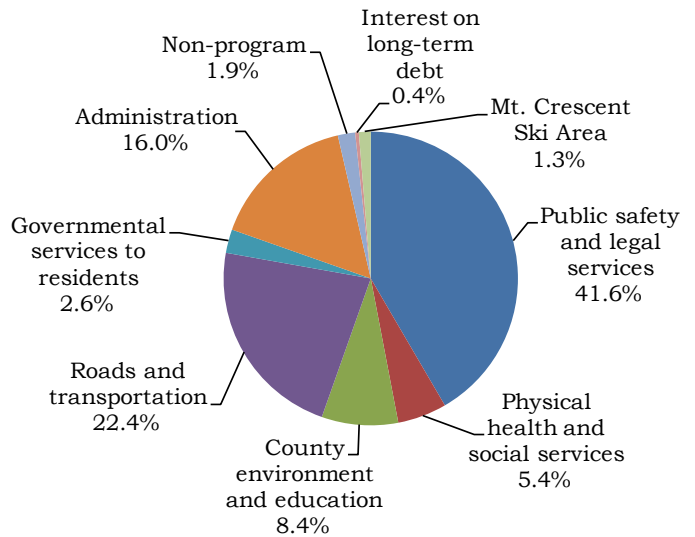
Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from approximately \$36.0 million at June 30, 2024 to approximately \$39.5 million at the end of fiscal year 2025, an increase of 9.78%.

Changes in Net Position for the Year Ended June 30, (Expressed in Thousands)						
	Governmental Activities		Business Type Activities		Total	
	June 30,		June 30,		June 30,	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for service	\$ 15,739	13,354	1,530	933	17,269	14,287
Operating grants, contributions and restricted interest	14,295	15,482	-	-	14,295	15,482
Capital grants, contributions and restricted interest	191	3,153	-	128	191	3,281
General revenues:						
Property and other county tax	51,504	49,243	-	-	51,504	49,243
Tax increment financing	110	40	-	-	110	40
Penalty and interest on property tax	397	471	-	-	397	471
State tax credits	2,845	2,974	-	-	2,845	2,974
Local option sales tax	5,324	5,224	-	-	5,324	5,224
Gaming and wagering tax	2,150	2,200	-	-	2,150	2,200
American Rescue Plan Act	2,254	6,125	-	-	2,254	6,125
Unrestricted investment earnings	3,711	4,084	-	-	3,711	4,084
Other general revenues	2,374	1,407	-	-	2,374	1,407
Total revenues	100,894	103,757	1,530	1,061	102,424	104,818
Program expenses:						
Public safety and legal services	38,530	34,944	-	-	38,530	34,944
Physical health and social services	5,043	5,376	-	-	5,043	5,376
County environment and education	7,841	7,272	-	-	7,841	7,272
Roads and transportation	20,798	18,540	-	-	20,798	18,540
Governmental services to residents	2,401	2,390	-	-	2,401	2,390
Administration	14,851	12,561	-	-	14,851	12,561
Non-program	1,724	1,638	-	-	1,724	1,638
Interest on long-term debt	413	490	-	-	413	490
Mt. Crescent Ski Area	-	-	1,250	1,410	1,250	1,410
Total expenses	91,601	83,211	1,250	1,410	92,851	84,621
Change in net position	9,293	20,546	280	(349)	9,573	20,197
Net position beginning of year	213,578	193,032	2,663	3,012	216,241	196,044
Net position end of year	\$ 222,871	213,578	2,943	2,663	225,814	216,241

Revenues by Source



Expenses by Program



Pottawattamie County’s total net position increased approximately \$9,573,000 during the year. Revenues for the County decreased approximately \$2,394,000 from the prior year. The decrease was primarily due to a decrease in American Rescue Plan revenue earned.

The County decreased property tax rates for fiscal year 2025 an average of 2.15% while the taxable valuations increased by a total of approximately \$624,129,000. The County’s property tax revenue increased approximately \$2,261,000. Based on decreases in property tax rates, property tax revenue is budgeted to decrease \$1,785 next year.

The cost of all governmental activities this year was approximately \$91.6 million compared to approximately \$83.2 million last year. However, as shown in the Statement of Activities on pages 20 and 21, the amount taxpayers ultimately financed for these activities was approximately \$61.4 million because some of the cost was paid by those who directly benefited from the programs (approximately \$15,739,000) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$14,486,000). Overall, the County’s governmental program revenues, including intergovernmental aid and charges for services, decreased in fiscal year 2025 from approximately \$31,989,000 to approximately \$30,225,000.

INDIVIDUAL MAJOR FUND ANALYSIS

Governmental Fund Highlights

As Pottawattamie County completed the year, its governmental funds reported a combined fund balance of approximately \$83.5 million, an increase of approximately \$10,161,000 from last year’s total of approximately \$73.3 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately \$556,000 over the prior year due to an increase in property tax receipts with an offset by a decrease in ARPA funds. Expenditures decreased approximately \$2,374,000 as the County used ARPA funds for various projects in FY24 when compared to the current year. The ending fund balance increased approximately \$7,981,000, or 16.1%, to approximately \$57,414,000.

- Special Revenue, Rural Services Fund revenues increased approximately \$288,000 over the prior year due to an increase in property tax receipts. Expenditures increased approximately \$488,000 due to the County entering into a forgivable loan for a street improvement project, citing Chapter 15A in the agreement for a housing development being built by a contractor in the unincorporated part of Pottawattamie County. The fund balance at year end increased approximately \$228,000, or 7.6%, over the prior year to approximately \$3,235,000.
- Special Revenue, Secondary Roads Fund revenues increased approximately \$547,000 over the prior year due to insurance reimbursements for the compensation for the loss of an asset related to high winds and floods. Expenditures increased approximately \$398,000, or 2.4%, over the prior year. The fund balance at year end increased approximately \$1,375,000, or 9.7%, over the prior year to approximately \$15,604,000.
- Debt Service Fund revenues and expenditures decreased approximately \$670,000 and \$593,000, respectively, from the prior year due to the County making the final payment for Bond Series 2018 in fiscal year 2024. The fund balance at year end increased approximately \$167,000, or 18.9%, over the prior year to approximately \$1,050,000.
- The Capital Projects Fund ended the fiscal year with a fund balance of \$182,157 compared to the fiscal year 2024 balance of \$956,297. Revenues decreased approximately \$321,000, or 97.8%, primarily due to a decrease in grant receipts from the Iowa West Foundation. Expenditures decreased approximately \$6,636,000, or 89.5%, as projects were completed during fiscal year 2024.

Proprietary Fund Highlights

The Enterprise, Mt. Crescent Ski Area Fund revenues increased approximately \$590,000, or 62.8%, from the prior year primarily due to a milder winter in fiscal year 2024 which resulted in decreased admissions, ski lessons, equipment rentals and concession revenue. In addition, in fiscal year 2024 the County made repairs to the ski hill and in fiscal year 2025 the facility was fully operational. Expenses decreased approximately \$160,000, or 11.3%, primarily due to more maintenance and repairs in fiscal year 2024. The ending fund balance at year end was approximately \$2,943,000.

BUDGETARY HIGHLIGHTS

Over the course of the year, Pottawattamie County amended its budget two times. The first amendment was made in September 2024 and resulted in an increase of \$601,604 in budgeted receipts, and an increase of \$5,440,913 in budgeted disbursements. The largest increase in budgeted disbursements was \$2,350,000 in the roads and transportation function for ongoing roads projects. The second amendment was made in April 2025 and resulted in an increase of \$482,518 in budgeted receipts and an increase of \$644,244 in budgeted disbursements. This amendment was made to provide for additional revenue due to interest rates and insurance reimbursements and additional expenses due to additional expenditures for part-time employees and expenditures for the juvenile program.

The County's receipts were \$4,029,416 greater than budgeted, a variance of 4.29%.

Total disbursements were \$20,142,351 less than the amended budget. Actual disbursements for the administration, county environment and education, and roads and transportation were \$5,039,482, \$4,924,835 and \$4,365,347, respectively, less than budgeted because various projects came in under budget or were not completed as expected.

The County exceeded the budgeted amount in the debt service function for the year ended June 30, 2025. In addition, disbursements in one department exceeded the amount appropriated at year end.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025, Pottawattamie County had approximately \$163.2 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges and intangible assets. This is a net decrease (including additions and deletions) of approximately \$323,000, or less than one percent, from last year.

Capital Assets of Governmental Activities at Year End		
(Expressed in Thousands)		
	June 30,	
	2025	2024
Land	\$ 8,596	8,562
Intangibles, not amortized	4,185	4,185
Construction in progress	3,421	25,688
Buildings and improvements	57,423	34,985
Right-to-use land	190	204
Right-to-use leased building	-	28
Equipment and vehicles	17,412	16,437
Intangibles, amortized	324	415
Infrastructure	67,680	68,747
Total	\$ 159,233	159,251

Pottawattamie County governmental activities had depreciation/amortization expense of \$9,901,412 in fiscal year 2025 and total accumulated depreciation/amortization of approximately \$146.8 million at June 30, 2025. Capital assets for business type activities totaled \$3,997,736 (net of accumulated depreciation) at June 30, 2025, as compared to the prior year total (net of accumulated depreciation) of \$4,302,699. Business type activities had depreciation/amortization expense of \$304,963 in fiscal year 2025 and total accumulated depreciation/amortization of approximately \$793,000 at June 30, 2025. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2025, Pottawattamie County had \$17,575,000 of long-term debt outstanding compared to approximately \$20,142,000 outstanding at June 30, 2024, as shown below.

Outstanding Debt of Governmental Activities at Year-End		
(Expressed in Thousands)		
	June 30,	
	2025	2024
General obligation bonds	\$ 15,670	16,885
General obligation capital loan notes	1,710	3,025
Lease agreements	195	232
Total	\$ 17,575	20,142

The County continues to carry a general obligation bond rating of Aa1 assigned by national rating agencies to the County's debt. The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Pottawattamie County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$681 million. Additional information about the County's long-term debt is presented in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Pottawattamie County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2025 budget, tax rates and fees charged for the various County activities. One of those factors is the economy. Unemployment in the County now stands at 4.3% versus 2.9% a year ago. This compares with the State's unemployment rate of 3.7% and the national rate of 4.1%.

These indicators were taken into account when adopting the budget for fiscal year 2026. Amounts available for appropriation (i.e., actual beginning balance plus next year budgeted revenues) in the operating budget are approximately \$177.4 million, an increase of 5.4% over the final fiscal year 2025 budget. Property tax receipts (due to rate decreases) are expected to decrease. Intergovernmental receipts are expected to increase approximately \$697,000 while miscellaneous receipts are expected to decrease approximately \$778,000. Budgeted disbursements are expected to be approximately \$99.8 million, a decrease of 12.6% from the final fiscal year 2025 budget. The County has added no major new programs or initiatives to the fiscal year 2026 budget.

If these estimates are realized, the County's budgetary operating balance is expected to decrease approximately \$5,942,000 by the close of fiscal year 2026.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Pottawattamie 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 Pottawattamie County Auditor Mary Ann Hanusa or County Finance Officer Becky Lenihan at the Pottawattamie County Auditor's Office, by mail at 227 S. 6th Street, Council Bluffs, Iowa 51501 or by telephone at (712) 328-5700.

Pottawattamie County

Basic Financial Statements

Exhibit A

Pottawattamie County
Statement of Net Position
June 30, 2025

	Governmental Activities	Business Type Activities	Total
Assets			
Cash, cash equivalents and pooled investments	\$ 82,067,472	776,017	82,843,489
Receivables:			
Property tax:			
Delinquent	126,616	-	126,616
Succeeding year	50,598,000	-	50,598,000
Succeeding year tax increment financing	134,000	-	134,000
Penalty and interest on property tax	1,316,648	-	1,316,648
Accounts	669,600	386	669,986
Opioid settlement	3,663,001	-	3,663,001
Drainage assessments	50	-	50
Due from other governments	3,841,737	-	3,841,737
Interactivity loan receivable	1,775,231	-	1,775,231
Leases receivable	74,274	-	74,274
Inventories	2,019,904	-	2,019,904
Prepaid items	1,093,563	-	1,093,563
Capital assets not being depreciated/amortized	16,202,855	1,365,000	17,567,855
Capital assets net of accumulated depreciation/amortization	143,030,018	2,632,736	145,662,754
Total assets	306,612,969	4,774,139	311,387,108
Deferred Outflows of Resources			
Pension related deferred outflows	6,458,870	33,913	6,492,783
OPEB related deferred outflows	512,493	3,426	515,919
Total deferred outflows of resources	6,971,363	37,339	7,008,702

Pottawattamie County
Statement of Net Position
June 30, 2025

	Governmental Activities	Business Type Activities	Total
Liabilities			
Accounts payable	1,292,651	4,700	1,297,351
Accrued interest payable	28,986	-	28,986
Salaries and benefits payable	1,859,743	9,768	1,869,511
Due to other governments	99,672	-	99,672
Unearned revenue	2,119,721	-	2,119,721
Long-term liabilities:			
Portion due or payable within one year:			
General obligation bonds	1,235,000	-	1,235,000
General obligation capital loan notes	485,000	-	485,000
Lease agreement	8,725	-	8,725
Interactivity loan payable	-	275,231	275,231
Compensated absences	1,849,271	2,208	1,851,479
Total OPEB liability	120,659	807	121,466
Portion due or payable after one year:			
General obligation bonds	14,435,000	-	14,435,000
General obligation capital loan notes	1,225,000	-	1,225,000
Lease agreement	186,379	-	186,379
Interactivity loan payable	-	1,500,000	1,500,000
Compensated absences	2,589,091	7,189	2,596,280
Net pension liability	9,093,045	47,744	9,140,789
Total OPEB liability	1,615,274	10,797	1,626,071
Total liabilities	38,243,217	1,858,444	40,101,661
Deferred Inflows of Resources			
Lease related	74,274	-	74,274
Unavailable property tax revenue	50,598,000	-	50,598,000
Unavailable tax increment financing revenue	134,000	-	134,000
Pension related deferred inflows	664,350	3,488	667,838
OPEB related deferred inflows	999,925	6,684	1,006,609
Total deferred inflows of resources	52,470,549	10,172	52,480,721
Net Position			
Net investment in capital assets	141,657,769	2,222,505	143,880,274
Restricted for:			
Supplemental levy purposes	12,256,507	-	12,256,507
Rural services purposes	3,051,862	-	3,051,862
Secondary roads purposes	15,301,186	-	15,301,186
Opioid abatement	5,279,233	-	5,279,233
Debt service	1,026,485	-	1,026,485
Capital projects	182,157	-	182,157
Other purposes	5,286,754	-	5,286,754
Unrestricted	38,828,613	720,357	39,548,970
Total net position	\$ 222,870,566	2,942,862	225,813,428

See notes to financial statements.

Pottawattamie County

Statement of Activities

Year ended June 30, 2025

	Expenses	Program Revenues		
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Functions/Programs:				
Governmental activities:				
Public safety and legal services	\$ 38,529,593	7,819,504	521,237	-
Physical health and social services	5,042,564	489,495	3,439,588	-
County environment and education	7,841,395	1,011,779	1,155,762	7,100
Roads and transportation	20,797,860	271,723	8,801,904	184,142
Governmental services to residents	2,401,389	1,998,630	-	-
Administration	14,851,132	2,392,819	273,338	-
Non-program	1,723,728	1,755,085	-	-
Interest on long-term debt	413,056	-	103,152	-
Total governmental activities	91,600,717	15,739,035	14,294,981	191,242
Business type activities:				
Mt. Crescent Ski Area	1,250,393	1,529,777	-	-
Total	\$ 92,851,110	17,268,812	14,294,981	191,242

General Revenues:

Property and other county tax levied for:

General purposes

Debt service

Tax increment financing

Penalty and interest on property tax

State tax credits and replacements

Local option sales tax

Gaming and wagering tax

American Rescue Plan Act

Unrestricted investment earnings

Gain on disposition of capital assets

Miscellaneous

Total general revenues

Change in net position

Net position beginning of year

Net position end of year

See notes to financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business Type Activities	Total
(30,188,852)	-	(30,188,852)
(1,113,481)	-	(1,113,481)
(5,666,754)	-	(5,666,754)
(11,540,091)	-	(11,540,091)
(402,759)	-	(402,759)
(12,184,975)	-	(12,184,975)
31,357	-	31,357
(309,904)	-	(309,904)
(61,375,459)	-	(61,375,459)
-	279,384	279,384
(61,375,459)	279,384	(61,096,075)
49,229,240	-	49,229,240
2,275,053	-	2,275,053
109,809	-	109,809
396,722	-	396,722
2,845,304	-	2,845,304
5,324,094	-	5,324,094
2,149,586	-	2,149,586
2,254,361	-	2,254,361
3,710,558	-	3,710,558
235,146	-	235,146
2,138,542	-	2,138,542
70,668,415	-	70,668,415
9,292,956	279,384	9,572,340
213,577,610	2,663,478	216,241,088
\$ 222,870,566	2,942,862	225,813,428

Pottawattamie County

Balance Sheet
Governmental Funds

June 30, 2025

	Special Revenue		
	General	Rural Services	Secondary Roads
Assets			
Cash, cash equivalents and pooled investments:			
County Treasurer	\$ 57,454,588	2,723,639	12,760,954
Component unit	-	-	-
Receivables:			
Property tax:			
Delinquent	108,743	12,192	-
Succeeding year	42,504,000	6,904,000	-
Succeeding year tax increment financing	-	-	-
Penalty and interest on property tax	1,316,648	-	-
Accounts	418,398	2,487	248,590
Opioid settlement	-	-	-
Drainage assessments	-	-	-
Due from other governments	2,067,329	109,968	1,576,675
Interactivity loan receivable	1,775,231	-	-
Advance to other funds	-	477,731	-
Leases receivable	74,274	-	-
Inventories	-	-	2,019,904
Prepaid items	1,075,997	17,566	-
Total assets	\$ 106,795,208	10,247,583	16,606,123
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	842,967	32,774	279,910
Advance from other funds	-	-	-
Salaries and benefits payable	1,555,222	62,576	241,945
Due to other governments	97,378	1,357	937
Unearned revenue	2,119,721	-	-
Total liabilities	4,615,288	96,707	522,792
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	42,504,000	6,904,000	-
Succeeding year tax increment financing	-	-	-
Other	2,187,705	12,192	479,439
Lease related	74,274	-	-
Total deferred inflows of resources	44,765,979	6,916,192	479,439
Fund balances:			
Nonspendable:			
Inventories	-	-	2,019,904
Prepaid items	1,075,997	17,566	-
Interactivity loan receivable	1,500,000	-	-
Restricted for:			
Supplemental levy purposes	11,730,496	-	-
Rural services purposes	-	3,199,543	-
Secondary roads purposes	-	-	13,583,988
Drainage warrants/drainage improvement certificates	-	-	-
Conservation purposes	348,361	-	-
Law enforcement purposes	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
Opioid abatement	-	-	-
Other purposes	48,190	17,575	-
Assigned for:			
Property tax relief	3,647,569	-	-
County Attorney's Office	357,932	-	-
Land purchase	4,665,236	-	-
Conservation structures	143,558	-	-
Veteran relocation	5,000	-	-
Unassigned	33,891,602	-	-
Total fund balances	57,413,941	3,234,684	15,603,892
Total liabilities, deferred inflows of resources and fund balances	\$ 106,795,208	10,247,583	16,606,123

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
1,049,790	307,232	4,161,629	78,457,832
-	-	1,942,273	1,942,273
5,681	-	-	126,616
1,190,000	-	-	50,598,000
-	-	134,000	134,000
-	-	-	1,316,648
-	-	125	669,600
-	-	3,663,001	3,663,001
-	-	50	50
-	-	87,765	3,841,737
-	-	-	1,775,231
-	-	-	477,731
-	-	-	74,274
-	-	-	2,019,904
-	-	-	1,093,563
2,245,471	307,232	9,988,843	146,190,460
-	125,075	11,925	1,292,651
-	-	477,731	477,731
-	-	-	1,859,743
-	-	-	99,672
-	-	-	2,119,721
-	125,075	489,656	5,849,518
1,190,000	-	-	50,598,000
-	-	134,000	134,000
5,681	-	3,397,249	6,082,266
-	-	-	74,274
1,195,681	-	3,531,249	56,888,540
-	-	-	2,019,904
-	-	-	1,093,563
-	-	-	1,500,000
-	-	-	11,730,496
-	-	-	3,199,543
-	-	-	13,583,988
-	-	10,754	10,754
-	-	2,250,931	2,599,292
-	-	33,894	33,894
1,049,790	-	-	1,049,790
-	182,157	-	182,157
-	-	1,882,034	1,882,034
-	-	2,220,302	2,286,067
-	-	-	3,647,569
-	-	-	357,932
-	-	-	4,665,236
-	-	-	143,558
-	-	-	5,000
-	-	(429,977)	33,461,625
1,049,790	182,157	5,967,938	83,452,402
2,245,471	307,232	9,988,843	146,190,460

Pottawattamie County

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

June 30, 2025

Total governmental fund balances (page 23) \$ 83,452,402

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$306,020,616 and the accumulated depreciation/amortization is \$146,787,743. 159,232,873

Other long-term assets are not available to pay current year expenditures, and therefore, are recognized as deferred inflows of resources in the governmental funds. 6,082,266

The Internal Service Fund is used by management to charge the costs of partial self-funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position. 1,667,367

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	\$ 6,971,363	
Deferred inflows of resources	<u>(1,664,275)</u>	5,307,088

Long-term liabilities, including lease agreements payable, bonds payable, notes payable, compensated absences payable, net pension liability, total OPEB liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (32,871,430)

Net position of governmental activities (page 19) \$ 222,870,566

See notes to financial statements.

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

Year ended June 30, 2025

	Special Revenue		
	General	Rural Services	Secondary Roads
Revenues:			
Property and other county tax	\$ 44,544,366	6,764,594	-
Tax increment financing	-	-	-
Local option sales tax	-	798,615	3,726,867
Penalty and interest on property tax	394,452	-	-
Intergovernmental	18,169,737	552,364	8,679,155
Licenses and permits	250	284,185	46,090
Charges for service	4,026,343	36,409	-
Use of money and property	3,742,712	-	-
Miscellaneous	1,524,744	28,491	642,055
Total revenues	<u>72,402,604</u>	<u>8,464,658</u>	<u>13,094,167</u>
Expenditures:			
Operating:			
Public safety and legal services	35,040,354	535,291	-
Physical health and social services	5,507,983	171,667	-
County environment and education	5,892,740	2,235,253	-
Roads and transportation	910,471	-	16,239,961
Governmental services to residents	2,308,306	18,550	-
Administration	14,519,842	-	-
Debt service	-	-	-
Capital projects	-	-	663,760
Total expenditures	<u>64,179,696</u>	<u>2,960,761</u>	<u>16,903,721</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,222,908</u>	<u>5,503,897</u>	<u>(3,809,554)</u>
Other financing sources (uses):			
Sale of capital assets	234,026	-	-
Transfers in	-	389,471	5,790,467
Transfers out	(475,467)	(5,665,000)	(606,150)
Total other financing sources (uses)	<u>(241,441)</u>	<u>(5,275,529)</u>	<u>5,184,317</u>
Change in fund balances	7,981,467	228,368	1,374,763
Fund balances beginning of year	49,432,474	3,006,316	14,229,129
Fund balances end of year	<u>\$ 57,413,941</u>	<u>3,234,684</u>	<u>15,603,892</u>

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
2,276,647	-	-	53,585,607
-	-	109,809	109,809
-	-	798,612	5,324,094
-	-	-	394,452
126,471	-	58,380	27,586,107
-	-	-	330,525
-	-	13,523	4,076,275
103,152	-	221,099	4,066,963
-	7,100	988,864	3,191,254
2,506,270	7,100	2,190,287	98,665,086
-	-	115,289	35,690,934
-	-	79,755	5,759,405
-	-	752,308	8,880,301
-	-	-	17,150,432
-	-	19,148	2,346,004
-	-	-	14,519,842
2,948,218	-	-	2,948,218
-	778,858	-	1,442,618
2,948,218	778,858	966,500	88,737,754
(441,948)	(771,758)	1,223,787	9,927,332
-	-	-	234,026
608,532	-	-	6,788,470
-	(2,382)	(39,471)	(6,788,470)
608,532	(2,382)	(39,471)	234,026
166,584	(774,140)	1,184,316	10,161,358
883,206	956,297	4,783,622	73,291,044
1,049,790	182,157	5,967,938	83,452,402

Pottawattamie County

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

Year ended June 30, 2025

Change in fund balances - Total governmental funds (page 27) \$ 10,161,358

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. Depreciation/amortization expense exceeded capital outlay expenditures and contributed capital assets in the current year, as follows:

Expenditures for capital assets	\$ 9,697,870	
Capital assets contributed by the Iowa Department of Transportation	184,142	
Depreciation/amortization expense	(9,901,412)	(19,400)

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

1,120

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

Property tax	3,321	
Other	(175,643)	(172,322)

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

2,566,989

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

3,442,801

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	(1,232,407)	
Interest on long-term debt	5,162	
Pension expense	(5,610,573)	
OPEB expense	(69,150)	(6,906,968)

The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities.

219,378

Change in net position of governmental activities (page 21)

\$ 9,292,956

See notes to financial statements.

Pottawattamie County
Statement of Net Position
Proprietary Fund

June 30, 2025

	Business Type Activities	Governmental Activities
	Enterprise - Mt. Crescent Ski Area	Internal Service - Employee Group Health
Assets		
Current assets:		
Cash and cash equivalents	\$ 776,017	896,660
Cash held by health plan trustee	-	770,707
Accounts receivable	386	-
Total current assets	776,403	1,667,367
Noncurrent assets:		
Capital assets, net of depreciation	3,997,736	-
Total assets	\$ 4,774,139	1,667,367
Deferred Outflows of Resources		
Pension related deferred outflows	33,913	-
OPEB related deferred outflows	3,426	-
Total deferred outflows of resources	37,339	-
Liabilities		
Accounts payable	4,700	-
Salaries and benefits payable	9,768	-
Long term liabilities:		
Portion due or payable within one year:		
Interactivity loan payable	275,231	-
Compensated absences	2,208	-
Total OPEB liability	807	-
Portion due or payable after one year:		
Interactivity loan payable	1,500,000	-
Compensated absences	7,189	-
Net pension liability	47,744	-
Total OPEB liability	10,797	-
Total Liabilities	1,858,444	-
Pension related deferred inflows	3,488	-
OPEB related deferred inflows	6,684	-
Total deferred inflows of resources	10,172	-
Net Position		
Net investment in capital assets	2,222,505	-
Unrestricted	720,357	1,667,367
Total net position	2,942,862	1,667,367

See notes to financial statements.

Exhibit H

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

Year ended June 30, 2025

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	Enterprise - Mt. Crescent Ski Area	Internal Service - Employee Group Health
Operating revenues:		
Reimbursements from operating funds	\$ -	11,151,744
Miscellaneous	2,948	151,756
Ski lesson fees	83,004	-
Admission fees	873,096	-
Equipment rental fees	347,582	-
Cabin rental fees	12,441	-
Concession sales	174,077	-
Merchandise sales	24,779	-
Gift card sales	11,850	-
Total operating revenues	<u>1,529,777</u>	<u>11,303,500</u>
Operating expenses:		
Medical claims	-	1,760,845
Administrative and other fees	-	185,912
Insurance premiums	-	9,154,790
Salaries	515,574	-
Employee benefits	106,231	-
Supplies	195,771	-
Utilities	39,386	-
Repairs and improvements	30,954	-
Other services and charges	57,514	-
Depreciation	304,963	-
Total operating expenses	<u>1,250,393</u>	<u>11,101,547</u>
Change in net position	279,384	201,953
Non-operating revenues:		
Interest income	-	17,425
Change in net position	279,384	219,378
Net position beginning of year	<u>2,663,478</u>	<u>1,447,989</u>
Net position end of year	<u>2,942,862</u>	<u>1,667,367</u>

See notes to financial statements.

Pottawattamie County
Statement of Cash Flows
Proprietary Fund
Year ended June 30, 2025

	Business Type Activities	Governmental Activities
	Enterprise - Mt. Crescent Ski Area	Internal Service - Employee Group Health
Cash flows from operating activities:		
Cash received from operating funds	\$ -	11,151,744
Cash received from miscellaneous operations	2,948	151,756
Cash received from customers	1,528,504	-
Cash paid for medical claims	-	(1,760,845)
Cash paid for administrative and other fees	-	(185,912)
Cash paid for insurance premiums	-	(9,154,790)
Cash paid to employees for services	(608,035)	-
Cash paid to suppliers	(327,990)	-
Net cash provided by operating activities	595,427	201,953
Cash flows from investing activities:		
Interest on investments	-	17,425
Net increase in cash and cash equivalents	595,427	219,378
Cash and cash equivalents beginning of year	180,590	1,447,989
Cash and cash equivalents end of year	\$ 776,017	1,667,367
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 279,384	201,953
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	304,963	-
Changes in assets and liabilities:		
Accounts receivable	1,675	-
Deferred outflows of resources	11,270	-
Accounts payable	(4,365)	-
Salaries and benefits payable	1,467	-
Compensated absences	451	-
Net pension liability	1,706	-
Total OPEB liability	(4,094)	-
Deferred inflows of resources	2,970	-
Net cash provided by operating activities	\$ 595,427	201,953

See notes to financial statements.

Pottawattamie County
Statement of Fiduciary Net Position
Custodial Funds

June 30, 2025

Assets

Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 10,102,693
Other County officials	616,450
Receivables:	
Property tax:	
Delinquent	448,430
Succeeding year	178,676,000
Accounts	16,566
Special assessments	989,186
Drainage assessments	1,946,754
Due from other governments	2,113,428
Prepaid items	439,082
Total assets	<u>195,348,589</u>

Liabilities

Accounts payable	438,761
Stamped warrants payable	3,171,178
Salaries and benefits payable	138,263
Due to other governments	5,748,867
Trusts payable	114,975
Compensated absences	600,068
Total liabilities	<u>10,212,112</u>

Deferred Inflows of Resources

Unavailable revenues	<u>178,676,000</u>
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Net position

Restricted for individuals, organizations and other governments	<u>\$ 6,460,477</u>
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See notes to financial statements.

Pottawattamie County

Statement of Changes in Fiduciary Net Position
Custodial Funds

June 30, 2025

Additions:	
Property and other county tax	\$ 170,362,641
911 surcharge	111,359
State tax credits	8,792,553
Intergovernmental	15,754,109
Office fees and collections	2,969,636
Auto licenses, use tax and postage	35,463,077
Assessments	2,705,740
Trusts	10,525,969
Miscellaneous	<u>750,859</u>
Total additions	<u>247,435,943</u>
Deductions:	
Agency remittances:	
To other funds	5,251,056
To other governments	232,182,674
Trusts paid out	7,555,325
Operating expenses	<u>2,024,172</u>
Total deductions	<u>247,013,227</u>
Change in net position	422,716
Net position beginning of year	<u>6,037,761</u>
Net position end of year	<u>\$ 6,460,477</u>

See notes to financial statements.

Pottawattamie County

Notes to Financial Statements

June 30, 2025

(1) Summary of Significant Accounting Policies

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

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

A. Reporting Entity

For financial reporting purposes, Pottawattamie 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.

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

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

Certain drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the Pottawattamie County Board of Supervisors. These drainage districts are reported as a Special Revenue Fund. The County has other drainage districts which are managed and supervised by elected trustees. The financial transactions of these districts are reported as a Custodial Fund. Financial information of the individual drainage districts can be obtained from the Pottawattamie County Auditor's Office.

The Conservation Foundation has been incorporated under Chapter 504A of the Code of Iowa to receive donations for the benefit of the Pottawattamie County Conservation Board. These donations are to be used to purchase items not included in the County's budget. The financial transactions of the Foundation are reported as a Special Revenue Fund.

Jointly Governed Organizations – The County also 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: Pottawattamie County Assessor's Conference Board, Pottawattamie County Emergency Management Commission, Pottawattamie County Joint 911 Service Board and Southwest Iowa Juvenile Emergency Services Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Custodial Funds of the County.

In addition, the County is involved in the following jointly governed organizations: Western Iowa Development Association, Metropolitan Area Planning Agency and Southwest Iowa Transit Authority. Financial transactions of these organizations are not included in the County's financial statements.

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are supported by property tax, intergovernmental revenues and other nonexchange transactions, are reported separately from business type activities, which rely to a significant extent on fees and charges for services.

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 following categories:

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

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

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

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

The County reports the following major proprietary fund:

The Enterprise, Mt. Crescent Ski Area Fund is used to account for the operation and maintenance of the County's ski recreation area.

Additionally, the County reports the following funds:

Proprietary Fund:

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

Fiduciary Funds:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

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

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

Cash, Cash Equivalents and Pooled Investments – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust and non-negotiable certificates of deposit which are stated at amortized cost.

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

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

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

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

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

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

Advances To/From Other Funds/Interactivity Loan Receivable/Payable – Non-current portions of long-term interfund loan receivables are reported as advances and those without a constraint on how the eventual proceeds can be spent are offset equally by a nonspendable fund balance which indicates they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Drainage Assessments Receivable – Drainage assessments receivable represent amounts assessed to individuals for work done on drainage districts which benefit their property. These assessments are payable by individuals in not less than 10 nor more than 20 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. Drainage assessments receivable represent assessments which are due and payable but have not been collected and remaining assessments which are payable but not yet due.

Special Assessments Receivable – Special assessments receivable represent the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not more than 15 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. Special assessments receivable represent assessments which have been made but have not been collected.

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

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

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

Asset Class	Amount
Infrastructure	\$ 50,000
Land, buildings and improvements	25,000
Intangibles - right-of-way	50,000
Right-to-use leased assets	50,000
Right-to-use subscription assets	100,000
Intangibles - other	100,000
Equipment and vehicles	5,000

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

Asset Class	Estimated Useful lives (In Years)
Infrastructure	10 - 100
Buildings and improvements	10 - 50
Intangibles - other	2 - 50
Right-to-use leased assets	2 - 50
Right-to-use subscription assets	2 - 20
Equipment	3 - 20
Vehicles	3 - 15

Leases – **County as Lessee** – Pottawattamie County is the lessee for a lease of office space and land. 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 \$50,000 or more.

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

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

Pottawattamie 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 which 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 – Pottawattamie County is a lessor for noncancellable leases of farmland and office space. 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 Pottawattamie County determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

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

The lease term included the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is 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 position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments and contributions from the County after the measurement date but before the end of the County’s reporting period.

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

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

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

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

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

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

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

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

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

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

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

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

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

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 the preceding classifications.

Net Position – The net position of the Enterprise, Mt. Crescent Ski Area and Internal Service, Employee Group Health Fund are designated for operating costs and anticipated future catastrophic losses of the County, respectively.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. Disbursements exceeded the amount budgeted in the debt service function for the year ended June 30, 2025. In addition, disbursements in one department exceeded the amounts appropriated at year end.

(2) Cash, Cash Equivalents and Pooled Investments

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

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

At June 30, 2025, the Conservation Foundation had the following investments:

Investment	Fair Value	Maturity	Credit Risk
US Treasury	\$ 96,821	July 17, 2025	NR
US Treasury	100,152	September 30, 2025	NR
US Treasury	199,727	February 15, 2026	NR
Mutual Funds	661,486		NR
	<u>\$ 1,058,186</u>		

NR - not rated

The Conservation Foundation uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The recurring fair value measurements for the County’s securities were determined using the last reported sales price at current exchange rates. (Level 1 inputs)

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 which 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.

Concentration of credit risk – The Conservation Foundation places no limit on the amount which may be invested in any one issuer. The Conservation Foundation’s investments are in U.S. Treasury for (37.49%) and mutual funds for (62.51%).

(3) Advances To and From Other Funds and Interactivity Loan Receivable

Receivable Fund	Payable Fund	Amount
Advances To and From Other Funds:		
Special Revenue	Special Revenue:	
Rural Services	Tax Increment Financing	<u>\$ 477,731</u>
Interactivity Loan Receivable:		
General	Enterprise:	
	Mt. Crescent Ski Area	<u>\$ 1,775,231</u>

During fiscal year 2021, the County approved an interfund advance from the Special Revenue, Rural Services Fund to the Special Revenue, Urban Renewal Fund for \$540,000. This debt was not certified as tax increment financing debt until fiscal year 2023. The interfund advance was made to pay for road paving fees in the urban renewal area. The amounts will be repaid with tax increment financing receipts as they are collected. A payment of \$101,740, which includes \$62,269 in principal and \$39,471 in interest, was made during the fiscal year ending June 30, 2025. The remaining amount at the end of fiscal year 2025 is \$477,731.

On June 1, 2024, the County entered an interactivity capital improvement loan for the ski hill at Mt. Crescent between the Pottawattamie County Board of Supervisors and the Conservation Board of Pottawattamie County, in the amount of \$2,000,000 for essential capital improvements aimed at enhancing efficiency, extending the skiing season, and mitigating safety risk. The County considered payments totaling \$224,769 to vendors prior to the end of fiscal year 2024, as a reduction of principal balance. The remaining amount at the end of fiscal year 2024 was \$1,775,231. The first payment of \$25,231 was due June 1, 2025, and starting June 1, 2026, the average annual payment is expected to be \$250,000 with the aim to fully repay the loan by June 1, 2032; however, payments may vary based on profitability. On June 24, 2025, the Board, by resolution, approved the first payment of \$25,231; however, that payment was not subsequently made during fiscal year 2025.

Following the first payment, the payment schedule will ensure that the fund balance for the Enterprise Fund does not fall below \$200,000. The minimum balance may be adjusted to accommodate future staffing increases or other anticipated financial needs. Payments are to be made from the Enterprise – Mt. Crescent Ski Hill to the sub-General – Property Acquisition, Improvement, and Maintenance Fund.

(4) Interfund Transfers

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

Transfer to	Transfer from	Amount
Special Revenue:		
Rural Services	General	\$ 350,000
	Special Revenue:	
	Industrial Park Urban Renewal	<u>39,471</u>
		<u>389,471</u>
Secondary Roads	General	125,467
	Special Revenue:	
	Rural Services	<u>5,665,000</u>
		<u>5,790,467</u>
Debt Service	Special Revenue:	
	Secondary Roads	606,150
	Capital Projects	<u>2,382</u>
		<u>608,532</u>
Total		<u>\$ 6,788,470</u>

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

(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	\$ 8,562,456	34,000	-	8,596,456
Intangibles, road network	4,185,189	-	-	4,185,189
Construction in progress	25,687,613	4,974,673	27,241,076	3,421,210
Total capital assets not being depreciated/amortized	38,435,258	5,008,673	27,241,076	16,202,855
Capital assets being depreciated/amortized:				
Buildings	53,315,321	24,241,781	-	77,557,102
Improvements other than buildings	6,695,664	-	-	6,695,664
Right-to-use - leased land	225,330	-	-	225,330
Right-to-use - leased buildings	93,844	-	93,844	-
Equipment and vehicles	48,402,415	4,571,218	1,441,941	51,531,692
Intangibles, other	1,324,356	-	-	1,324,356
Infrastructure, road network	144,872,804	2,579,225	-	147,452,029
Infrastructure, other	3,914,124	1,117,464	-	5,031,588
Total capital assets being depreciated/amortized	258,843,858	32,509,688	1,535,785	289,817,761
Less accumulated depreciation/amortization for:				
Buildings	22,832,159	1,549,087	-	24,381,246
Improvements other than buildings	2,193,463	254,647	-	2,448,110
Right-to-use - leased land	21,125	14,083	-	35,208
Right-to-use - leased buildings	66,243	9,200	75,443	-
Equipment and vehicles	31,965,813	3,219,863	1,066,189	34,119,487
Intangibles, other	909,535	90,506	-	1,000,041
Infrastructure, road network	79,402,165	4,640,816	-	84,042,981
Infrastructure, other	637,460	123,210	-	760,670
Total accumulated depreciation/amortization	138,027,963	9,901,412	1,141,632	146,787,743
Total capital assets being depreciated/amortized, net	120,815,895	22,608,276	394,153	143,030,018
Governmental activities capital assets, net	\$ 159,251,153	27,616,949	27,635,229	159,232,873

Business type activities capital asset activity for the year ended June 30, 2025 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business Type activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 1,365,000	-	-	1,365,000
Capital assets being depreciated/amortized:				
Buildings	837,421	-	-	837,421
Improvements other than buildings	643,335	-	-	643,335
Equipment and vehicles	1,233,765	-	-	1,233,765
Infrastructure, other	711,162	-	-	711,162
Total capital assets being depreciated/amortized	3,425,683	-	-	3,425,683
Less accumulated depreciation/amortization for:				
Buildings	44,963	25,022	-	69,985
Improvements other than buildings	27,092	17,563	-	44,655
Equipment and vehicles	393,970	234,876	-	628,846
Infrastructure, other	21,959	27,502	-	49,461
Total accumulated depreciation/amortization	487,984	304,963	-	792,947
Total capital assets being depreciated/amortized, net	2,937,699	(304,963)	-	2,632,736
Business Type activities capital assets, net	\$ 4,302,699	(304,963)	-	3,997,736

Depreciation/amortization expense was charged to the following functions:

Governmental activities:		
Public safety and legal services		\$ 2,216,792
Physical health and social services		102,699
County environment and education		426,338
Roads and transportation		6,299,970
Governmental services to residents		1,536
Administration		<u>854,077</u>
Total depreciation/amortization expense - governmental activities		<u>\$ 9,901,412</u>
Business type activities:		
Mt. Crescent Ski Area		<u>\$ 304,963</u>

(6) Lease Receivable

The County rents out parcels of land for business uses. Effective May 11, 2021, the County entered into a five-year agreement for \$9,000 per annum and an implicit interest rate of 3.0%. During year ended June 30, 2025, the County received \$8,483 in principal and \$517 in interest payments.

The County leases office space to the Southwest Iowa Mental Health and Disability Services Region. Effective July 1, 2022, the County entered into a five-year agreement for \$34,250 per annum and an implicit interest rate of 3.0%. During the year ended June 30, 2025, the County received \$31,344 in principal and \$2,906 in interest payments.

Governmental activities future principal and interest lease receivables as of June 30, 2025, are as follows:

Year Ending June 30,	Land			Office Space		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 8,738	262	9,000	\$ 32,284	1,966	34,250
2027	-	-	-	33,252	998	34,250
	<u>\$ 8,738</u>	<u>262</u>	<u>9,000</u>	<u>\$ 65,536</u>	<u>2,964</u>	<u>68,500</u>

Year Ending June 30,	Total		
	Principal	Interest	Total
2026	\$ 41,022	2,228	43,250
2027	33,252	998	34,250
	<u>\$ 74,274</u>	<u>3,226</u>	<u>77,500</u>

(7) Due to Other Governments

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

Fund	Description	Amount
General	Services	\$ 97,378
Special Revenue:		
Rural Services		1,357
Secondary Roads		937
Total for governmental funds		<u>\$ 99,672</u>
Custodial:		
Mental Health Region	Collections	\$ 54,665
Schools		890,900
Community Colleges		91,006
Corporations		799,368
Auto License and Use Tax		2,837,243
All other		1,075,685
Total for custodial funds		<u>\$ 5,748,867</u>

(8) Long-Term Liabilities

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

Governmental Activities:	General	General	Lease	Compensated	Net	Total	Total
	Obligation	Obligation					
	Bonds	Capital Loan	Agreements	Absences	Liability	Liability	
Balance beginning of year	\$ 16,885,000	3,025,000	232,093	3,205,955	8,768,067	2,349,399	34,465,514
Increases	-	-	-	4,574,780	324,978	203,365	5,103,123
Decreases	1,215,000	1,315,000	36,989	3,342,373	-	816,831	6,726,193
Balance end of year	<u>\$ 15,670,000</u>	<u>1,710,000</u>	<u>195,104</u>	<u>4,438,362</u>	<u>9,093,045</u>	<u>1,735,933</u>	<u>32,842,444</u>
Due within one year	\$ 1,235,000	485,000	8,725	1,849,271	-	120,659	3,698,655

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

Business Type Activities:	Compensated	Net	Total	Total
		Liability	Liability	
Balance beginning of year	\$ 8,946	46,038	15,698	70,682
Increases	9,172	1,706	1,366	12,244
Decreases	8,721	-	5,460	14,181
Balance end of year	<u>\$ 9,397</u>	<u>47,744</u>	<u>11,604</u>	<u>68,745</u>
Due within one year	\$ 2,208	-	807	3,015

General Obligation Bonds

On October 27, 2020, the County issued \$2,045,000 of general obligation local option sales and services tax bond with an interest rate of 1.00% per annum to pay costs of land acquisition and construction and equipping of county shops to service secondary roads. During the year ended June 30, 2025, the County paid principal of \$200,000 and interest of \$12,750 on the bond.

On August 18, 2021, the County issued \$12,000,000 general obligation urban renewal bonds with an interest rate of 2.00% per annum to pay costs of planning, undertaking, and carrying out urban renewal projects. During the year ended June 30, 2025, the County paid principal of \$725,000 and interest of \$211,000 on the bonds.

On October 12, 2021, the County issued \$5,955,000 general obligation local option sales tax bonds with an interest rate of 2.00% per annum to pay costs of land acquisition, construction and equipping of county shops to service secondary roads. During the year ended June 30, 2025, the County paid principal of \$290,000 and interest of \$101,200 on the bonds.

Year Ending June 30,	Issued Oct 27, 2020			Issued Aug 18, 2021		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2026	1.00%	\$ 205,000	10,750	2.00%	\$ 740,000	196,500
2027	1.00	210,000	8,700	2.00	800,000	181,700
2028	1.00	215,000	6,600	2.00	825,000	165,700
2029	1.00	220,000	4,450	2.00	850,000	149,200
2030	1.00	225,000	2,250	2.00	875,000	132,200
2031-2035		-	-	2.00	4,735,000	388,800
2036		-	-	2.00	1,000,000	20,000
Total		<u>\$ 1,075,000</u>	<u>32,750</u>		<u>\$ 9,825,000</u>	<u>1,234,100</u>

Year Ending June 30,	Issued Oct 12, 2021			Total		
	Interest Rates	Principal	Interest	Principal	Interest	Total
2026	2.00%	\$ 290,000	95,400	\$ 1,235,000	302,650	1,537,650
2027	2.00	295,000	89,600	1,305,000	280,000	1,585,000
2028	2.00	295,000	83,700	1,335,000	256,000	1,591,000
2029	2.00	300,000	77,800	1,370,000	231,450	1,601,450
2030	2.00	305,000	71,800	1,405,000	206,250	1,611,250
2031-2035	2.00	2,790,000	219,200	7,525,000	608,000	8,133,000
2036	2.00	495,000	9,900	1,495,000	29,900	1,524,900
Total		<u>\$ 4,770,000</u>	<u>647,400</u>	<u>\$ 15,670,000</u>	<u>1,914,250</u>	<u>17,584,250</u>

General Obligation Capital Loan Notes

On June 7, 2016, the County issued \$4,670,000 of general obligation capital loan refunding notes with interest rates ranging from 2.00% to 2.25% per annum. A portion of the notes (\$1,850,000) was issued to pay for improvements and equipment in County offices, a sprinkler system, improvements, equipment and repair of the County jail, all essential county purposes. A portion of the notes (\$600,000) was issued to pay costs of body cameras and vehicles for the Sheriff's department, general county purposes. A portion of the notes (\$2,220,000) was issued as a current refunding to retire the outstanding balance of general obligation capital loan notes issued October 27, 2009. During the year ended June 30, 2025, the County paid principal of \$95,000 and interest of \$6,525 on the notes.

On October 27, 2020, the County issued \$4,610,000 of general obligation capital loan notes with an interest rate of 3% per annum. A portion of the notes (\$900,000) was issued to pay costs of equipping, remodeling or reconstruction of public buildings including equipping the Courthouse with a fiber network and for software and card readers for multiple doors on County buildings. A portion of the notes (\$455,000) to pay for the costs of peace officers communication equipment and other emergency services communication equipment and systems including a vehicle for emergency response situations. A portion of the notes (\$45,000) to pay the costs of a risk management vehicle and, (\$300,000) to pay the costs of sheriffs' vehicles. A portion of the notes (\$300,000) for acquisition and development of land for a public park or other recreation or conservation purpose, including a maintenance building and shower facility at Botna Bend Park. A portion of the notes (\$280,000) for acquisition and development of land for a public park or other recreation or conservation purpose, including a new dock and asphalt parking at Narrows Park. A portion of the notes (\$150,000) for acquisition and development of land for a public park or other recreation or conservation purpose, including RV hook-ups and hard surface roads at Old Towne Park. A portion of the notes (\$180,000) for acquisition and development of land for a public park or other recreation or conservation purpose, including a shower facility at Arrowhead Park. A portion of the notes (\$300,000) for acquisition and development of land for a public park or other recreation or conservation purpose, including entrance renovation, a 3-lane entry and additional parking at Hitchcock Park. A portion of the notes (\$200,000) for acquisition and development of land for a public park or other recreation or conservation purpose, including road resurfacing at County Parks. A portion of the notes (\$600,000) was issued to pay costs of equipping, remodeling or reconstruction of public buildings including equipping jail with programable logic control upgrades. A portion of the notes (\$900,000) was issued to pay costs of equipping, remodeling or reconstruction of public buildings including equipping the courthouse with access controls and video surveillance and the jail with camera upgrades. During the year ended June 30, 2025, the County retired the final payment of \$660,000 in principal and interest of \$19,800 on the notes.

On August 18, 2021, the County issued \$1,905,000 general obligation capital loan notes with an interest rate of 2% per annum. A portion of the notes (\$1,175,000) was issued to pay the costs of acquisition and development of land for a public parks or conservation purposes. A portion of the notes (\$300,000) to pay the costs and acquisition and equipping sheriff vehicles. A portion of notes (\$25,000) for the cost of acquisition and equipping a vehicle for planning and zoning. A portion of the notes (\$300,000) to pay the costs of acquiring and equipping of a road grader for secondary roads. A portion of the notes (\$60,000) to pay the costs of equipping public buildings including computer hardware and software upgrades. A portion of the notes (\$45,000) to pay the costs of issuing the obligations. During the year ended June 30, 2025, the County paid principal of \$235,000 and interest of \$24,500 on the notes.

On August 17, 2022, the County issued \$1,745,000 general obligation capital loan notes with an interest rate of 4% per annum. A portion of the notes (55,500) was used to pay bond legal fees. A portion of the notes (487,000) was issued to equip and remodel the Courthouse, County Jail and Sheriff's office, and construction of a new storage shed for the County Jail and Sheriff's office. A portion of the notes (172,500) to pay for peace officer equipment and other emergency services communication equipment. A portion of the notes (300,000) was issued to acquire and equip new Sheriff vehicles for the operations of the county and the health and safety of its citizens. A portion of the notes (300,000) will be used to acquire new mowing equipment for secondary roads department. A portion of the notes (300,000) will be used for the acquisition and development of a public park or other recreation or conservation purpose, approximately 9 sites and 10 full hookups at Arrowhead Park. A portion of the notes (40,000) will be used to pay for the development and acquisition of land, including the improvement, reconstruction and equipping of existing camping cabins at Arrowhead Park. A portion of the notes (90,000) will pay for the development and improvement of Hitchcock Park. During the year ended June 30, 2025, the County Paid principal of \$325,000 and interest of \$34,000 on the notes.

Annual debt service requirements to maturity for the general obligation capital loan notes are as follows:

Year Ending June 30,	Issued Jun 7, 2016			Issued Aug 18, 2021		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2026	2.25%	\$ 95,000	4,388	2.00%	\$ 240,000	19,800
2027	2.25	100,000	2,250	2.00	245,000	15,000
2028		-	-	2.00	250,000	10,100
2029		-	-	2.00	255,000	5,100
Total		<u>\$ 195,000</u>	<u>6,638</u>		<u>\$ 990,000</u>	<u>50,000</u>

Year Ending June 30,	Issued Aug 17, 2022			Total		
	Interest Rates	Principal	Interest	Principal	Interest	Total
2026	4.00%	\$ 150,000	21,000	\$ 485,000	45,188	530,188
2027	4.00	125,000	15,000	470,000	32,250	502,250
2028	4.00	125,000	10,000	375,000	20,100	395,100
2029	4.00	125,000	5,000	380,000	10,100	390,100
Total		<u>\$ 525,000</u>	<u>51,000</u>	<u>\$ 1,710,000</u>	<u>107,638</u>	<u>1,817,638</u>

Lease Agreements

On July 23, 2008, the County entered into a lease agreement for land to erect a communications tower and related facilities with Wayne C. Brandes Revocable Trust who reserved the right to renegotiate the amount of rent on January 1, 2023. The term of the lease shall be five years starting on January 1, 2009, with the option to renew the lease for five additional five-year terms. Due to the unknown amount of rent for calendar year 2023 and subsequent periods the lease was not disclosed in the audit report ending June 30, 2022. As of January 1, 2023, an initial lease liability was recorded in the amount of \$225,330. The agreement requires annual payments on or before the first day of January and shall be adjusted by 3.00% times the rent paid for the previous calendar year. An initial payment was made on December 15, 2022, for \$15,127, with an implicit interest rate of 4.0%. Final payment is to be made on or before January 1, 2038. During the year ended June 30, 2025, the County paid principal of \$7,927 and interest of \$8,121.

On October 1, 2019, the County entered into a lease agreement for space to house County offices with an initial lease liability of \$128,613. The agreement requires monthly payments of \$1,983 over six years, with an implicit interest rate of 3.50% and final payment due September 1, 2025. During the year ended June 30, 2025, the County terminated the lease in December 2024, the termination fee was \$15,864. In addition, the County paid principal of \$9,547 and interest of \$368.

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

Year Ending June 30,	Land		
	Principal	Interest	Total
2026	\$ 8,725	7,804	16,529
2027	9,570	7,455	17,025
2028	10,463	7,072	17,535
2029	11,408	6,654	18,062
2030	12,406	6,198	18,604
2031-2035	79,068	22,664	101,732
2036-2038	63,464	5,197	68,661
	<u>\$ 195,104</u>	<u>63,044</u>	<u>258,148</u>

(9) Pension Plan

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

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

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

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

Sheriffs, Deputies and Protection Occupation members may retire at normal retirement age, which is generally at age 55. Sheriff, 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's and Deputy's member's monthly IPERS benefit includes:

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

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

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

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

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

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

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

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

The County's contributions to IPERS for the year ended June 30, 2025 totaled \$3,460,878.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2025, the County reported a liability of \$9,140,789 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2024, the County's proportion was 0.251017% which was an increase of 0.055741% over its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the County recognized pension expense of \$5,640,033. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,407,910	5,614
Changes of assumptions	-	386,121
Net difference between projected and actual earnings on IPERS' investments	257,557	-
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	366,438	276,103
County contributions subsequent to the measurement date	3,460,878	-
Total	<u>\$ 6,492,783</u>	<u>667,838</u>

\$3,460,878 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2026	(1,579,717)
2027	3,922,270
2028	356,996
2029	(358,431)
2030	22,949
Total	<u>\$ 2,364,067</u>

There were no non-employer contributing entities to IPERS.

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

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 31,239,286	9,140,789	(9,340,444)

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

Payable 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.

(10) Other Postemployment Benefits (OPEB)

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

OPEB Benefits – Individuals who are employed by Pottawattamie 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 currently receiving benefit payments	10
Active employees	<u>459</u>
Total	<u>469</u>

Total OPEB Liability – The County’s total OPEB liability of \$1,747,537 was measured as of June 30, 2025 and was determined by an actuarial valuation as of that date.

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

Rate of inflation	
(effective June 30, 2025)	3.0% per annum.
Rates of salary increase	3.0% per annum, including
(effective June 30, 2025)	inflation.
Discount rate	5.20% compounded annually,
(effective June 30, 2025)	including inflation.
Healthcare cost trend rate	5% for all years.
(effective June 30, 2025)	

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

Mortality rates are from the RP 2014 annuitant distinct mortality table adjusted to 2006 with MP-2021. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	<u>\$ 2,365,097</u>
Changes for the year:	
Service cost	116,374
Interest	88,357
Differences between expected and actual experiences	(143,181)
Changes in assumptions	(557,644)
Benefit payments	<u>(121,466)</u>
Net changes	<u>(617,560)</u>
Total OPEB liability end of year	<u>\$ 1,747,537</u>

Changes in assumptions reflect a change in the discount rate from 3.65% 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 which is 1% lower (4.20%) or 1% higher (6.20%) than the current discount rate.

	<u>1% Decrease (4.20%)</u>	<u>Discount Rate (5.20%)</u>	<u>1% Increase (6.20%)</u>
Total OPEB liability	\$ 1,911,087	1,747,537	1,600,602

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 which are 1% lower (4.00%) or 1% higher (6.00%) than the current healthcare cost trend rates.

	<u>1% Decrease (4.00%)</u>	<u>Healthcare Cost Trend Rate (5.00%)</u>	<u>1% Increase (6.00%)</u>
Total OPEB liability	\$ 1,561,351	1,747,537	1,965,419

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2025, the County recognized OPEB expense of \$69,619. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 209,958	200,109
Changes in assumptions	305,961	806,500
Total	<u>\$ 515,919</u>	<u>1,006,609</u>

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

Year Ending June 30,	Amount
2026	\$ (13,646)
2027	(13,646)
2028	(16,787)
2029	(45,090)
2030	(45,090)
Thereafter	<u>(356,431)</u>
Total	<u>\$ (490,690)</u>

(11) Risk Management

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

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

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

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2025 were \$1,249,151.

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

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

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

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$1,000,000 and \$500,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(12) Employee Health Insurance Plan

The Internal Services, Employee Group Health Fund was established to accumulate and allocate health insurance costs internally among the County's various functions and to account for the partial self-funding of the County's health insurance benefit plan.

The plan is funded by both employee and County contributions and is administered through a service agreement with Employee Benefit Systems (EBS). The agreement is subject to automatic renewal provisions. The County self-funds up to \$6,100 per individual or \$12,200 per family, with employees contributing the first \$750 and \$1,500, respectively.

Administrative service fees and premiums are paid monthly from the County's operating funds to a separate account administered by EBS. During the year ended June 30, 2025, the County paid \$10,620,922 to the EBS account. The cash balance held by EBS was \$770,707 at year end.

(13) Deferred Compensation Plan

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

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

(14) Development Agreements

On April 21, 2021, The County entered into a development agreement with Armstrong Investments LLC (Developer). The Developer repaired waterlines and a road located in the Industrial Park Urban Renewal Area. As part of the construction the Developer is paying certain costs related to repairing water lines which will serve the Developer and other property situated within the Industrial Park. The County agreed to make ten annual tax increment financing rebate payments to the Developer, not to exceed the lesser of actual costs or a cumulative total of \$200,000. At June 30, 2025 actual total costs on the agreements were \$158,679. The Developer further acknowledged and agreed that before making any Development Property TIF available to fund the payments to the Developer, the County will first deduct therefrom an amount sufficient to pay the Debt Service on the County Internal Advance. See footnote 3 for additional information.

On May 28, 2024, The County has entered into a development agreement with RMP Development LLC (Developer). The Developer plans to build a housing development in the County Urban Renewal Area. As part of the construction the Developer is paying certain costs related to housing construction and will serve the Developer and other residents in the Urban Renewal Area. The County agreed to make twenty-two semiannual tax increment financing rebate payments to the Developer of \$18,182 each, not to exceed a cumulative total of \$400,000. All payments under this agreement shall be subject to annual appropriation by the Board of Supervisors. Payments will be made on December 1 and June 1 of each fiscal year, beginning December 1, 2027, and continue through and including June 1, 2038.

In addition, under the plan, the County will retain incremental property tax revenue equal to 46.14% (\$184,560) of the payment total for Low and Moderate Income (LMI) set aside. On February 13, 2024 the County and the City of Council Bluffs entered a Joint Agreement, in which, the County has agreed to distribute to the City of Council Bluffs the LMI collected, to assist the City in paying the costs of undertaking programs to aid low- and moderate-income families with their housing needs.

The County's obligation is limited to the amount of tax increment financing receipts. These agreements are not general obligations of the County. However, the agreements are subject to the constitutional debt limitation of the County.

(15) Tax Abatements

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

Tax Abatements of Other Entities

Other entities within the County provided tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. For these types of projects, the other entities enter into agreements with developers which require the other entities, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the other entities as part of these agreements.

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

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Carter Lake	Urban renewal and economic development projects	\$ 40,719
City of Council Bluffs	Urban renewal and economic development projects	369,141
City of Treynor	Urban renewal and economic development projects	27,083
City of Underwood	Urban renewal and economic development projects	84,361
City of Walnut	Urban renewal and economic development projects	19,557

(16) Construction Commitment

The County has entered into contracts including change orders totaling \$700,661 for various county projects. As of June 30, 2025, costs of \$109,290 have been incurred. The \$591,371 balance remaining on the contract at June 30, 2025 will be paid as work on the projects progress.

(17) Jointly Governed Organization

The County participates in the Southwest Iowa Juvenile Emergency Services Board, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. Financial transactions of this organization are included in the County's financial statements as a Custodial Fund because of the County's fiduciary relationship with the organization. The following financial data is for the year ended June 30, 2025:

Additions:

Reimbursements from Counties:

Pottawattamie County	\$ 1,247,374	
Shelby County	75,667	
Harrison County	151,651	
Cass County	157,558	
Audubon County	30,969	
Mills County	130,101	
Montgomery County	93,705	
Fremont County	73,911	
Page County	129,389	\$ 2,090,325
State direct receiving grant		11,250
State reimbursement		326,667
Interest on investments		44,107
ICAP reimbursement		1,000
Adult Waived Juvenile Fees		117,615
Miscellaneous		<u>30,815</u>
Total additions		2,621,779

Deductions:

Salaries	1,172,099	
Employee benefits	481,106	
Commodities and nutrition services	66,203	
Office supplies	29,937	
Communications and transportation	4,434	
Professional services	34,512	
Utilities	23,988	
Building repair and maintenance	104,656	
Insurance	98,359	
Refunds to counties	619,072	
Miscellaneous	<u>8,879</u>	<u>2,643,245</u>
Net		(21,466)
Balance beginning of year		<u>1,142,721</u>
Balance end of year		<u>\$ 1,121,255</u>

(18) Voluntary Termination Benefit Program for the County Assessor’s Office

A voluntary termination benefit program has been established for County Assessor employees. The program allows employees who are eligible, upon a bona fide retirement, to use the value of their unused sick leave to pay the employer’s share of the monthly premium of the County Assessor group health insurance plan after their retirement.

Upon retirement, employees shall first receive cash payment for accumulated, unused sick leave, converted at the employee’s current regular hourly rate of pay, up to \$3,000, payable with the final payroll warrant which includes the employee’s retirement date.

The value of the remaining balance of the accrued sick leave will be converted based upon the original balance (before the cash payment). The remainder of the sick leave value is calculated as follows, based on the number of the employee’s sick leave hours before the cash payment:

<u>If the sick leave balance is:</u>	<u>The conversion rate is:</u>
Zero to 750 hours	60% of the value
Over 750 hours to 1,500 hours	80% of the value
Over 1,500 hours	100% of the value

The final calculated dollar value will be credited to the employee’s Sick Leave upon Retirement account. Each month, the County Assessor’s Office will pay 100% of the employer’s share of the selected group health insurance premium from the retiree’s Sick Leave upon Retirement account. The retiree is responsible for any additional premiums associated with the employee/retiree share.

The County Assessor’s Office will continue to pay its share of the health insurance premium each month until the converted value of the retiree’s Sick Leave upon Retirement balance is exhausted, the employee is eligible for Medicare or the employee waives the benefit, whichever comes first. The converted value of the sick leave can only be applied to the County Assessors’ Office’s share of health insurance premium payments.

All program benefits are financed on a pay-as-you-go basis by the County Assessor’s Office. A compensated absences liability of \$327,520 has been recorded in the Custodial, County Assessor Fund for this benefit program.

For the year ended June 30, 2025, no retired employees received benefits under the Sick Leave upon Retirement program.

(19) Transfer Station Closure Care

To comply with state regulations, the County is required to complete a closure plan detailing how the transfer station will comply with proper disposal of all solid waste and litter at the site, cleaning the transfer station building, including the rinsing of all surfaces that have come in contact with solid waste or washwater, cleaning of all solid waste transport vehicles that will remain on site, including the rinsing of all surfaces that have come in contact with solid waste, and the removal and proper management of all washwater in the washwater management system.

To comply with state regulations, the County is required to maintain a closure account as financial assurance for the closure care costs. The effect of the state requirement is to commit landfill owners to perform certain closing functions as a condition for the right to operate the transfer station in the current year.

The total closure care costs for the County as of June 30, 2025 have been estimated at \$17,575. The County has restricted \$17,575 at June 30, 2025 in the Special Revenue, Rural Services Fund to cover these costs.

Pottawattamie County

Required Supplementary Information

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

Required Supplementary Information

Year ended June 30, 2025

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 58,927,004	-	58,927,004
Penalty and interest on property tax	394,452	-	394,452
Intergovernmental	27,208,153	-	27,208,153
Licenses and permits	342,077	-	342,077
Charges for service	4,119,607	-	4,119,607
Use of money and property	4,277,790	155,682	4,122,108
Miscellaneous	3,391,956	571,575	2,820,381
Total receipts	<u>98,661,039</u>	<u>727,257</u>	<u>97,933,782</u>
Disbursements:			
Public safety and legal services	38,635,409	-	38,635,409
Physical health and social services	5,650,736	-	5,650,736
County environment and education	9,851,427	164,199	9,687,228
Roads and transportation	18,263,041	-	18,263,041
Governmental services to residents	2,345,162	-	2,345,162
Administration	14,751,805	-	14,751,805
Debt service	2,950,800	-	2,950,800
Capital projects	1,807,482	-	1,807,482
Total disbursements	<u>94,255,862</u>	<u>164,199</u>	<u>94,091,663</u>
Excess (deficiency) of receipts over (under) disbursements	4,405,177	563,058	3,842,119
Other financing, sources, net	234,026	-	234,026
Change in balances	4,639,203	563,058	4,076,145
Balance beginning of year	<u>75,760,902</u>	<u>1,389,969</u>	<u>74,370,933</u>
Balance end of year	<u>\$ 80,400,105</u>	<u>1,953,027</u>	<u>78,447,078</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net Variance
Original	Final	
59,515,484	59,515,484	(588,480)
147,000	147,000	247,452
25,505,433	25,922,623	1,285,530
319,300	319,300	22,777
3,310,625	3,349,567	770,040
1,992,752	1,992,752	2,129,356
2,029,650	2,657,640	162,741
<u>92,820,244</u>	<u>93,904,366</u>	<u>4,029,416</u>
41,174,800	41,447,700	2,812,291
5,791,236	6,376,540	725,804
13,031,841	14,612,063	4,924,835
20,171,500	22,628,388	4,365,347
2,567,173	2,567,173	222,011
19,004,537	19,791,287	5,039,482
2,947,475	2,947,475	(3,325)
3,460,295	3,863,388	2,055,906
<u>108,148,857</u>	<u>114,234,014</u>	<u>20,142,351</u>
(15,328,613)	(20,329,648)	24,171,767
-	-	234,026
<u>(15,328,613)</u>	<u>(20,329,648)</u>	<u>24,405,793</u>
<u>59,537,391</u>	<u>59,537,391</u>	<u>14,833,542</u>
<u>44,208,778</u>	<u>39,207,743</u>	<u>39,239,335</u>

Pottawattamie 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	\$ 98,661,039	4,047	98,665,086
Expenditures	94,255,862	(5,518,108)	88,737,754
Net	4,405,177	5,522,155	9,927,332
Other financing sources, net	234,026	-	234,026
Beginning fund balances	75,760,902	(2,469,858)	73,291,044
Ending fund balances	\$ 80,400,105	3,052,297	83,452,402

See accompanying independent auditor's report.

Pottawattamie County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2025

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

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

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$6,085,157. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2025, disbursements exceeded the amount budgeted for the debt service function. Also, disbursements in one department exceeded the amount appropriated at year end.

Pottawattamie County

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

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

Required Supplementary Information

	2025	2024	2023	2022
County's proportion of the net pension liability (asset)	0.251017%	0.195276%	0.135727%	3.067962% **
County's proportionate share of the net pension liability (asset)	\$ 9,141	8,814	5,128	(10,591)
County's covered payroll	\$ 35,202	33,222	31,661	31,154
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	25.97%	26.53%	16.20%	(34.00)%
IPERS' net position as a percentage of the total pension liability (asset)	92.30%	90.13%	91.40%	100.81%

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

** Overall plan net pension asset.

See accompanying independent auditor's report.

2021	2020	2019	2018	2017	2016
0.246463%	0.215954%	0.220005%	0.254000%	0.245823%	0.218903%
17,313	12,505	13,922	16,920	15,470	10,815
29,369	28,360	26,891	27,371	25,415	24,863
58.95%	44.09%	51.77%	61.82%	60.87%	43.50%
82.90%	85.45%	83.62%	82.21%	81.82%	85.19%

Pottawattamie County

Schedule of County Contributions

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

Required Supplementary Information

	2025	2024	2023	2022
Statutorily required contribution	\$ 3,461	3,255	3,089	2,952
Contributions in relation to the statutorily required contribution	(3,461)	(3,255)	(3,089)	(2,952)
Contribution deficiency (excess)	\$ -	-	-	-
County's covered payroll	\$ 37,377	35,202	33,222	31,661
Contributions as a percentage of covered payroll	9.26%	9.25%	9.30%	9.32%

See accompanying independent auditor's report.

2021	2020	2019	2018	2017	2016
2,942	2,829	2,737	2,474	2,532	2,355
(2,942)	(2,829)	(2,737)	(2,474)	(2,532)	(2,355)
-	-	-	-	-	-
31,154	29,369	28,360	26,891	27,371	25,415
9.44%	9.63%	9.65%	9.20%	9.25%	9.27%

Pottawattamie County

Pottawattamie County

Notes to Required Supplementary Information – Pension Liability (Asset)

Year ended June 30, 2025

Changes of benefit terms:

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

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

Changes of assumptions:

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

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

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

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

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

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

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

For the Last Nine Years
 Required Supplementary Information

	2025	2024	2023	2022
Service cost	\$ 116,374	112,984	132,506	128,647
Interest cost	88,357	85,028	56,444	54,564
Changes of benefit terms	-	-	63,284	-
Difference between expected and actual experiences	(143,181)	-	2,508	-
Changes in assumptions	(557,644)	-	(412,522)	-
Benefit payments	(121,466)	(98,960)	(113,639)	(86,367)
Net change in total OPEB liability	(617,560)	99,052	(271,419)	96,844
Total OPEB liability beginning of year	2,365,097	2,266,045	2,537,464	2,440,620
Total OPEB liability end of year	<u>\$ 1,747,537</u>	<u>2,365,097</u>	<u>2,266,045</u>	<u>2,537,464</u>
Covered-employee payroll	\$ 34,376,382	33,557,124	32,579,732	29,878,200
Total OPEB liability as a percentage of covered-employee payroll	5.08%	7.05%	6.96%	8.49%

See accompanying independent auditor's report.

2021	2020	2019	2018	2017
100,787	97,851	59,432	57,701	43,437
79,748	79,562	60,905	60,020	57,423
-	-	-	-	-
(127,494)	-	311,343	-	248,898
293,566	-	240,863	-	125,289
(167,417)	(182,635)	(95,417)	(94,017)	(82,807)
179,190	(5,222)	577,126	23,704	392,240
2,261,430	2,266,652	1,689,526	1,665,822	1,273,582
2,440,620	2,261,430	2,266,652	1,689,526	1,665,822
29,007,961	27,439,137	26,639,939	25,355,419	24,616,912
8.41%	8.24%	8.51%	6.66%	6.77%

Pottawattamie County

Notes to Required Supplementary Information – OPEB Liability

Year ended June 30, 2025

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 2025	5.20%
Year ended June 30, 2024	3.65%
Year ended June 30, 2023	3.65%
Year ended June 30, 2022	2.16%
Year ended June 30, 2021	2.16%
Year ended June 30, 2020	3.50%
Year ended June 30, 2019	3.50%
Year ended June 30, 2018	3.58%

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

Supplementary Information

Pottawattamie County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2025

						Special
	Conservation Local Option Tax	Resource Enhance- ment and Protection	County Recorder's Records Management	Local Government Opioid Abatement	Drainage Districts	Soil Conservation District East
Assets						
Cash, cash equivalents and pooled investments:						
County Treasurer	\$ 284,562	104,996	50,994	1,616,232	10,754	978,565
Component unit	-	-	-	-	-	-
Receivables:						
Succeeding year tax increment financing	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Opioid settlement	-	-	-	3,663,001	-	-
Drainage assessments	-	-	-	-	50	-
Due from other governments	29,255	-	-	-	-	29,255
Total assets	\$ 313,817	104,996	50,994	5,279,233	10,804	1,007,820
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	\$ 5,159	-	-	-	-	4,497
Advance from other funds	-	-	-	-	-	-
Total liabilities	5,159	-	-	-	-	4,497
Deferred inflows of resources:						
Unavailable revenues:						
Succeeding year tax increment financing	-	-	-	-	-	-
Other	-	-	-	3,397,199	50	-
Total deferred inflows of resources	-	-	-	3,397,199	50	-
Fund balances:						
Restricted for:						
Drainage warrants/drainage improvement certificates	-	-	-	-	10,754	-
Conservation purposes	308,658	-	-	-	-	-
Law enforcement purposes	-	-	-	-	-	-
Opioid abatement	-	-	-	1,882,034	-	-
Other purposes	-	104,996	50,994	-	-	1,003,323
Unassigned	-	-	-	-	-	-
Total fund balances	308,658	104,996	50,994	1,882,034	10,754	1,003,323
Total liabilities, deferred inflows of resources and fund balances	\$ 313,817	104,996	50,994	5,279,233	10,804	1,007,820

See accompanying independent auditor's report.

Revenue								
Soil Conservation District West	Conservation Foundation	Animal Shelter Donations	County Attorney Drug Forfeiture	Special Law Enforcement	Industrial Park Urban Renewal	Community Improvement To Increase Economic Stability	Veterans Affairs Donation	Total
768,954	-	24,831	99,547	33,894	47,754	126,182	14,364	4,161,629
-	1,942,273	-	-	-	-	-	-	1,942,273
-	-	-	-	-	134,000	-	-	134,000
-	-	125	-	-	-	-	-	125
-	-	-	-	-	-	-	-	3,663,001
-	-	-	-	-	-	-	-	50
29,255	-	-	-	-	-	-	-	87,765
798,209	1,942,273	24,956	99,547	33,894	181,754	126,182	14,364	9,988,843
-	-	-	1,629	-	-	-	640	11,925
-	-	-	-	-	477,731	-	-	477,731
-	-	-	1,629	-	477,731	-	640	489,656
-	-	-	-	-	134,000	-	-	134,000
-	-	-	-	-	-	-	-	3,397,249
-	-	-	-	-	134,000	-	-	3,531,249
-	-	-	-	-	-	-	-	10,754
-	1,942,273	-	-	-	-	-	-	2,250,931
-	-	-	-	33,894	-	-	-	33,894
-	-	-	-	-	-	-	-	1,882,034
798,209	-	24,956	97,918	-	-	126,182	13,724	2,220,302
-	-	-	-	-	(429,977)	-	-	(429,977)
798,209	1,942,273	24,956	97,918	33,894	(429,977)	126,182	13,724	5,967,938
798,209	1,942,273	24,956	99,547	33,894	181,754	126,182	14,364	9,988,843

Pottawattamie County

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

Year ended June 30, 2025

	Special					
	Conservation Local Option Tax	Resource Enhance- ment and Protection	County Recorder's Records Management	Local Government Opioid Abatement	Drainage Districts	Soil Conservation District East
Revenues:						
Tax Increment Financing	\$ -	-	-	-	-	-
Local option sales tax	266,204	-	-	-	-	266,204
Intergovernmental	-	36,461	-	-	-	-
Charges for service	-	-	13,523	-	-	-
Use of money and property	-	3,609	1,921	59,887	-	-
Miscellaneous	21,286	-	-	392,332	-	-
Total revenues	287,490	40,070	15,444	452,219	-	266,204
Expenditures:						
Operating:						
Public safety and legal services	-	-	-	-	-	-
Physical health and social services	-	-	-	63,402	-	-
County environment and education	213,530	20,509	-	-	-	162,323
Governmental services to residents	-	-	19,148	-	-	-
Total expenditures	213,530	20,509	19,148	63,402	-	162,323
Excess (deficiency) of revenues over (under) expenditures	73,960	19,561	(3,704)	388,817	-	103,881
Other financing sources (uses):						
Transfers out	-	-	-	-	-	-
Change in fund balances	73,960	19,561	(3,704)	388,817	-	103,881
Fund balances beginning of year	234,698	85,435	54,698	1,493,217	10,754	899,442
Fund balances end of year	\$ 308,658	104,996	50,994	1,882,034	10,754	1,003,323

See accompanying independent auditor's report.

Revenue									
Soil Conservation District West	Conservation Foundation	Animal Shelter Donations	County Attorney Drug Forfeiture	Special Law Enforcement	Industrial Park Urban Renewal	Community Improvement To Increase Economic Stability	Veterans Affairs Donation		Total
-	-	-	-	-	109,809	-	-	-	109,809
266,204	-	-	-	-	-	-	-	-	798,612
-	-	-	4,392	7,370	157	-	10,000	-	58,380
-	-	-	-	-	-	-	-	-	13,523
-	155,682	-	-	-	-	-	-	-	221,099
-	571,575	1,550	-	-	-	-	2,121	-	988,864
266,204	727,257	1,550	4,392	7,370	109,966	-	12,121	-	2,190,287
-	-	-	13,078	102,211	-	-	-	-	115,289
-	-	-	-	-	-	-	16,353	-	79,755
191,747	164,199	-	-	-	-	-	-	-	752,308
-	-	-	-	-	-	-	-	-	19,148
191,747	164,199	-	13,078	102,211	-	-	16,353	-	966,500
74,457	563,058	1,550	(8,686)	(94,841)	109,966	-	(4,232)	-	1,223,787
-	-	-	-	-	(39,471)	-	-	-	(39,471)
74,457	563,058	1,550	(8,686)	(94,841)	70,495	-	(4,232)	-	1,184,316
723,752	1,379,215	23,406	106,604	128,735	(500,472)	126,182	17,956	-	4,783,622
798,209	1,942,273	24,956	97,918	33,894	(429,977)	126,182	13,724	-	5,967,938

Pottawattamie County
Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2025

	County Offices	Agricultural Extension Education	County Assessor	Mental Health Region	Schools	Community Colleges
Assets						
Cash, cash equivalents and pooled investments:						
County Treasurer	\$ -	6,343	1,453,033	649,306	890,900	91,006
Other County officials	616,450	-	-	-	-	-
Receivables:						
Property tax:						
Delinquent	-	1,524	4,784	-	217,033	23,068
Succeeding year	-	690,000	1,868,000	-	88,981,000	9,436,000
Accounts	49	-	-	5,048	-	-
Special assessments	-	-	-	-	-	-
Drainage assessments	-	-	-	-	-	-
Due from other governments	-	-	-	8,662	-	-
Prepaid items	-	-	-	363,670	-	-
Total assets	616,499	697,867	3,325,817	1,026,686	90,088,933	9,550,074
Liabilities						
Accounts payable	-	-	12,565	394,030	-	-
Stamped warrants payable	-	-	-	-	-	-
Salaries and benefits payable	-	-	55,120	-	-	-
Due to other governments	501,524	6,343	1,097	54,665	890,900	91,006
Trusts payable	114,975	-	-	-	-	-
Compensated absences	-	-	479,181	-	-	-
Total liabilities	616,499	6,343	547,963	448,695	890,900	91,006
Deferred Inflows of Resources						
Unavailable revenues	-	690,000	1,868,000	-	88,981,000	9,436,000
Net Position						
Restricted for individuals, organizations and other governments	\$ -	1,524	909,854	577,991	217,033	23,068

See accompanying independent auditor's report.

Corporations	Townships	City Special Assessments	Special Assessments	SWI Juvenile Emergency Services Board	911 Surcharge	Auto License and Use Tax	Other	Total
799,368	8,886	44,289	2,924	835,733	1,021,145	2,837,243	1,462,517	10,102,693
-	-	-	-	-	-	-	-	616,450
199,505	2,488	-	-	-	-	-	28	448,430
76,327,000	1,374,000	-	-	-	-	-	-	178,676,000
-	-	-	-	-	11,469	-	-	16,566
-	-	878,903	110,283	-	-	-	-	989,186
-	-	174,299	721,627	-	-	-	1,050,828	1,946,754
-	-	-	-	359,395	153,955	-	1,591,416	2,113,428
-	-	-	-	75,412	-	-	-	439,082
77,325,873	1,385,374	1,097,491	834,834	1,270,540	1,186,569	2,837,243	4,104,789	195,348,589
-	-	-	-	9,000	6,325	-	16,841	438,761
-	-	-	-	-	-	-	3,171,178	3,171,178
-	-	-	-	65,062	-	-	18,081	138,263
799,368	8,886	44,555	301	21,327	-	2,837,243	491,652	5,748,867
-	-	-	-	-	-	-	-	114,975
-	-	-	-	53,896	-	-	66,991	600,068
799,368	8,886	44,555	301	149,285	6,325	2,837,243	3,764,743	10,212,112
76,327,000	1,374,000	-	-	-	-	-	-	178,676,000
199,505	2,488	1,052,936	834,533	1,121,255	1,180,244	-	340,046	6,460,477

Pottawattamie County
Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2025

	County Offices	Agricultural Extension Education	County Assessor	Mental Health Region	Schools	Community Colleges
Additions:						
Property and other county tax	\$ -	669,321	1,868,861	-	83,418,317	9,083,179
911 surcharge	-	-	-	-	-	-
State tax credits	-	39,072	108,686	-	3,600,000	568,108
Intergovernmental	-	-	-	7,916,242	-	-
Office fees and collections	2,956,178	-	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-	-
Assessments	-	-	-	-	-	-
Trusts	7,315,931	-	-	65,072	-	-
Miscellaneous	-	183	600	26,734	-	-
Total additions	10,272,109	708,576	1,978,147	8,008,048	87,018,317	9,651,287
Deductions:						
Agency remittances:						
To other funds	1,551,192	-	-	2,114,955	-	-
To other governments	1,404,986	708,539	1,757,642	5,746,512	87,007,586	9,648,623
Trusts paid out	7,315,931	-	-	-	-	-
Operating expenses	-	-	-	-	-	-
Total deductions	10,272,109	708,539	1,757,642	7,861,467	87,007,586	9,648,623
Changes in net position	-	37	220,505	146,581	10,731	2,664
Net position beginning of year	-	1,487	689,349	431,410	206,302	20,404
Net position end of year	\$ -	1,524	909,854	577,991	217,033	23,068

See accompanying independent auditor's report.

Corporations	Townships	City Special Assessments	Special Assessments	SWI Juvenile Emergency Services Board	911 Surcharge	License and Use Tax	Other	Total
73,964,089	1,347,891	-	-	-	-	-	10,983	170,362,641
-	-	-	-	-	111,359	-	-	111,359
4,420,561	55,435	-	-	-	-	-	691	8,792,553
-	-	-	-	2,577,584	-	-	5,260,283	15,754,109
-	-	-	-	-	-	-	13,458	2,969,636
-	-	-	-	-	-	35,463,077	-	35,463,077
-	-	670,081	844,657	-	-	-	1,191,002	2,705,740
-	-	-	-	-	-	-	3,144,966	10,525,969
-	-	-	-	44,195	663,795	-	15,352	750,859
78,384,650	1,403,326	670,081	844,657	2,621,779	775,154	35,463,077	9,636,735	247,435,943
-	-	-	-	369,439	-	1,215,470	-	5,251,056
78,373,149	1,403,416	801,567	738,490	249,634	721,892	34,247,607	9,373,031	232,182,674
-	-	-	-	-	-	-	239,394	7,555,325
-	-	-	-	2,024,172	-	-	-	2,024,172
78,373,149	1,403,416	801,567	738,490	2,643,245	721,892	35,463,077	9,612,425	247,013,227
11,501	(90)	(131,486)	106,167	(21,466)	53,262	-	24,310	422,716
188,004	2,578	1,184,422	728,366	1,142,721	1,126,982	-	315,736	6,037,761
199,505	2,488	1,052,936	834,533	1,121,255	1,180,244	-	340,046	6,460,477

Pottawattamie County

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

For the Last Ten Years

	2025	2024	2023	2022
Revenues:				
Property and other county tax	\$ 53,585,607	51,446,041	50,085,757	49,931,800
Tax increment financing	109,809	39,528	-	-
Local option sales tax	5,324,094	5,224,463	4,877,118	4,563,168
Penalty and interest on property tax	394,452	361,270	331,977	370,954
Intergovernmental	27,586,107	30,333,653	23,717,800	27,383,439
Licenses and permits	330,525	335,666	368,198	361,374
Charges for service	4,076,275	3,603,052	3,562,627	3,646,145
Use of money and property	4,066,963	4,390,026	1,264,487	221,820
Miscellaneous	3,191,254	2,885,753	3,413,985	3,174,129
Total	\$ 98,665,086	98,619,452	87,621,949	89,652,829
Expenditures:				
Operating:				
Public safety and legal services	\$ 35,690,934	34,859,018	33,265,273	30,544,647
Physical health and social services	5,759,405	5,429,718	5,034,093	4,715,364
Mental health	-	-	-	2,983,089
County environment and education	8,880,301	11,922,310	6,710,171	11,876,056
Roads and transportation	17,150,432	15,740,856	15,587,685	15,092,434
Governmental services to residents	2,346,004	2,432,389	2,252,263	2,401,794
Administration	14,519,842	15,608,106	14,510,144	16,098,642
Debt service	2,948,218	3,541,704	3,510,689	3,405,304
Capital projects	1,442,618	8,180,188	10,584,070	5,841,163
Total	\$ 88,737,754	97,714,289	91,454,388	92,958,493

See accompanying independent auditor's report.

2021	2020	2019	2018	2017	2016
47,940,390	46,785,270	45,581,389	44,958,746	44,891,722	45,486,380
-	-	-	-	-	-
4,672,432	4,281,173	3,864,062	3,341,048	3,494,236	3,196,050
647,035	257,363	370,328	355,815	339,351	347,738
22,144,689	17,795,586	17,195,198	15,611,477	17,530,095	16,583,665
378,194	364,289	981,308	208,602	246,073	222,617
3,627,681	3,210,669	3,070,466	3,140,296	3,009,434	2,901,437
394,846	791,053	775,086	458,157	129,399	140,007
1,815,164	1,952,439	1,687,670	2,037,362	2,236,008	2,008,879
81,620,431	75,437,842	73,525,507	70,111,503	71,876,318	70,886,773
29,599,216	28,630,031	27,538,819	26,663,989	24,694,953	24,491,150
6,091,234	4,168,025	3,556,376	3,491,566	4,296,741	4,847,817
2,387,114	1,967,655	2,026,370	2,499,749	2,547,003	3,469,916
5,868,548	5,490,306	5,165,521	5,499,199	4,516,085	4,804,455
15,269,158	15,234,656	15,226,457	13,886,826	12,061,549	12,107,500
2,370,740	2,347,702	2,193,031	2,113,367	2,165,946	2,008,389
13,672,306	8,240,170	7,429,696	7,745,381	7,139,445	6,886,005
2,900,022	4,014,081	3,023,707	2,971,908	3,334,750	4,339,507
7,740,323	4,147,726	4,692,556	3,732,016	3,430,468	7,406,853
85,898,661	74,240,352	70,852,533	68,604,001	64,186,940	70,361,592

Schedule 6

Pottawattamie County
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2025

Grantor/Program	Assistance Listing Number	Pass-through Entity Identifying Number	Program Expenditures
U.S. Department of Agriculture:			
Passed through Iowa Department of Health and Human Services:			
WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557	5883AO52	\$ 251,730
WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557	COACPVH25152	<u>575,778</u>
			<u>827,508</u>
Human Services Administrative Reimbursements:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	2128118	<u>88,812</u>
Total U.S. Department of Agriculture			<u>916,320</u>
U.S. Department of Transportation			
Passed through Iowa Department of Public Safety:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	402-PT-2025 05-40-87	978
State and Community Highway Safety	20.600	402-PT-2024 05-40-78	<u>3,333</u>
Total U.S. Department of Transportation			<u>4,311</u>
U.S. Department of Treasury:			
COVID-19, CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS			
	21.027		2,247,119
COVID-19, Local Assistance and Tribal Consistency Fund	21.032		<u>7,242</u>
Total U.S. Department of Treasury			<u>2,254,361</u>
U.S. Department of Health and Human Services:			
Passed through Mills County Board of Health:			
Public Health Emergency Preparedness	93.069	PUHE-EPR-25-007	<u>63,605</u>
Passed through Iowa Department of Health and Human Services:			
Affordable Care Act (ACA) Personal Responsibility Education Program			
	93.092	COAC PVH 25 719	29,278
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	5884CH15P	<u>1,248</u>
			<u>30,526</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs			
	93.116	5884BT178	<u>1,375</u>
Family Planning Services	93.217	PHTHMRH25417	4,055
Family Planning Services	93.217	COAC PVH 25 417	<u>83,099</u>
			<u>87,154</u>
Immunization Cooperative Agreements	93.268	5884BT178	70,367
Immunization Cooperative Agreements	93.268	PUHEIMT2578	<u>18,895</u>
			<u>89,262</u>
Viral Hepatitis Prevention and Control	93.270	PUHEHSH2515	1,730
Viral Hepatitis Prevention and Control	93.270	PUHEHSH24015	<u>6,250</u>
			<u>7,980</u>
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response			
	93.354	5884BT178	<u>419</u>
HIV Care Formula Grants	93.917	PUHEHSH2515	94,130
HIV Care Formula Grants	93.917	PUHEHSH24015	<u>52,706</u>
			<u>146,836</u>
HIV Prevention and Surveillance Activities-Health Department Based	93.940	PUHEHSH2515	6,353
HIV Prevention and Surveillance Activities-Health Department Based	93.940	PUHEHSH24015	<u>18,002</u>
			<u>24,355</u>

Pottawattamie County
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2025

Grantor/Program	Assistance Listing Number	Pass-through Entity Identifying Number	Program Expenditures
Human Services Administrative Reimbursements:			
Guardianship Assistance	93.090	2128118	<u>22</u>
Title IV-E Prevention Program	93.472	2128118	<u>1,786</u>
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	2128118	<u>1,247</u>
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2128118	<u>14,192</u>
Foster Care Title IV-E	93.658	2128118	<u>32,224</u>
Adoption Assistance	93.659	2128118	<u>3,026</u>
Social Services Block Grant	93.667	2128118	<u>22,225</u>
Children's Health Insurance Program	93.767	2128118	<u>14,562</u>
Medicaid Cluster:			
Grants to States for Medicaid	93.778	2128118	<u>114,171</u>
Total U.S. Department of Health and Human Services			<u>654,967</u>
U.S. Department of Homeland Security:			
Passed through Iowa Department of Homeland Security and Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA 4483 DR IA	<u>419,529</u>
Total U.S. Department of Homeland Security			<u>419,529</u>
Total			<u>\$ 4,249,488</u>

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

Summary of 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.

Indirect Cost Rate – Pottawattamie County has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

See accompanying independent auditor's report.



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Rob Sand
Auditor of State

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

To the Officials of Pottawattamie County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Pottawattamie County, Iowa, as of and for the year ended June 30, 2025, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 13, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pottawattamie 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 Pottawattamie County's internal control. Accordingly, we do not express an opinion on the effectiveness of Pottawattamie County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in Part II of 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 Part II of the accompanying Schedule of Findings and Questioned Costs as items 2025-001 through 2025-003 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items 2025-004 through 2025-008 to be significant deficiencies

Report on Compliance and Other Matters

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

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

Pottawattamie County's Responses to Findings

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

Purpose of this Report

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

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



Brian R. Brustkern, CPA
Deputy Auditor of State

February 13, 2026

Pottawattamie County



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Rob Sand
Auditor of State

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

To the Officials of Pottawattamie County:

Report on Compliance for Each Major Federal Program

Opinion on each Major Federal Program

We have audited Pottawattamie County, Iowa's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on Pottawattamie County's major federal program for the year ended June 30, 2025. Pottawattamie County's major federal program is identified in Part 1 of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Pottawattamie 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 Each Major Federal Program

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

We are required to be independent of Pottawattamie County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Pottawattamie 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 Pottawattamie 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 Pottawattamie 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 judgment made by a reasonable user of the report on compliance about Pottawattamie County's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional 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 Pottawattamie County's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.
- Obtain an understanding of Pottawattamie 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 Pottawattamie 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 we identified during the audit.

Report on Internal Control Over Compliance


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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2025-009, to be a significant deficiency.

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

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

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



Brian R. Brustkern, CPA
Deputy Auditor of State

February 13, 2026

Pottawattamie County
Schedule of Findings and Questioned Costs
Year ended June 30, 2025

Part I: Summary of the Independent Auditor's Results:

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with accounting principles generally accepted in the United States of America.
- (b) Significant deficiencies and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) A significant deficiency in internal control over the major program was disclosed by the audit of the financial statements, it is not considered to be a material weakness.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit did not disclose audit findings required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (g) The major program is Assistance Listing Number 21.027 – COVID-19, CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Pottawattamie County did not qualify as a low-risk auditee.

Pottawattamie County
Schedule of Findings and Questioned Costs
Year ended June 30, 2025

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2025-001 Segregation of Duties – County Recorder

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

Condition – Generally, one or two individuals in the County Recorder’s office may have control over the following areas for which no compensating controls exist:

- (1) Bank accounts were not reconciled by an individual who does not sign checks, handle or record cash. Bank reconciliations were not reviewed periodically by an independent person for propriety
- (2) Generally, one individual may have control over the responsibilities for approval, preparation, signing and posting of disbursements.

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

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

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

Response – The County will review procedures in order to segregate duties as much as possible with current staff.

Conclusion – Response accepted.

Pottawattamie County

Schedule of Findings and Questioned Costs

Year ended June 30, 2025

2025-002 Financial Reporting

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

Condition – Material amounts of receivables and payables were not properly recorded in the County's financial statements. Adjustments were subsequently made by the County to properly record these amounts in the financial statements.

Cause – County policies do not require, and procedures have not been established to require independent review of receivable and payable activity to ensure the County's financial statements are accurate and reliable.

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

Recommendation – The County should establish procedures to ensure all receivables and payables activity is identified and properly reported in the County's financial statements.

Response – The County will review policies and procedures to ensure all receivables and payables are properly reported in the County's accounting system and subsequent financial statements.

Conclusion – Response accepted.

2025-003 Capital Assets

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

GASB 34(18). States "Capital assets should be reported at historical cost. The cost of a capital asset should include capitalized interest and ancillary charges necessary to place the asset into its intended location and condition for use. Ancillary charges include costs that are directly attributable to asset acquisition – such as freight and transportation charges, site preparation costs, and professional fees." An effective internal control system provides for internal controls related to reconciling current capital disbursements to the capital asset listing to ensure all expenditures, including ancillary charges are properly capitalized.

Pottawattamie County

Schedule of Findings and Questioned Costs

Year ended June 30, 2025

Condition – The County does not reconcile capital expenditures in the accounting system to the capital asset listing and did not know to include ancillary costs as defined by GASB 34. In addition, the County allows individual departments to track each contract and subsequent change orders to payments, but capital projects were only tracked by the main construction contract and did not include a tracking for all project expenditures including professional services. As a result, capital projects were materially misstated and corrected for reporting purposes.

Cause – County has not developed policies and procedures to ensure all expenditures related to capital expenditures are properly included on the capital assets for financial reporting purposes.

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

Recommendation – The County should establish procedures to ensure all capital asset and construction in progress and payables activity is identified and properly reported in the County’s financial statements.

Response – There has been so many capital projects and construction in progress the last few years and we rely heavily on our Department Heads/Elected Officials to turn in the fixed asset forms to us. The acquisition and disposal asset have been placed on the intranet for added convenience. The Auditor’s Office will put better internal controls in place to prevent these deficiencies in the future. The Auditor’s office will review payables to ensure proper reporting.

Conclusion – Response acknowledged. The County should develop procedures to reconcile capital expenditures by type in the accounting system back the amounts being reported by Department Heads/Elected Officials. The reconciliation should be reviewed by an independent person, evidenced by signature and date of the review.

2025-004 Capital Assets – Deletion Forms

Criteria – An effective internal control system provides for internal controls related to the proper accounting of capital assets. Internal Controls over safeguarding assets constitutes a process, effected by an entity’s governing body, management and other personnel designed to provide reasonable assurance regarding safeguarding assets from error or misappropriation.

Condition – Capital assets listing is not tested periodically by an individual having no responsibility for the assets, to determine if the assets on the listing still exist. In addition, six assets were sold during the year, however a capital asset deletion form was not sent to the reconciler to remove the assets from the listing.

Cause – County has not established policies and procedures to ensure the capital asset listing is periodically tested by an individual having no responsibility for the assets. In addition, while the County has developed policies and procedures to ensure deletion forms are used, not all departments have implemented those procedures.

Pottawattamie County

Schedule of Findings and Questioned Costs

Year ended June 30, 2025

Effect – Lack of policies and procedures may adversely affect the County’s ability to prevent or detect and correct misstatements or errors on a timely basis by employees in the normal course of performing there assigned functions.

Recommendation – The County should establish procedures to ensure the capital asset listing is tested periodically by an individual having no responsibility for the assets and the County should establish procedures to ensure all departments are properly using asset deletion forms throughout the year prior to the disposal of the assets.

Response – The County will establish policies and procedures to ensure the capital assets listing is periodically tested and will establish procedures to ensure all departments are utilizing the capitalization deletion forms prior to the disposal of the asset.

Conclusion – Response accepted.

2025-005 County Sheriff Jail Account Bank Reconciliations

Criteria – An effective internal control system provides for internal controls related to ensuring proper accounting for all funds by maintaining appropriate accounting records and reconciling bank and book balances.

Condition – Bank to book reconciliations were not performed for the jail account for each month during the fiscal year ended June 30, 2025.

Cause – Procedures have not been designed and implemented to ensure the jail account is reconciled, reviewed and approved each month.

Effect – Lack of bank to book reconciliations can result in unrecorded transactions, undetected errors and the opportunity for misappropriation.

Recommendation – The County Sheriff should establish procedures to ensure monthly bank reconciliations are performed, reviewed and approved for the jail account, and the independent reviews are documented by the signature or initials of the reviewer and the date of the review.

Response – We will create a policy that requires bank reconciliations to be performed, reviewed and approved monthly for the jail account. Written email directive will be sent in the interim to staff responsible.

Conclusion – Response accepted.

Pottawattamie County

Schedule of Findings and Questioned Costs

Year ended June 30, 2025

2025-006 County Sheriff Pay for Stay Account Bank Reconciliations

Criteria – An effective internal control system provides for internal controls related to ensuring proper accounting for all funds by maintaining appropriate accounting records and reconciling bank and book balances.

Condition – Bank to book reconciliations were not performed timely, within 30 days of the end of the month for ten months during the fiscal year and there was no evidence of an independent review of the bank reconciliation for eleven months during the fiscal year ended June 30, 2025.

Cause – Procedures have not been designed and implemented to ensure the pay for stay bank account is reconciled timely, and an independent review is documented each month.

Effect – Lack of a timely bank to book reconciliations and evidence of an independent review can result in unrecorded transactions, undetected errors and the opportunity for misappropriation.

Recommendation – The County Sheriff should establish procedures to ensure monthly bank reconciliations are performed timely and reviewed. The independent reviews should be documented by the signature or initials of the reviewer and the date of the review.

Response – We will create a policy that requires bank reconciliations to be performed, reviewed and approved monthly for the pay for stay account. Written email directive will be sent in the interim to staff responsible.

Conclusion – Response accepted.

2025-007 Overtime Approval

Criteria – An effective internal control system requires employees to maintain timesheets for hours worked per pay period. These timesheets should be signed by the employee and reviewed by the supervisor for accuracy before the paycheck is issued to the employee. If an employee includes overtime the supervisor should verify the overtime agrees with the written request form.

Condition – The County has not established policies and procedures to ensure that overtime is properly approved prior to being taken.

Cause – Policies and procedures have not been designed and implemented to ensure overtime is properly approved prior to actual usage.

Effect – Lack of written approval of overtime, from the supervisor prior to usage, could result in unnecessary cost incurred by the County.

Recommendation – The County should establish policies and procedures to ensure overtime is properly approved prior to usage. The approval should be documented by the signature and date of the approver and reason for the overtime.

Pottawattamie County

Schedule of Findings and Questioned Costs

Year ended June 30, 2025

Response – The County will update current forms to include overtime approval prior to usage and include the reason for the overtime on the new form.

Conclusion – Response accepted.

2025-008 Unallocated Payroll

Criteria – An effective internal control system requires employees to maintain timesheets for hours worked to support the distribution of the employee’s salary or wages among specific activities or cost objectives, if the employee works on more than one allocated area. These timesheets should be signed by the employee and reviewed by the supervisor for accuracy before the paycheck is issued to the employee.

Condition – During fiscal year ended June 30, 2025, the Southwest Iowa MHDS Region was transitioned to the new behavioral health services system. As part of this transition, Southwest Iowa MHDS Region was converted to a disability access point (DAP) program with staff performing both Southwest Iowa Mental Health and DAP activities.

All payroll expenditures were recorded in the Southwest Iowa MHDS Region fund and no separate allocation to the DAP program costs were calculated.

Cause – Policies and procedures have not been established, and procedures have not been implemented to separately report payroll in the appropriate area.

Effect – This condition could result in misreporting of expenditures in the wrong program.

Recommendation – The SW Iowa Mental Health Region should work with the Iowa Department of Health and Human Services to determine the disposition.

Response – During the transition period beginning approximately April, 2025, from performing duties of an MHDS Region to that of a Disability Access Point (DAP), some Pottawattamie County Community Service Employees (working on behalf of the SWIA MHDS Region) were most heavily concentrating efforts on transitioning clients (individuals served) in preparation for the DAP Service Navigation and funding to assure no loss of services from June 30 (end of region functions for individuals) to July 1 (beginning of new DAP service line) for individuals. Due to the commonality of the services provided and difficulty in distinguishing what would be considered DAP and what would be considered Region work during that time, it was decided to utilize the transition date of July 1 for payroll purposes. All new employees to the DAP were not hired until after July 1. Transition work was required of the Regions.

Conclusion – Response acknowledged. For proper reporting of expenditures, a clear breakdown of time spent for each entity should have been prepared.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Pottawattamie County

Schedule of Findings and Questioned Costs

Year ended June 30, 2025

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

Assistance Listing Number 21.027: COVID-19, CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

Federal Award Year: 2021

Prior Year Finding Number: N/A

U.S. Department of Treasury

2025-009 Procurement

Criteria – The Uniform Guidance, Part 200.320(a)(2)(i), requires the auditee establish and maintain effective controls over the acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If small purchase procedures are used, price or quotation must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal Entity.

Condition – The County has established a federal procurement policy; however, for one purchase the County did not obtain quotes from an adequate number of qualified sources.

Cause – County policies were established to ensure purchases follow the federal procurement requirement; however, procedures have not been established to ensure quotes were obtained and maintained by individual County departments as required by Uniform Guidance.

Effect – Not following Uniform Guidance procurement policies could result in the purchase being made at a cost higher than what was necessary for the project requirements.

Recommendation – The County should establish procedures to ensure all County departments follow the federal procurement policy in accordance with Uniform Guidance, Part 200.320(a)(2)(i).

Response – The County established procedures in December 2025 to ensure all departments of the County are following the established County federal procurement policy.

Conclusion – Response accepted.

Pottawattamie County

Schedule of Findings and Questioned Costs

Year ended June 30, 2025

Part IV: Other Findings Related to Required Statutory Reporting:

2025-A Certified Budget – Disbursements for the year ended June 30, 2025, exceeded the amount budgeted in the debt service function. In addition, disbursements in one department exceeded the amount appropriated at year end.

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

Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors, by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the function budget is not increased. Such increases or decreases should be made before disbursements are allowed to exceed the appropriation.

Response – The County will implement policies and procedures to ensure amendments are made prior to disbursements exceeding the budget and appropriations.

Conclusion – Response accepted.

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

2025-D Business Transaction – The following business transaction between the County and County officials or employees were noted:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Brandon Ramsey, Deputy at Sheriff’s Office	Tree cutting	\$ 5,000

The above transaction does not appear to represent a conflict of interest in accordance with Chapter 331.342(2)(j) of the Code of Iowa since the total transactions with the employee were less than \$6,000 during the fiscal year.

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

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

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

Pottawattamie County

Schedule of Findings and Questioned Costs

Year ended June 30, 2025

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

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

2025-J Annual Urban Renewal Report – Total obligations on the Annual Urban Renewal Report (AURR) were overstated \$41,321.

In addition, the AURR was approved and published after the December 1, 2024 deadline.

Recommendation – The County should develop policies and procedures to ensure obligations are properly reported on a the AURR and the County should approve and publish the Annual Urban Renewal Report before the December 1st deadline.

Response – The County will develop policies and procedures to ensure the obligations on the AURR are accurate and that the AURR is properly approved and published prior to the December 1st deadline.

Conclusion – Response accepted.

2025-K Solid Waste Fees – No instances of noncompliance with the solid waste fees used or retained in accordance with provisions of Chapter 455B.310 of the Code of Iowa were noted.

2025-L Financial Assurance – The County has elected to demonstrate financial assurance for the landfill transfer station closure care by establishing a local government dedicated fund as provided in Chapter 567-113.14(6) of the Iowa Administrative Code. The amount the County has restricted for closure care at June 30, 2025, exceeds the total estimated costs at that date and, accordingly, the costs are fully funded.

2025-M Communications Supplemental Levy – Chapter 331.424 of the Code of Iowa authorizes a County to the extent that the basic levies under section 331.423 are insufficient to meet the county’s needs for the following services, the board may certify supplemental levies. The maintenance and operation of a local emergency management agency established pursuant to chapter 29C of the Code of Iowa. Under 29C.9(6) the County has elected to enter into an agreement under Chapter 28E that provides joint emergency response communication.

The expenditures for joint emergency response communication are run through the General Fund, Department, Communications – 911 and the amount of funds transferred from the Supplemental fund to the General Fund should be based on actual expenditures incurred by the Communications – 911 Department.

Pottawattamie County

Schedule of Findings and Questioned Costs

Year ended June 30, 2025

During fiscal year 2024, the County did not transfer payments based on actual expenditures. As a result, \$986,494 of General Supplemental Fund were co-mingled with General Basic Funds. County officials determined the transfers were based on budgeted amounts instead of actuals and the amount included in the budgeted amount relates to employee benefits, which were double counted and actually paid from the General Supplemental Fund. The County did not transfer the \$986,494 back to the General Supplemental Fund during fiscal year 2025.

Recommendation – The County should return the \$986,494 in the County General Fund back to the General Supplemental Fund.

Response – A transfer will be made to return the excess funds and policies and procedures were implemented for fiscal year 2025/2026 to ensure transfers from the General Supplemental Fund are for the net cost of operations related to the Communications – 911 Department in the General Fund.

Conclusion – Response accepted.

2025-N Electronic Check Retention – Chapter 554D.114 of the Code of Iowa allows the County to retain cancelled checks in an electronic format and requires retention in this manner to include an image of both the front and back of each cancelled check. The image of the back of each cancelled check was not obtained for two of the accounts maintained by the County Sheriff's Office.

Recommendation – The County Sheriff's Office should obtain and retain an image of both the front and back of each cancelled check as required.

Response – A process has been put in place in the Jail for any cancelled checks. A copy of the front and back of each cancelled check will be electronically stored.

Conclusion – Response accepted.

2025-O Separately Maintained Records – Auditor – The County Auditor maintains separate accounting records for a Countywide Flexible Spending Account, Payroll Withholdings Account (FICA and IPERS), Other Payroll Withholdings Account (child support, employee retirement deductions, etc.) and Payroll Withholdings Account (life insurance). Monthly financial reports are not provided to the County and the activity of these outside bank accounts, held by the County Auditor, are not included in the County's financial reporting system, accounting records or the County's financial reports.

Recommendation – Chapter 331.552 of the Code of Iowa states, in part, The County Treasurer shall "keep a true account of all receipts and disbursements of the county." For better accountability, financial and budgetary control, the financial activity and balances of all County accounts should be reported to the County Board of Supervisors on a monthly basis and included in the County's accounting records and financial reports.

Response – The County Auditor will turn over the bank accounts to the County Treasurer to ensure the accounts are properly included in the County's accounting records and financial reports.

Conclusion – Response accepted.

Pottawattamie County

Schedule of Findings and Questioned Costs

Year ended June 30, 2025

2025-P Separately Maintained Records – Planning and Development – The Planning and Development department maintains separate accounting records for a Fee Collections Account. Monthly financial reports are not provided to the County and the activity of this outside bank account, held by the Planning and Development department, is not included in the County's financial reporting system, accounting records or the County's financial reports.

Recommendation – Chapter 331.552 of the Code of Iowa states, in part, The County Treasurer shall "keep a true account of all receipts and disbursements of the county." For better accountability, financial and budgetary control, the financial activity and balances of all County accounts should be reported to the County Board of Supervisors on a monthly basis and included in the County's accounting records and financial reports.

Response – The Planning and Development department will turn over the bank account to the County Treasurer to ensure the accounts are properly included in the County's accounting records and financial reports.

Conclusion – Response accepted.

2025-Q Separately Maintained Records – County Conservation – County Conservation maintains separate accounting records for a fee collections account and a Mt. Crescent Ski Hill Operations account. Monthly financial reports are not provided to the County and the activity of these outside bank accounts, held by County Conservation, are not included in the County's financial reporting system, accounting records or the County's financial reports.

Recommendation – Chapter 331.552 of the Code of Iowa states, in part, The County Treasurer shall "keep a true account of all receipts and disbursements of the county." For better accountability, financial and budgetary control, the financial activity and balances of all County accounts should be reported to the County Board of Supervisors on a monthly basis and included in the County's accounting records and financial reports.

Response – County Conservation will turn over the bank accounts to the County Treasurer to ensure the accounts are properly included in the County's accounting records and financial reports.

Conclusion – Response accepted.

Pottawattamie County

Schedule of Findings and Questioned Costs

Year ended June 30, 2025

2025-R Tax Increment Financing (TIF) – Payments from the Special Revenue, Industrial Park Urban Renewal Fund properly included only payments for TIF loans and rebates. In addition, Chapter 403.19 of the Code of Iowa provides a municipality shall certify indebtedness to the County Auditor. Such certification makes it a duty of the County Auditor to provide for the division of property tax to repay the certified indebtedness. We noted the following regarding the County's TIF debt certification. On the County's TIF debt certification due December 1, 2023, the County certified \$900,000, based on a joint agreement between the City of Council Bluffs and Pottawattamie County that TIF indebtedness would not exceed \$900,000. Actual TIF indebtedness was \$782,229. The County over certified TIF indebtedness by \$117,771.

Recommendation – The County should consult TIF legal counsel to determine the disposition of the County's TIF certifications and should work with the County Auditor to ensure the proper amount of debt is certified. The County should ensure the TIF debt certification complies with Chapter 403 of the Code of Iowa and includes only allowable debt approved by the Board of Supervisors prior to certification.

Response – The County will work to determine the correct debt certification needed. We will decertify the excess amount of \$117,771. The County will consult TIF legal counsel to determine the disposition of the County's TIF certifications. In the future we will do our best to ensure that debt certification complies with Chapter 403 of the Code of Iowa and include only allowable debt approved by the Board of Supervisors.

Conclusion – Response accepted.

2025-S Public Improvement Projects – Chapter 26.12, When hearing necessary, of the Iowa Code states, "If the estimated total cost of a public improvement exceeds the competitive bid threshold in section 26.3, or as adjusted in section 314.1B, the governmental entity shall not enter into a contract for the public improvement until the governmental entity has held a public hearing and has approved the proposed plans, specifications, and form of contract, and estimated total cost of the public improvement. Notice of the hearing must be published as provided in section 362.3 and shall include a description of the public improvement and its location. At the hearing, any interested person may appear and file objections to the proposed plans, specifications, contract, or estimated cost of the public improvement. After hearing objections, the governmental entity shall by resolution enter its decision on the plans, specifications, contract, and estimated cost.

During the audit, we noted two projects for an annex parking lot and railroad highway trail project, that were performed without a public hearing as required by Chapter 26.12 of the Code of Iowa.

Recommendation – The County should establish policies and procedures to ensure all public improvement projects subject to Chapter 26.12 of the Code of Iowa, hold a public hearing, prior to the start of those projects.

Response – The County will establish policies and procedures to ensure all public improvement projects are in compliance with Chapter 26.12 of the Code of Iowa.

Conclusion – Response accepted.

Pottawattamie County

Schedule of Findings and Questioned Costs

Year ended June 30, 2025

2025-T Financial Condition – Although the Special Revenue, Industrial Park Urban Renewal Fund has a zero cash balance at June 30, 2024, the modified accrual basis unassigned fund balance deficit was \$429,977.

Recommendation – The County should investigate alternatives to eliminate this deficit balance.

Response – The Special Revenue, Industrial Park Urban Renewal Fund will start to generate revenue so the fund can be reimbursed and then will no longer have a deficit balance.

Conclusion – Response accepted.

2025-U Disposal of Real Property – During the year ended June 30, 2025, the County disposed real property by sale; however, did not set forth its proposal in a resolution or publish notice of the time and place of a public hearing on the proposal, as required by Chapter 331.361(2) of the Code of Iowa.

Recommendation – The County should consult legal counsel on the disposition of this matter. For any future disposals of real property, the County should follow Chapter 331.361(2) of the Code of Iowa.

Response – The County will consult legal counsel and for any future disposals of real property will follow Chapter 331.361(2) of the Code of Iowa.

Conclusion – Response accepted.

Pottawattamie County

Staff

This audit was performed by:

Brian R. Brustkern, CPA, Deputy
Ryan J. Pithan, CPA, Manager
Jamie T. Reuter, Senior Auditor II
Ariel N. Dennler, Senior Auditor
Tristan J. Swiggum, Senior Auditor
Zoey M. Brockway, Staff Auditor
Ronica H. Drury, Staff Auditor
Kerillos M. Hana, Staff Auditor
Jacob D. Blaskey, Assistant Auditor

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Notes (the “Securities”). The Securities will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

1. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

2. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

3. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

4. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the bond registrar and request that copies of notices be provided directly to them.

5. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

6. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

7. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

8. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the County or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

APPENDIX C
DRAFT FORM OF BOND COUNSEL OPINION

DRAFT

We hereby certify that we have examined a certified transcript of the proceedings of the Board of Supervisors and acts of administrative officers of Pottawattamie County, State of Iowa (the "Issuer"), relating to the issuance of General Obligation Capital Loan Notes, Series 2026, by said County, dated _____, 2026, in the denomination of \$5,000 or multiples thereof, in the aggregate amount of \$ _____ (the "Notes").

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion as bond counsel to the Issuer.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the resolution authorizing the Loan Agreement and issuance of the Notes (the "Resolution") and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination and in reliance upon the certified proceedings and other certifications described above, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a body corporate and politic and political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and Loan Agreement and issue the Notes.
2. The Loan Agreement and Notes are valid and binding general obligations of the Issuer.
3. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Notes. Taxes have been levied by the Resolution for the payment of the Notes and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes to the extent the necessary funds are not provided from other sources.
4. Interest on the Notes is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Notes to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

The Issuer has designated the Notes "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

The rights of the owners of the Notes and the enforceability of the Notes, Resolution and Loan Agreement are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX D
DRAFT CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Pottawattamie County, State of Iowa (the "Issuer"), in connection with the issuance of \$ _____ General Obligation Capital Loan Notes, Series 2026 (the "Notes") dated _____, 2026. The Notes are being issued pursuant to a Resolution of the Issuer approved on _____, 2026 (the "Resolution"). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate; Interpretation. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Notes and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5). This Disclosure Certificate shall be governed by, construed and interpreted in accordance with the Rule, and, to the extent not in conflict with the Rule, the laws of the State. Nothing herein shall be interpreted to require more than required by the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Financial Information" shall mean financial information or operating data of the type included in the final Official Statement, provided at least annually by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Notes (including persons holding Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Notes for federal income tax purposes.

"Business Day" shall mean a day other than a Saturday or a Sunday or a day on which banks in Iowa are authorized or required by law to close.

"Dissemination Agent" shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with S.E.C. Rule 15c2-12.

"Holders" shall mean the registered holders of the Notes, as recorded in the registration books of the Registrar.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"Municipal Securities Rulemaking Board" or "MSRB" shall mean the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

"National Repository" shall mean the MSRB's Electronic Municipal Market Access website, a/k/a "EMMA" (emma.msrb.org).

"Official Statement" shall mean the Issuer's Official Statement for the Notes, dated _____, 2026.

"Participating Underwriter" shall mean any of the original underwriters of the Notes required to comply with the Rule in connection with offering of the Notes.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission (S.E.C.) under the Securities Exchange Act of 1934, and any guidance and procedures thereunder published by the S.E.C., as the same may be amended from time to time.

"State" shall mean the State of Iowa.

Section 3. Provision of Annual Financial Information.

a) The Issuer shall, or shall cause the Dissemination Agent to, not later than two hundred seventy (270) days after the end of the Issuer's fiscal year (presently June 30th), commencing with information for the 2025/2026 fiscal year, provide to the National Repository an Annual Financial Information filing consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Financial Information filing must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Financial Information filing may be submitted as a single document or as separate documents comprising a package. The Annual Financial Information filing may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Financial Information filing and later than the date required above for the filing of the Annual Financial Information if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

b) If the Issuer is unable to provide to the National Repository the Annual Financial Information by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board, if any, in substantially the form attached as Exhibit A.

c) The Dissemination Agent shall:

i. each year file Annual Financial Information with the National Repository; and

ii. (if the Dissemination Agent is other than the Issuer), file a report with the Issuer certifying that the Annual Financial Information has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

Section 4. Content of Annual Financial Information. The Issuer's Annual Financial Information filing shall contain or incorporate by reference the following:

a) The last available audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer's audited financial statements for the preceding years are not available by the time Annual Financial Information is required to be filed pursuant to Section 3(a), the Annual Financial Information filing shall contain unaudited financial statements of the type included in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Financial Information when they become available.

b) A table, schedule or other information prepared as of the end of the preceding fiscal year, of the type contained in the final Official Statement under the captions "Debt Information - Debt Limitation", "Debt Information - Summary of Outstanding General Obligation Bonded Debt", "Debt Information - General Obligation Debt", "Debt Information - Statement of Bonded Indebtedness", "Property Assessment and Tax Information - Actual (100%) Valuations for the County", "Property Assessment and Tax Information - Taxable (Rollback) Valuations for the County", "Property Assessment and Tax Information - Tax Extensions and Collections", "Property Assessment and Tax Information - Principal Taxpayers", "Property Assessment and Tax Information - Property Tax Rates", "Financial Information – Statement of Net Position Governmental Activities", "Financial Information – Statement of Activities Governmental Activities" "Financial Information – Balance Sheet General Fund" and "Financial Information - Statement of Revenues, Expenditures and Changes in Fund Balance General Fund" and "Local Option Tax Receipts".

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been filed with the National Repository. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

a) Pursuant to the provisions of this Section, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Notes in a timely manner not later than 10 Business Days after the day of the occurrence of the event:

- i. Principal and interest payment delinquencies;
- ii. Non-payment related defaults, if material;

iii. Unscheduled draws on debt service reserves reflecting financial difficulties;

iv. Unscheduled draws on credit enhancements relating to the Notes reflecting financial difficulties;

v. Substitution of credit or liquidity providers, or their failure to perform;

vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Series Notes, or material events affecting the tax-exempt status of the Notes;

vii. Modifications to rights of Holders of the Notes, if material;

viii. Note calls (excluding sinking fund mandatory redemptions), if material, and tender offers;

ix. Defeasances of the Notes;

x. Release, substitution, or sale of property securing repayment of the Notes, if material;

xi. Rating changes on the Notes;

xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;

xiii. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

xv. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

xvi. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

b) Whenever the Issuer obtains the knowledge of the occurrence of a Listed Event, the Issuer shall determine if the occurrence is subject to notice only if material,

and if so shall as soon as possible determine if such event would be material under applicable federal securities laws.

c) If the Issuer determines that knowledge of the occurrence of a Listed Event is not subject to materiality, or determines such occurrence is subject to materiality and would be material under applicable federal securities laws, the Issuer shall promptly, but not later than 10 Business Days after the occurrence of the event, file a notice of such occurrence with the Municipal Securities Rulemaking Board through the filing with the National Repository.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate with respect to each Series of Notes shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes of that Series or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

a) If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Notes, or the type of business conducted;

b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

c) The amendment or waiver either (i) is approved by the Holders of the Notes in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Notes.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Financial Information filing, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its

impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Financial Information filing for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Financial Information filing or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Financial Information filing or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Information filing or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Notes may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Notes.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Notes, and shall create no rights in any other person or entity.

Section 13. Rescission Rights. The Issuer hereby reserves the right to rescind this Disclosure Certificate without the consent of the Holders in the event the Rule is repealed by the

S.E.C. or is ruled invalid by a federal court and the time to appeal from such decision has expired. In the event of a partial repeal or invalidation of the Rule, the Issuer hereby reserves the right to rescind those provisions of this Disclosure Certificate that were required by those parts of the Rule that are so repealed or invalidated.

Date: _____ day of _____, 2026.

POTTAWATTAMIE COUNTY, STATE OF
IOWA

By: _____
Chairperson

ATTEST:

By: _____
County Auditor

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: Pottawattamie County, Iowa.

Name of Note Issue: \$ _____ General Obligation Capital Loan Notes, Series 2026

Dated Date of Issue: _____, 2026

NOTICE IS HEREBY GIVEN that the Issuer has not provided Annual Financial Information with respect to the above-named Notes as required by Section 3 of the Continuing Disclosure Certificate delivered by the Issuer in connection with the Notes. The Issuer anticipates that the Annual Financial Information will be filed by _____.

Dated: _____ day of _____, 20__.

POTTAWATTAMIE COUNTY, STATE OF IOWA

By: _____
Its: _____

OFFICIAL BID FORM

Pottawattamie County
 227 South 6th Street
 Council Bluffs, Iowa 51501

April 14, 2026
Speer Financial, Inc.
 Facsimile: (319) 291-8628

Members of the Board of Supervisors:

For the \$6,000,000* General Obligation Capital Loan Notes, Series 2026 (the "Notes"), of Pottawattamie County, Iowa (the "County"), as described in the annexed Official Terms of Offering, which is expressly made a part of this bid, we will pay you \$_____ (no less than \$5,952,000). The Notes are to bear interest at the following respective rates (each a multiple of 1/8 or 1/100 of 1%) for the Notes of each designated maturity.

AMOUNTS* AND MATURITIES – JUNE 1

\$950,0002027 _____%	\$535,0002030 _____%	\$600,0002033 _____%
990,0002028 _____%	555,0002031 _____%	625,0002034 _____%
515,0002029 _____%	580,0002032 _____%	650,0002035 _____%

Any consecutive maturities may be aggregated into term notes at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

Maturities: _____ Term Maturity _____ Maturities: _____ Term Maturity _____
Maturities: _____ Term Maturity _____ Maturities: _____ Term Maturity _____

*Subject to principal adjustment in accordance with the Official Terms of Offering.

In submitting this bid, we represent that (i) this bid constitutes a firm offer to purchase the Notes, and (ii) we have an established industry reputation for underwriting new issuances of municipal bonds and notes.

The Notes are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Ahlers & Cooney, P.C., Des Moines, Iowa. The County will pay for the legal opinion. **The Purchaser agrees to** pay the fee charged by the CUSIP Service Bureau and will accept the Notes with the CUSIP numbers as entered on the Notes.

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time to the County's good faith bank and under the terms provided in the Official Terms of Offering for the Notes. Alternatively, we have wire transferred or enclosed herewith a check payable to the County in the amount of the Deposit under the terms provided in the Official Terms of Offering for the Notes.

Attached hereto is a list of members of our account on whose behalf this bid is made.

Form of Deposit (Check One)

Prior to Bid Opening:
 Certified/Cashier's Check
 Wire Transfer
 Within TWO Hours of Bid Opening:
 Wire Transfer

Amount: \$120,000

Account Manager Information

Underwriter/Bank _____
 Address _____
 Authorized Rep _____
 City _____ State/Zip _____
 Direct Phone (_____) _____
 FAX Number (_____) _____
 E-Mail Address _____

Bidders Option Insurance

We have purchased insurance from: <u>Name of Insurer</u> (Please fill in) _____ Premium: _____ Maturities: (Check One) <input type="checkbox"/> _____ Years <input type="checkbox"/> All
--

The foregoing bid was accepted and the Notes sold by resolution of the County on April 14, 2026, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Terms of Offering.

ATTEST:

POTTAWATTAMIE COUNTY, IOWA

 Board Secretary

 Chair, Board of Supervisors

-----NOT PART OF THE BID-----
 (Calculation of true interest cost)

Gross Interest	\$
Less Premium/Plus Discount	\$
True Interest Cost	\$
True Interest Rate	%
TOTAL BOND YEARS	_____
AVERAGE LIFE	_____ Years

OFFICIAL TERMS OF OFFERING

\$6,000,000* POTTAWATTAMIE COUNTY, IOWA

General Obligation Capital Loan Notes, Series 2026

Pottawattamie County, Iowa, (the “County”), will receive electronic bids on the SpeerAuction (“SpeerAuction”) website address “www.SpeerAuction.com” for its \$6,000,000* General Obligation Capital Loan Notes, Series 2026 (the “Notes”), on an all or none basis between 10:00 A.M. and 10:30 A.M., C.D.T, Tuesday, April 14, 2026. To bid electronically, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the County’s sale (as described below). The County will also receive sealed bids for the Notes, on an all or none basis, at the Auditor’s Office, 227 South 6th Street, Council Bluffs, Iowa, before 10:30 A.M., C.D.T, Tuesday, April 14, 2026. The County will also receive facsimile bids at (319) 291-8628 for the Notes, on an all or none basis, before 10:30 A.M., C.D.T, Tuesday, April 14, 2026. Upon receipt, facsimile bids will be sealed and treated as sealed bids, and along with all other sealed bids will be publicly opened and, together with any electronic bids, read.

Award will be made or all bids rejected at a meeting of the County on that date. The County reserves the right to reject all bids, to reject any bid proposal not conforming to this Official Terms of Offering, and to waive any irregularity or informality with respect to any bid. Additionally, the County reserves the right to modify or amend this Official Terms of Offering; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Notes and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Notes will constitute valid and legally binding obligations of the County payable both as to principal and interest from ad valorem taxes levied against all taxable, real property within the corporate limits of the County without limitation as to rate or amount, all except as limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to the enforcement of creditors’ rights generally and except that enforcement by equitable and similar remedies, such as mandamus, is subject to the exercise of judicial discretion.

**ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER DETERMINATION OF BEST BID. The aggregate principal amount of the Notes, and each scheduled maturity thereof, are subject to increase or reduction by the County or its designee after the determination of the Winning Bidder. The County may increase or decrease each maturity in increments of \$5,000, but the total amount to be issued will not exceed \$6,000,000. Interest rates specified by the Winning Bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the County.*

The dollar amount of the purchase price proposed by the Winning Bidder will be changed if the aggregate principal amount of the Notes is adjusted as described above. Any change in the principal amount of any maturity of the Notes will be made while maintaining, as closely as possible, the Winning Bidder’s net compensation, calculated as a percentage of Note principal. The Winning Bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive, and shall be binding upon the Winning Bidder.

Establishment of Issue Price

- (a) The winning bidder shall assist the County in establishing the issue price of the Notes and shall execute and deliver to the County at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit A** to this Official Terms of Offering, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the County and Ahlers & Cooney, P.C. (“Bond Counsel”). All actions to be taken by the County under this Official Terms of Offering to establish the issue price of the Notes may be taken on behalf of the County by the County’s municipal advisor and any notice or report to be provided to the County may be provided to Speer Financial, Inc., Chicago, Illinois (“Speer”).

- (b) The County intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the “competitive sale requirements”) because:
- (i) the County shall disseminate this Official Terms of Offering to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
 - (ii) all bidders shall have an equal opportunity to bid;
 - (iii) the County may receive bids from at least three Underwriters of municipal Notes who have established industry reputations for underwriting new issuances of municipal Notes; and
 - (iv) the County anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the lowest true interest cost, as set forth in this Official Terms of Offering.

Any bid submitted pursuant to this Official Terms of Offering shall be considered a firm offer for the purchase of the Notes, as specified in the bid.

- (c) In the event that the competitive sale requirements are not satisfied, the County shall so advise the winning bidder. **The County will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the Public as of the Sale Date of any maturity of the Notes as the issue price of that maturity, though the winning bidder may elect to apply the “hold the offering price rule” (as described below). Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Unless a bidder intends to apply the “hold-the-offering-price rule” as described below, bidders should prepare their bids on the assumption that all of the maturities of the Notes will be subject to the 10% test (as described below) in order to establish the issue price of the Notes.** If the competitive sale requirements are not satisfied, the 10% test shall apply to determine the issue price of each maturity of the Notes unless the winning bidder shall request that the “hold-the-offering-price rule” (as described below) shall apply. The winning bidder must notify Speer of its intention to apply the “hold-the-offering-price rule” at or prior to the time the Notes are awarded.

- (i) If the winning bidder does not request that the “hold-the-offering-price rule” apply to determine the issue price of the Notes, the following two paragraphs shall apply:

The County shall treat the first price at which 10% of a maturity of the Notes (the “10% test”) is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the County if any maturity of the Notes satisfies the 10% test as of the date and time of the award of the Notes.

Until the 10% test has been satisfied as to each maturity of the Notes, the winning bidder agrees to promptly report to the County the prices at which the unsold Notes of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to the Notes of that maturity or until all Notes of that maturity have been sold to the Public. In addition, if the 10% test has not been satisfied with respect to any maturity of the Notes prior to closing, then the purchaser shall provide the County with a representation as to the price of prices, as of the date of closing, at which the purchaser reasonably expects to sell the remaining Notes of such maturity.

- (ii) If the winning bidder does request that the “hold-the-offering-price rule” apply to determine the issue price of the Notes, the following three paragraphs shall apply:

The County may determine to treat (i) pursuant to the 10% test, the first price at which 10% of a maturity of the Notes is sold to the Public as the issue price of that maturity and/or (ii) the initial offering price to the Public as of the Sale Date of any maturity of the Notes as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the County if any maturity of the Notes satisfies the 10% test as of the date and time of the award of the Notes. The County shall promptly advise the winning bidder, at or before the time of award of the Notes, which maturities of the Notes shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule or both. Bids will *not* be subject to cancellation in the event that the County determines to apply the hold-the-offering-price rule to any maturity of the Notes.

By submitting a bid, the winning bidder shall (i) confirm that the Underwriters have offered or will offer the Notes to the Public on or before the date of award at the offering price or prices (the “*initial offering price*”), and (ii) agree, on behalf of the Underwriters participating in the purchase of the Notes, that the Underwriters will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Notes to the Public at a price that is no higher than the initial offering price to the Public.

The County acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Notes to the Public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Notes to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price applicable to the Notes.

- (d) By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (a) report the prices at which it sells to the Public the unsold Notes of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires which shall be at least until the 10% test has been satisfied as to the Notes of that maturity or until the close of the fifth business day following the date of the award, and (ii) any agreement among Underwriters relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Notes to the Public to require each broker-dealer that is a party to such retail distribution agreement to (a) report the prices at which it sells to the Public the unsold Notes of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% test has been satisfied as to the Notes of that maturity or until the close of the fifth business day following the date of the award.
- (e) Sales of any Notes to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Official Terms of Offering. Further, for purposes of this Official Terms of Offering:
- (i) “Public” means any person other than an Underwriter or a Related Party,
 - (ii) “Underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public including, specifically, the purchaser, and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public),
 - (iii) a purchaser of any of the Notes is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
 - (iv) “Sale Date” means the date that the Notes are awarded by the County to the winning bidder.

Note Details

The Notes will be in fully registered form in the denominations of \$5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, to which principal and interest payments on the Notes will be paid. Individual purchases will be in book-entry form only. Interest on each Note shall be paid by check or draft of the Registrar to the person in whose name such Note is registered at the close of business on the fifteenth day of the month next preceding an interest payment date on such note. The principal of the Notes shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Registrar in West Des Moines, Iowa. Semiannual interest is due June 1 and December 1 of each year, commencing December 1, 2026 and is payable by UMB Bank, n.a., West Des Moines, Iowa (the “Registrar”). The Notes are dated the date of delivery (expected to be on or about May 13, 2026).

AMOUNTS* AND MATURITIES – JUNE 1

\$950,000	2027	\$535,000	2030	\$600,000	2033
990,000	2028	555,000	2031	625,000	2034
515,000	2029	580,000	2032	650,000	2035

Any consecutive maturities may be aggregated into term Notes at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Notes due June 1, 2027 - 2033, inclusive, are non-callable. The Notes due June 1, 2034 - 2035, inclusive, are callable in whole or in part and on any date on or after June 1, 2033, at a price of par and accrued interest. If less than all the Notes are called, they shall be redeemed in any order of maturity as determined by the County and within any maturity by lot.

Method of Bidding Electronically

Notwithstanding the fact that the County permits receiving bids electronically using SpeerAuction, all bidders must have a signed, but uncompleted, Official Bid Form delivered to Speer Financial, Inc., Suite 608, 531 Commercial Street, Waterloo, Iowa, (319) 291-8628 facsimile, prior to the close of bidding to which a printout of the electronic bid will be attached and delivered to the County.

If bidding electronically, all-or-none bids must be submitted via the internet address www.SpeerAuction.com. The use of SpeerAuction shall be at the bidder’s risk and expense and the County shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bids.

To bid via the SpeerAuction webpage, bidders must first visit the SpeerAuction webpage where, if they have not previously registered with either SpeerAuction, Grant Street Group (the “Auction Administrator”) or any other website administered by the Auction Administrator, they may register and then request admission to bid on the Notes. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid electronically.

The “Rules” of the SpeerAuction bidding process may be viewed on the SpeerAuction webpage and are incorporated herein by reference. Bidders must comply with the Rules of SpeerAuction in addition to the requirements of the County’s Official Terms of Offering. In the event the Rules of SpeerAuction and this Official Terms of Offering conflict, this Official Terms of Offering shall be controlling.

All electronic bids must be submitted on the SpeerAuction webpage. Electronic bidders may change and submit bids as many times as they choose during the sale period but may not delete a submitted bid. The last bid submitted by an electronic bidder before the deadline for receipt of bids will be compared to all other final bids to determine the winning bidder. During the bidding, no bidder will see any other bidder’s bid nor the status of their bid relative to other bids (e.g., whether their bid is a leading bid). The electronic bidder bears all risk of transmission failure. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.

Each bidder shall be solely responsible for making necessary arrangements to access SpeerAuction for purposes of submitting its internet bid in a timely manner and in compliance with the requirements of the Terms of Offering. The County is permitting bidders to use the services of the SpeerAuction solely as a communication mechanism to conduct the internet bidding and the SpeerAuction is not an agent of the County. Provisions of the Terms of Offering and Official Bid Form shall control in the event of conflict with information provided by the Internet Bid System.

Electronic Facsimile Bidding: Bids may be submitted via facsimile at (319) 291-8628. Electronic facsimile bids will be sealed and treated as sealed bids. Neither the County nor its agents will assume liability for the inability of the bidder to reach the above named fax numbers prior to the time of sale specified above. Transmissions received after the deadline will be rejected. Bidders electing to submit bids via facsimile transmission bear full and complete responsibility for the transmission of such bid. Neither the County nor its agents will assume responsibility for the inability of the bidder to reach the above specified fax number prior to the time of sale. Time of receipt shall be the time recorded by the person receiving the facsimile and shall be conclusive.

Bidding Parameters and Award of the Notes

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid shall be in non-descending order. The differential between the highest rate bid and the lowest rate bid shall not exceed six percent (6%). All bids must be for all of the Notes and must be for not less than \$5,952,000.

Award of the Notes: The Notes will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Notes from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Notes shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage or if all such bids are not submitted electronically, the winning bid shall be determined by lot.

The Notes will be awarded to the bidder complying with the terms of this Official Terms of Offering whose bid produces the lowest true interest cost rate to the County as determined by the County's Registered Municipal Advisor, which determination shall be conclusive and binding on all bidders; provided, that the County reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Electronic bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Notes are changed, maintaining, as close as possible, the same dollar amount of profit per \$1,000 note as bid.

The true interest cost of each electronic bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the County's Municipal Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The County or its Municipal Advisor will notify the bidder to whom the Notes will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-36. The winning bidder will be required to pay the standard MSRB charge for Notes purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per Note.

Good Faith Deposit and Other Matters

The winning bidder is required to a wire transfer from a solvent bank or trust company to the County's good faith bank the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after receiving the wire instructions from the County's municipal advisor, evidence of the good faith of the bidder. Alternatively, a bidder may submit its Deposit upon or prior to the submission of its bid in the form of a certified or cashier's check on, or a wire transfer from, a solvent bank or trust company for **TWO PERCENT OF PAR** payable to the Treasurer of the County. The County reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received within such two hour time period provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the County may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award.

Contemporaneously with such wire transfer, the prospective purchaser shall send an email to biddingscrow@aboc.com with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such prospective purchaser is not awarded the Notes. The County and any prospective purchaser who chooses to wire the Deposit hereby agree irrevocably that Speer Financial, Inc. ("Speer") shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to the unsuccessful prospective purchaser; (ii) if the bid is accepted, the Deposit shall be forwarded to the County, (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the prospective purchaser; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) income earned on the Deposit, if any, shall be retained by Speer.

The County covenants and agrees to enter into a written agreement, certificate or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the County for the benefit of the beneficial owners of the Notes on or before the date of delivery of the Notes as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The Underwriter's obligation to purchase the Notes shall be conditioned upon the County delivering the Undertaking on or before the date of delivery of the Notes.

The Notes will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about May 13, 2026. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the County except failure of performance by the purchaser, the County may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Notes will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Notes, and any other information required by law or deemed appropriate by the County, shall constitute a "Final Official Statement" of the County with respect to the Notes, as that term is defined in the Rule. By awarding the Notes to any underwriter or underwriting syndicate, the County agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Notes are awarded, up to 50 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The County shall treat the senior managing underwriter of the syndicate to which the Notes are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Notes agrees thereby that if its bid is accepted by the County it shall enter into a contractual relationship with all Participating Underwriters of the Notes for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful purchaser agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Notes. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The County will, at its expense, deliver the Notes to the purchaser in New York, New York (or arrange for “FAST” delivery) through the facilities of DTC and will pay for the bond attorney’s opinion. At the time of closing, the County will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Notes: (1) the legal opinion of Ahlers & Cooney, P.C., Des Moines, Iowa, that the Notes are lawful and enforceable obligations of the County in accordance with their terms; (2) the opinion of said attorneys that the interest on the Notes is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Notes; and (3) a no litigation certificate by the County.

The County intends to designate the Notes as “qualified tax-exempt obligations” pursuant to the small issuer exception provided by Section 265(b) (3) of the Internal Revenue Code of 1986, as amended.

Purchaser consents to the receipt of electronic transcripts and acknowledges the County’s intended use of electronically executed documents. Iowa Code Chapter 554D establishes electronic signatures have the full weight and legal authority as manual signatures.

The County has authorized the printing and distribution of an Official Statement containing pertinent information relative to the County and the Notes. Copies of such Official Statement or additional information may be obtained from Mary Ann Hanusa, County Auditor, Pottawattamie County, 227 South 6th Street, Council Bluffs, Iowa 51501 or an electronic copy of this Official Statement is available from the www.speerfinancial.com website under “Official Statement Sales/Competitive Calendar” or from the Registered Municipal Advisor to the County, Speer Financial, Inc., 531 Commercial Street, Suite 608, Waterloo, Iowa 50701 (telephone (319) 291-2077), and 230 West Monroe Street, Suite 2630, Chicago, Illinois 60606 (telephone (312) 346-3700).

/s/ **MARY ANN HANUSA**
County Auditor
Pottawattamie County, Iowa

EXHIBIT A

EXAMPLE ISSUE PRICE CERTIFICATE

EXHIBIT A

§ _____ GENERAL OBLIGATION CAPITAL LOAN NOTES, SERIES 2026
POTTAWATTAMIE COUNTY, IOWA

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] ("Purchaser") hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the Bonds").

1. ***Sale of the Bonds.*** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.
2. ***Defined Terms.***
 - a) *Issuer* means Pottawattamie County, Iowa.
 - b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
 - c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
 - d) *Underwriter* means (i) the Purchaser or any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and its agents with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ahlers & Cooney, P.C., Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

Name: _____

Dated: May 13, 2026

SCHEDULE A

SALE PRICES

(Attached)

EXHIBIT A

§ _____ GENERAL OBLIGATION CAPITAL LOAN NOTES, SERIES 2026
POTTAWATTAMIE COUNTY, IOWA

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] ("Purchaser") hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

a) Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

b) As set forth in the Notice of Sale and bid award, Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

a) ***General Rule Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

b) ***Hold-the-Offering-Price Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

c) ***Holding Period*** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (April 21, 2026), or (ii) the date on which Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

d) *Issuer* means Pottawattamie County, Iowa.

e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is April 14, 2026.

h) *Underwriter* means (i) the Purchaser or any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

i) The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and its agents with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ahlers & Cooney, P.C., Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

Name: _____

Dated: May 13, 2026

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

(Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

EXHIBIT A

§ _____ GENERAL OBLIGATION CAPITAL LOAN NOTES, SERIES 2026
POTTAWATTAMIE COUNTY, IOWA

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] ("Purchaser"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. Reasonably Expected Initial Offering Price.

a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by Purchaser are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by Purchaser to purchase the Bonds.

b) Purchaser was not given the opportunity to review other bids prior to submitting its bid.¹

c) The bid submitted by Purchaser constituted a firm offer to purchase the Bonds.

2. *Defined Terms.*

a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is April 14, 2026.

d) *Underwriter* means (i) the Purchaser or any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a

¹ Treas. Reg. §1.148-1(f)(3)(i)(B) requires that all bidders have an equal opportunity to bid to purchase bonds. If the bidding process affords an equal opportunity for bidders to review other bids prior to submitting their bids, then this representation should be modified to describe the bidding process.

selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and its agents with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ahlers & Cooney, P.C., Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

Name: _____

Dated: May 13, 2026

SCHEDULE A
EXPECTED OFFERING PRICES

(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID

(Attached)

4933-1746-1401-1\16721-053