



Polk County, Iowa
\$6,890,000* General Obligation Bonds, Series 2025C
\$14,310,000* Taxable General Obligation Bonds, Series 2025D

(Not Bank Qualified)
(Book Entry Only)
(PARITY© Bidding Available)

DATE: Monday, October 20, 2025
TIME: 1:00 PM
Telephone: (515)286-3016

Award of the Bonds will occur on Tuesday, October 21 at 9:30 A.M.

Standard & Poor's: "AAA"
Moody's Rating: "Aaa"

* Preliminary, subject to change

PIPER | SANDLER

3900 Ingersoll Ave., Suite 110
Des Moines, IA 50312
515/247-2340

OFFICIAL BID FORM

TO: Board of Supervisors of Polk County, Iowa (the "Issuer")

Re: \$6,890,000* General Obligation Bonds, Series 2025C, dated the date of delivery, of the Issuer (the "Series 2025C Bonds")

For all or none of the above Series 2025C Bonds, in accordance with the notice of sale, we will pay you \$ _____ for Series 2025C Bonds bearing interest rates and maturing on June 1 in each of the stated years as follows:

<u>Coupon</u>	<u>Yield</u>	<u>Due</u>
_____	_____	6/1/2026

Subject to mandatory redemption requirement in the amounts and at the times shown above

_____ We represent that we are a bidder with established industry reputation for underwriting new issuances of municipal bonds.

This bid is for prompt acceptance and for delivery of said Series 2025C Bonds to use in compliance with the Official Terms of Offering, which is made a part of this proposal, by reference. Award will be made on a True Interest Cost Basis (TIC).

According to our computations (the correct computation being controlling in the award), we compute the following (to the dated date):

NET INTEREST COST:\$ _____	TRUE INTEREST RATE _____ % (Computed from the dated date)
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Account Manager

Signature of Account Manager

The foregoing offer is hereby accepted by and on behalf of the Board of Supervisors of Polk County, State of Iowa, this 21st day of October, 2025.

ATTEST: _____
Auditor

Chair

* _____
Preliminary, subject to change

OFFICIAL BID FORM

TO: Board of Supervisors of Polk County, Iowa (the "Issuer")

Re: \$14,310,000* Taxable General Obligation Bonds, Series 2025D, dated the date of delivery, of the Issuer (the "Series 2025D Bonds")

For all or none of the above Series 2025D Bonds, in accordance with the notice of sale, we will pay you \$ _____ for Series 2025D Bonds bearing interest rates and maturing on June 1 in each of the stated years as follows:

<u>Coupon</u>	<u>Yield</u>	<u>Due</u>
_____	_____	6/1/2026
_____	_____	6/1/2027
_____	_____	6/1/2030
_____	_____	6/1/2031

_____ We hereby elect to have the following issued as term bonds:

<u>Principal Amount</u>	<u>Month and Year (Inclusive)</u>	<u>Maturity Month and Year</u>
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____

Subject to mandatory redemption requirement in the amounts and at the times shown above

_____ We will not elect to have any bonds issued as term bonds

_____ We represent that we are a bidder with established industry reputation for underwriting new issuances of municipal bonds.

This bid is for prompt acceptance and for delivery of said Series 2025D Bonds to use in compliance with the Official Terms of Offering, which is made a part of this proposal, by reference. Award will be made on a True Interest Cost Basis (TIC).

According to our computations (the correct computation being controlling in the award), we compute the following (to the dated date):

NET INTEREST COST:\$ _____ TRUE INTEREST RATE _____ %
(Computed from the dated date)

Account Manager

Signature of Account Manager

The foregoing offer is hereby accepted by and on behalf of the Board of Supervisors of Polk County, State of Iowa, this 21st day of October, 2025.

ATTEST: _____
Auditor

Chair

* _____
Preliminary, subject to change

OFFICIAL TERMS OF OFFERING

This section sets forth the description of certain terms of the Bonds as well as the terms of offering with which all bidders and bid proposals are required to comply, as follows:

The Bonds. The Bonds to be offered are the following:

GENERAL OBLIGATION BONDS, Series 2025C in the principal amount of \$6,890,000* dated the date of delivery in the denomination of \$5,000 or multiples thereof and maturing as shown on the front page of the official statement (the “Series 2025C Bonds”).

And

TAXABLE GENERAL OBLIGATION BONDS, Series 2025D in the principal amount of \$14,310,000* dated the date of delivery in the denomination of \$5,000 or multiples thereof and maturing as shown on the front page of the official statement (the “Series 2025D Bonds”).

(collectively, the Series 2025C Bonds and the Series 2025D Bonds are referred to herein as the “Bonds”)

* Adjustment to Principal Amount After Determination of Best Bid Each scheduled maturity of each series of the Bonds is subject to increase or decrease, individually. Any adjustments to either series of Bonds, respectively shall be made promptly after the sale and prior to the award of bids by the Issuer and shall be in the sole discretion of the Issuer. The Issuer shall only make such adjustments in order to size each series of the Bonds to provide enough funds to stay within the required levy limit. To cooperate with any adjustment in the principal amounts, the Successful Bidder of each series is required, as a part of its bid, to indicate its Initial Reoffering yield and Initial Reoffering price on each maturity of the Bonds (said price shall be calculated to the date as indicated by the Issuer).

The dollar amount bid by the Successful Bidder of each series may be changed if the aggregate principal amount of the Bonds, as adjusted as described below, is adjusted, however the interest rates specified by the Successful Bidder for all maturities of each series will not change. The Issuer’s Municipal Advisor will make every effort to ensure that the percentage net compensation to the Successful Bidder (the percentage resulting from dividing (i) the aggregate difference between the offering price of the Bonds to the public and the price to be paid to the Issuer (not including accrued interest), less any bond insurance premium and credit rating fee, if any, to be paid by the Successful Bidder, by (ii) the principal amount of the Bonds) does not increase or decrease from what it would have been if no adjustment was made to principal amounts shown in the maturity schedule.

The Successful Bidder of each series may not withdraw or modify its bid once submitted to the Issuer for any reason, including post bond adjustment. Any adjustment shall be conclusive, and shall be binding upon the Successful Bidder.

Optional Redemption: The Series 2025C Bonds are non-callable. The Series 2025D Bonds maturing in the years 2032-2033, may be called for redemption by the Issuer and paid before maturity beginning June 1, 2031 or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Interest: Interest on said Bonds will be payable on June 1, 2026 and semiannually on the 1st day of June and December thereafter. Interest shall be payable to the registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

Book Entry System: The Bonds will be issued by means of a book entry system with no physical distribution of certificates made to the public. The Bonds will be issued in fully registered form and one certificate, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Issuer to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Successful Bidder of each series of Bonds, as a condition of delivery of the Bonds, will be required to deposit the certificates with DTC.

Good Faith Deposit: A Good Faith Deposit (“Deposit”) in the form of a certified or cashier’s check or a wire in the amount of \$68,900 for the Series 2025C Bonds, payable to the order of the Issuer, is required for each bid to be considered. A Good Faith Deposit (“Deposit”) in the form of a certified or cashier’s check or a wire in the amount of \$143,100 for the Series 2025D Bonds, payable to the order of the Issuer, is required for each bid to be considered. If a wire is to be used, it must be received by the Issuer not later than two hours after the time stated for receipt of bids. The Municipal Advisor or the Issuer will provide the apparent winning bidder (for each issue, the “Purchaser”)

with wiring instructions, by facsimile and email, within 10 minutes of the stated time when bids are due. If the wire is not received at the time indicated above, the Issuer will abandon its plan to award to the Purchaser, and will contact the next highest bidder received and offer said bidder the opportunity to become the Purchaser, on the terms as outlined in said bidder's bid, so long as said bidder submits a good faith wire within two hours of the time offered. The Issuer will not award the Bonds to the Purchaser or each Series absent receipt of the Deposit prior to action awarding the Bonds. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its bid, the Deposit will be retained by the Issuer.

Form of Bids: All bids shall be by Series, and each bid shall be unconditional for the entire issue of each series of the Bonds for a price of not less than, 99.5% of par nor more than 100.5% of par, with respect to Series 2025C Bonds, and, not less than 100% of par nor more than 102% of par, with respect to Series 2025D Bonds, both plus accrued interest, if any, and shall specify the rate or rates of interest in conformity to the limitations set forth herein. Bids must be submitted on or in substantial compliance with the Official Bid Form provided by the Issuer or through the Internet Bid System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the electronic bid, facsimile facilities or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

No bid will be received after the time specified herein. The time as maintained by the Internet Bid System shall constitute the official time with respect to all Bids submitted. A bid may be withdrawn before the bid deadline using the same method used to submit the bid. If more than one bid is received from a bidder, the last bid received shall be considered.

Confidential information sent via secured portal: All confidential information exchanged between the Issuer and the Purchaser (including but not limited to closing details and good faith wire details) must be sent via a secure portal. As a condition to closing, the winning bidder for each issue will cooperate with the Issuer, its legal counsel and its Municipal Advisor to ensure that all confidential information is sent via a secure portal.

Internet Bidding: Internet bids must be submitted through Parity® ("the Internet Bid System"). Information about the Internet Bid System may be obtained by calling 212-849-5000.

Each bidder shall be solely responsible for making necessary arrangements to access the Internet Bid System for purpose of submitting its internet bid in a timely manner and in compliance with the requirements of the Official Terms of Offering. The Issuer is permitting bidders to use the services of the Internet Bid System solely as a communication mechanism to conduct the internet bidding and the Internet Bid System is not an agent of the Issuer. Provisions of the Official Terms of Offering shall control in the events of conflict with information provided by the Internet Bid System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the Internet Bid System. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

Electronic Facsimile Bidding: No facsimile bids will be accepted.

Rates of Interest: The rates of interest specified in the bidder's proposal must conform to the limitations following:

All Bonds of each annual maturity must bear the same interest rate.

Rates of interest bid may be in multiples of 1/8th, 1/20th or 1/100th of 1%.

Rates must be in level or ascending order.

Establishment of Issue Price: In order to provide the Issuer with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986 (the "Code"), as amended, and the Treasury Regulations promulgated thereunder, the Purchaser for the Series 2025C Bonds will be required to assist the Issuer in establishing the issue price of the Series 2025C Bonds and shall complete, execute, and deliver to the Issuer prior to the closing date, a written certification in a form acceptable to the Issuer and Bond Counsel (the "Issue Price Certificate") in substantially the form attached hereto as Appendix E containing the following for each maturity of the Series 2025C Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) pricing wires or equivalent communications supporting such offering or sale price. Any documentation to be received by the Issuer pursuant hereto may be received on behalf of the Issuer by the Municipal Advisor.

The Issuer intends that the sale of the Series 2025C Bonds pursuant to this Official Terms of Offering shall constitute a "competitive sale" as defined in the Regulation based on the following:

- (i) the Municipal Advisor shall cause this Official Terms of Offering to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (ii) all bidders shall have an equal opportunity to submit a bid;
- (iii) the Issuer reasonably expects that it will receive bids from at least three bidders that have established industry reputations for

underwriting municipal bonds such as the Series 2025C Bonds; and

(iv) the Issuer anticipates awarding the sale of the Series 2025C Bonds to the bidder who provides a bid with the lowest true interest cost (TIC), 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 Series 2025C Bonds, as specified in the bid. The 2025C Purchaser shall constitute an “underwriter” as said term is defined in the Regulation. By submitting its bid, the bidder confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Series 2025C Bonds, to include provisions requiring compliance with the provisions of the Regulation regarding the initial sale of the Series 2025C Bonds.

If all of the requirements of a “competitive sale” are not satisfied, the Issuer shall advise the 2025C Purchaser of such fact prior to the time of award of the sale of the Series 2025C Bonds to the 2025C Purchaser. In such event, any bid submitted will not be subject to cancellation or withdrawal. Within twenty-four (24) hours of the notice of award of the sale of the Series 2025C Bonds, the Series 2025C Purchaser shall advise the Issuer and its Municipal Advisor if a “substantial amount” (as defined in the Regulation) of any maturity of the Series 2025C Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which such substantial amount was sold. The Issuer will treat such sale price as the “issue price” for such maturity, applied on a maturity-by-maturity basis. The Issuer will not require the Series 2025C Purchaser to comply with that portion of the Regulation commonly described as the “hold-the-offering-price” requirement for the remaining maturities, but the Series 2025C Purchaser may elect such option. If the Series 2025C Purchaser exercises such option, the Series 2025C Purchaser shall notify the Municipal Advisor, and the Issuer will apply the initial offering price to the public provided in the Series 2025C Purchaser’s bid as the issue price for such maturities. If the Series 2025C Purchaser does not exercise that option, it shall thereafter promptly provide the Issuer and the Municipal Advisor the prices at which a substantial amount of such maturities are sold to the public; provided such determination shall be made and the Issuer and Municipal Advisor notified of such prices whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Series 2025C Bonds or until all of the Series 2025C Bonds of a maturity have been sold.

Delivery: The Bonds will be delivered to the Purchaser of each issue via DTC, against full payment in immediately available cash or federal funds. The Bonds are expected to be delivered within sixty days after the sale. Should delivery be delayed beyond sixty days from date of sale for any reason except failure of performance by the Purchaser, the Purchaser may withdraw its bid and thereafter their interest in and liability for the Bonds will cease. (When the Bonds are ready for delivery, the Issuer may give the successful bidder five working days’ notice of the delivery date and the Issuer will expect payment in full on that date, otherwise reserving the right at its option to determine that the bidder has failed to comply with the offer of purchase.)

Official Statement: The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the Issuer, shall constitute a “Final Official Statement” of the Issuer with respect to the Bonds, as that term is defined in Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”). By awarding the Bonds to any underwriter or underwriting syndicate submitting an Official Bid Form therefore, the Issuer 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 Bonds are awarded, one “.pdf” copy of the Official Statement and the addendum described in the preceding sentence to permit each “Participating Underwriter” (as that term is defined in the Rule) to comply with the provisions of such Rule. The Issuer shall treat the senior managing underwriter of the syndicate to which the Bonds 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 Bonds agrees thereby that if its bid is accepted by the Issuer, (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

CUSIP Numbers: It is anticipated that CUSIP numbers will be printed on the Bonds. In no event will the Issuer be responsible for or Bond Counsel review or express any opinion of the correctness of such numbers, and incorrect numbers on said Bonds shall not be cause for the purchaser to refuse to accept delivery of the Bonds. The fee will be paid for by the Issuer.

Responsibility of Bidder: It is the responsibility of the bidder to deliver its signed, completed bid prior to the time of sale as posted on the front cover of the official statement. Neither the Issuer nor its Municipal Advisor will assume responsibility for the collection of or receipt of bids. Bids received after the appointed time of sale will not be opened.

Continuing Disclosure: In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of the Rule, the Issuer will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the Resolutions, to provide annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the “Disclosure Covenants”). The information to be provided on an annual basis, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix C to this Official Statement.

Breach of the Disclosure Covenants will not constitute a default or an “Event of Default” under the Bonds or Resolutions. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the

secondary market. Thus, a failure on the part of the Issuer to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

Bond Insurance: Application has not been made for municipal bond insurance. Should the Bonds qualify for the issuance of any policy of municipal bond insurance or commitment therefore at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser. Any increased costs of issuance on the Bonds resulting from such purchase of insurance shall be paid by the Purchaser, except that, if the Issuer has requested and received a rating on the Bonds from a municipal bond rating service, the Issuer will pay that rating fee. Any other rating service fees shall be the responsibility of the Purchaser.

Requested modifications to the Resolutions or other issuance documents shall be accommodated by the Issuer in its sole discretion. In no event will modifications be made regarding the investment of funds created under the Resolutions or other issuance documents without prior Issuer consent, in its sole discretion. Either the purchaser or the insurer must agree, in the insurance commitment letter or separate agreement acceptable to the Issuer in its sole discretion, to pay any future continuing disclosure costs of the Issuer associated with any rating changes assigned to the municipal bond insurer after closing (for example, if there is a rating change on the municipal bond insurer that requires a material event notice filing by the Issuer, the purchaser or the municipal bond insurer must agree to pay the reasonable costs associated with such filing). Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds.

Electronic Transcripts: The Purchaser for each Series consents to the receipt of electronic transcripts and acknowledges the Issuer's intended use of electronically executed documents. Iowa Code chapter 554D establishes electronic signatures have the full weight and legal authority as manual signatures.

NEW ISSUE - DTC BOOK ENTRY ONLY

Moody's Rating: "Aaa"

S&P's Rating: "AAA"

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 Series 2025C Bonds is excludable from gross income for federal income tax purposes. Interest on the Series 2025C Bonds is not an item of tax preference for purposes of the federal alternative minimum tax on individuals; however, such interest may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The Series 2025C Bonds will NOT be designated as "qualified tax-exempt obligations". In the opinion of Bond Counsel, interest on the Series 2025D Bonds paid to the owners thereof is includible in gross income for purposes of present federal income taxation. Interest on the Bonds is NOT exempt from present Iowa income taxes. See "TAX MATTERS" section herein for a more detailed discussion.



Polk County, Iowa

\$6,890,000* General Obligation Bonds, Series 2025C

\$14,310,000* Taxable General Obligation Bonds, Series 2025D

Dated: Date of Delivery (expected November 19, 2025)

The General Obligation Bonds, Series 2025C (the "Series 2025C Bonds") and the Taxable General Obligation Bonds, Series 2025D (the "Series 2025D Bonds") described above (collectively, the "Bonds") are issuable by Polk County, Iowa (the "Issuer") as fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee of the Depository Trust Company, New York, NY ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. So long as DTC or its nominee, Cede & Co., is the Bondholder, the principal of, premium, if any, and interest on the Bonds will be paid by Polk County Treasurer as Registrar and Paying Agent (the "Registrar"), or its successor, to DTC, or its nominee, Cede & Co. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described herein. The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and Indirect Participants. Neither the Issuer nor the Registrar will have any responsibility or obligation to such DTC Participants, Indirect Participants or the persons for whom they act as nominee with respect to the Bonds.

Interest on the Bonds is payable on June 1, and December 1 in each year, beginning June 1, 2026 to the registered owners thereof. Interest shall be payable to registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner. If payment of principal and interest is made to DTC or any successor depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. Payments on the Bonds shall be made in lawful money of the United States of America which, on the date of such payment, shall be legal tender.

The Series 2025C Bonds are not callable. The Series 2025D Bonds maturing after June 1, 2031, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

The Bonds involve certain investment risks. See "Bondholder's Risks" herein.

MATURITY SCHEDULE

Series 2025C

<u>Bond Due</u>	<u>Amount *</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip Num.**</u>
6/1/2026	6,890,000			731197 4G1

Series 2025D

<u>Bond Due</u>	<u>Amount *</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip Num.**</u>
6/1/2026	2,970,000			731197 4H9
6/1/2027	2,800,000			731197 4J5
6/1/2030	1,350,000			731197 4K2
6/1/2031	7,190,000			731197 4L0

The Bonds are being offered when, as and if issued by the Issuer and accepted by the Underwriter(s), subject to receipt of an opinion as to legality, validity and tax status by Ahlers & Cooney P.C. Des Moines, Iowa, Bond Counsel. Ahlers & Cooney, P.C. is also serving as Disclosure Counsel to the Issuer in connection with the issuance of the Bonds. It is expected that the Bonds in the definitive form will be available for delivery on or about November 19, 2025. The Underwriter(s) intend to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter(s) are not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

The Date of this Official Statement is _____, 2025

* Preliminary, subject to change

** CUSIP numbers shown above have been assigned by a separate organization not affiliated with the Issuer. The Issuer has not selected nor is responsible for selecting the CUSIP numbers assigned to the Bonds nor do they make any representation as to the correctness of such CUSIP numbers on the Bonds or as indicated above.

No dealer, salesman or any other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of any offer to buy any of the securities offered hereby in any state to any persons to whom it is unlawful to make such offer in such state. Except where otherwise indicated, this Official Statement speaks as of the date hereof. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. The Issuer considers the Official Statement to be “near final” within the meaning of Rule 15c2-12 of the Securities Exchange Commission. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTIONS 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATIONS OF THESE SECURITIES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THESE SECURITIES 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 SECURITIES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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.

FORWARD-LOOKING STATEMENTS

This Official Statement, including Appendix A, contains statements which should be considered “forward-looking statements,” as defined in the Private Securities Litigation Reform Act of 1995. Such statements are generally identifiable by the words such as “anticipated”, “plan,” “expect,” “estimate,” “budget”, “projected”, “pro-forma”, “forecast” or similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE ISSUER DOES NOT EXPECT OR INTEND TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR. INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (I) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (II) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (III) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT WILL PROVE TO BE ACCURATE. UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE ISSUER ON THE DATE HEREOF, AND THE ISSUER ASSUMES NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR, OTHER THAN AS INDICATED IN THE “CONTINUING DISCLOSURE” SECTION IN THIS OFFICIAL STATEMENT.

**OFFICIAL STATEMENT
POLK COUNTY, IOWA
\$6,890,000* GENERAL OBLIGATION BONDS, SERIES 2025C
\$14,310,000* TAXABLE GENERAL OBLIGATION BONDS, SERIES 2025D**

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to Polk County, Iowa (the “Issuer”), in connection with the sale of the Issuer’s General Obligation Bonds, Series 2025C (the “Series 2025C Bonds”) and the Taxable General Obligation Bonds, Series 2025D (the “Series 2025D Bonds”) (collectively, the “Bonds”). The Bonds are being issued to provide funds for (a) various County Capital improvement and equipment acquisition purposes, (b) funding certain voter-approved Conservation improvement projects; and (c) provide for the costs of issuance. See “**THE PROJECT**” herein.

This Official Statement is deemed to be a final official statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain pricing and other information which is to be made available through a final Official Statement.

This Introductory Statement is only a brief description of the Bonds and certain other matters. Such description is qualified by reference to the entire Official Statement and the documents summarized or described herein. This Official Statement should be reviewed in its entirety.

The Bonds are general obligations of the Issuer, payable from and secured by a continuing annual ad-valorem tax levied against all of the property valuation of the Issuer. See “**SECURITY AND SOURCE OF PAYMENT FOR THE BONDS**” herein.

All statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

THE BONDS

General

The Bonds are dated as of the date of delivery and will bear interest at the rates to be set forth on the cover page herein, interest payable on June 1 and December 1 in each year, beginning on June 1, 2026, calculated on the basis of a year of 360 days and twelve 30-day months. Interest shall be payable to registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner. If payment of principal or interest is made to DTC (as defined herein) or any successor depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. Payments on the Bonds shall be made in lawful money of the United States of America which, on the date of such payment, shall be legal tender.

So long as DTC or its nominee is the registered owner of the Bonds, principal and interest on the Bonds will be paid directly to DTC by the Paying Agent. The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and Indirect Participants.

Authorization for the Issuance

The Bonds are being issued pursuant to Chapter 331 of the Code of Iowa, 2025 as amended, and resolutions of the Board of Supervisors of the Issuer (the “Resolution(s)”).

The Issuer

For more information regarding the Issuer, see “**APPENDIX A – Information About the Issuer**” and “**APPENDIX D –Audited Financial Statements of the Issuer.**”

* Preliminary, subject to change

Tax Matters

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 Code, interest on the Series 2025C Bonds is excludable from gross income for federal income tax purposes. Interest on the Series 2025C Bonds is not an item of tax preference for purposes of the federal alternative minimum tax on individuals; however, such interest may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The Series 2025C Bonds will NOT be designated as “qualified tax-exempt obligations”. In the opinion of Bond Counsel, interest on the Series 2025D Bonds paid to the owners thereof is includible in gross income for purposes of present federal income taxation. Interest on the Bonds is NOT exempt from present Iowa income taxes. See “TAX MATTERS” section herein for a more detailed discussion.

Future Financing

The Issuer does not anticipate issuing additional General Obligation debt within 90 days of this Preliminary Official Statement.

Book Entry Only System

The following information concerning The Depository Trust Company (“DTC”), New York, New York and DTC’s book-entry system has been obtained from sources the Issuer believes to be reliable. However, the Issuer takes no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

DTC will act as securities depository for the Bonds (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 the Securities in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of 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, 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 Participations 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 Standard & Poor’s highest rating: 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

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 in the transaction. Transfers of ownership interest 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 in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

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 nominee do not effect 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.

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 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 registrar and request that copies of the notices be provided directly to them.

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.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issue 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 the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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 Issuer or 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 (nor its nominee), Agent, or Issuer, 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 Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [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 [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 [Tender/Remarketing] Agent's DTC account.

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

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

The Issuer cannot and does not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Bonds (i) payments of principal of or interest and premium, if any, on the Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in the Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities Exchange Commission, and the current "Procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC.

Neither the Issuer nor the Paying Agent will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person with respect to: (1) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (2) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price of or interest on the Bonds; (3) the delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Indenture to be given to owners of Bonds; (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (5) any consent given or other action taken by DTC as a Bondholder.

Transfer and Exchange

In the event that the Book Entry System is discontinued, any Bond may, in accordance with its terms, be transferred by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal corporate office of the Registrar accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Registrar. Whenever any Bond or Bonds shall be surrendered for transfer, the Registrar shall execute and deliver a new Bond or Bonds of the same maturity, interest rate, and aggregate principal amount.

Bonds may be exchanged at the principal corporate office of the Registrar for a like aggregate principal amount of Bonds or other authorized denominations of the same maturity and interest rate; provided, however, that the Registrar is not required to transfer or exchange any Bonds which have been selected for prepayment and is not required to transfer or exchange any Bonds during the period beginning 15 days prior to the selection of Bonds for prepayment and ending the date notice of prepayment is mailed. The Registrar may require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. All Bonds surrendered pursuant to the provisions of this and the preceding paragraph shall be canceled by the Registrar and shall not be redelivered.

Redemption

Optional Redemption. The Series 2025C Bonds are not callable. The Series 2025D Bonds maturing after June 1, 2031, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Mandatory Sinking Fund Redemption The Series 2025D Bonds maturing on _____ are subject to mandatory redemption (by lot, as selected by the Registrar) on _____ 1 in each of the years _____ through _____ at a redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest thereon to the redemption date in the following principal amounts:

____ Term Bond

<u>Mandatory Sinking Fund Date</u>	<u>Principal Amount</u>
	\$

(maturity)

Selection of Series 2025D Bonds for Redemption Series 2025D Bonds subject to redemption will be selected in such order of maturity as the Issuer may direct. If less than all of the Series 2025D Bonds of a single maturity are to be redeemed, the Series 2025D Bonds to be redeemed will be selected by lot or other random method by the Registrar in such a manner as the Registrar may determine.

Notice of Redemption. Prior to the redemption of any Series 2025D Bonds under the provisions of the Resolution, the Registrar shall give written notice not less than thirty (30) days prior to the redemption date to each registered owner thereof.

On the dates so designated for redemption, notice having been given in the manner and under the conditions hereinabove provided, and moneys for payment of the redemption price being available, the Series 2025D Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2025D Bonds on such date. Interest on the Series 2025D Bonds so called for redemption shall cease to accrue; such Series 2025D Bonds shall cease to be entitled to any benefit hereunder, and the Series 2025D Bond Holders shall have no rights in respect thereof except to receive payment of the redemption price thereof.

Series 2025D Bonds which have been duly called for redemption, with respect to which irrevocable instructions to call for redemption at a stated redemption have been given to the Registrar, and moneys for the payment of the face amount thereof, premium, if any, and interest on are held in separate accounts by the Registrar in trust for Series 2025D Bondholders shall not thereafter be deemed to be outstanding under the provisions of the Resolution, other than being entitled to receive payment from such sources.

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

The Bonds are dated as of the date of delivery and will bear interest at the rates to be set forth on the cover page herein, interest payable on June 1 and December 1 in each year, beginning on June 1, 2026, calculated on the basis of a year of 360 days and twelve 30-day months. Interest shall be payable to registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

The Bonds are valid and legally binding general obligations of the Issuer payable both as to principal and interest from ad valorem taxes levied against all taxable property therein 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. In the Resolutions, the Issuer will levy taxes for the years and in amounts sufficient to provide 100% of annual principal and interest due on the Bonds. If, however, the amount credited to the debt service fund for payment of the Bonds is insufficient to pay principal and interest, whether from transfers or from original levies, the Issuer must use funds in its treasury and is authorized to levy ad valorem taxes upon all taxable property in the County without limit as to rate or amount sufficient to pay the debt service deficiency.

Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation bonds, “the governing authority of these political subdivisions before issuing bonds 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 within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors 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 in full.”

Nothing in the Resolutions prohibits or limits the ability of the Issuer 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 Bonds. If and to the extent such other legally available moneys are used to pay the principal of or interest on the Bonds, the Issuer 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 Bonds.

The Issuer’s obligation to pay the principal of and interest on the Bonds is on a parity with the Issuer’s obligation to pay the principal of and interest on any other of its general obligation debt secured by a covenant to levy taxes within the County including any such debt issued or incurred after the issuance of the Bonds. The Resolutions do not restrict the Issuer’s ability to issue or incur additional general obligation debt, although issuance of additional general obligation debt is subject to the same constitutional and statutory limitations that apply to the issuance of the Bonds. For a further description of the Issuer’s outstanding general obligation debt upon issuance of the Bonds and the annual debt service on the Bonds, see “**OUTSTANDING DEBT**” herein. For a description of certain constitutional and statutory limits on the issuance of general obligation debt, see “**DEBT LIMIT**” herein.

BONDHOLDERS’ RISKS

An investment in the Bonds is subject to certain risks. No person should purchase the Bonds 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 Bond. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement (including the Appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment. The factors described below, along with other matters, may affect the ability of the Issuer to pay the Bonds, when due.

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 future. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the “**SECURITY AND SOURCE OF PAYMENT FOR THE BONDS**” herein.

Potential Impacts Resulting from Epidemics or Pandemics

The Issuer’s finances may be materially adversely affected by unforeseen impacts of future public health events, including epidemics and pandemics. The Issuer cannot predict future impacts of epidemics or pandemics, any similar outbreaks, or their impact on travel, on assemblies or gatherings, on the 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 Issuer, included but not limited to the payment of debt service on any of its outstanding debt obligations.

Tax Levy Procedures

The Bonds are general obligations of the Issuer, payable from and secured by a continuing ad valorem tax levied against all of the property valuation within the Issuer. See “**SECURITY AND SOURCE OF PAYMENT FOR THE BONDS**” herein for more details.

As part of the budgetary process each fiscal year, the Issuer will have an obligation to request a debt service levy to be applied against all of the taxable property within the County. A failure on the part of the Issuer to make a timely levy request or a levy request by the Issuer that is inaccurate or is insufficient to make full payments of the debt service of the Bonds for a particular fiscal year may cause Bondholders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the Issuer and certain other public officials to perform the terms of the Resolutions) may have to be enforced from year to year.

Changes in Property Taxation

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 Issuer’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. It is impossible to predict the outcome of future property taxation changes by the Iowa General Assembly or resulting impacts on the Issuer's financial condition. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the **"SECURITY AND SOURCE OF PAYMENT FOR THE BONDS"** herein and **"APPENDIX A – "Property Tax Legislation"** for discussion of recent legislative revisions.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds 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 Bonds issue are suspended or terminated. Additionally, prices of bonds or Bond 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 Bonds.

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

Matters Relating to Enforceability

Holders of the Bonds 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 Bonds, including but not limited to, the right to a proceeding in the law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Resolutions for the Bonds.

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Resolutions authorizing the Bonds. The opinion, to be delivered concurrently with the delivery of the Bonds, will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principals of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Tax Matters, Loss of Tax Exemption (Series 2025C Bonds)

As discussed under the heading **"TAX MATTERS"** herein, the interest on the Series 2025C Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Series 2025C Bonds, 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 Series 2025C Bonds would not be subject to a special prepayment and would remain outstanding until maturity or until prepaid under the prepayment provisions contained in the Bonds, and there is no provision for an adjustment of the interest rate on the Bonds. The Bonds are not subject to mandatory prepayment in connection with a determination of taxability. A determination of taxability on the Series 2025C Bonds, after closing of the Bonds, could materially adversely affect the value and marketability of the Series 2025C Bonds.

Pending Federal Tax Legislation

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in Congress that could, if enacted, alter or amend one or more of the federal tax matters described herein in certain respects or would adversely affect the market value of the Series 2025C Bonds or otherwise prevent holders of the Series 2025C Bonds from realizing the full benefit of the tax exemption of interest on the Series 2025C Bonds. Further such proposals may impact the marketability or market value of the Series 2025C Bonds 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 Series 2025C Bonds. 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 Series 2025C Bonds. 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 Series 2025C Bonds would be impacted thereby.

Ratings Loss

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aaa" to the Bonds. S&P's Global Ratings ("S&P") has assigned a rating of "AAA" to the Bonds. (Moody's and S&P are referred to herein as the "Rating Agencies.") 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 the Rating Agency or Agencies, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

In the future, the imposition of additional regulations on rating agencies could materially alter the methodology, rating levels, and types of ratings available, and these changes, if ever, could materially affect the market value of the Bonds.

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 “estimate,” “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 Issuer to pay debt service when due on the Bonds.

DTC-Beneficial Owners

Beneficial Owners of the Bonds may experience some delay in the receipt of distributions of principal of and interest on the Bonds 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 Issuer 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 Bonds can be effected only through Direct Participants, Indirect Participants and certain banks, the ability of a Beneficial Owner to pledge the Bonds to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Bonds, 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 **“THE BONDS—Book-Entry Only System.”**

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 detainment 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 certain of the projects financed with the Bonds, the Issuer’s overall financial position, and potentially its rating. However, the Bonds are secured by a debt service levy upon real property in the jurisdictional limits of the Issuer, and are not secured by state or federal funds. See **“SECURITY AND SOURCE OF PAYMENT FOR THE BONDS”** herein.

Cybersecurity

The Issuer, 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. The Issuer has established internal policies and procedures, including training measures to attempt to insulate operations and data maintained by it from possible future attack. However, there can be no assurances that any security and operational control measures implemented by the Issuer will be completely successful to guard against and prevent cyber threats and attacks. Failure to properly maintain functionality, control, security, and integrity of the Issuer’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 Issuer’s operations and financial condition. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the **“SECURITY AND SOURCE OF PAYMENT FOR THE BONDS”** herein.

Pensions

Pursuant to GASB 68, the Issuer reported a liability of \$35,589,831 as of June 30, 2024 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Issuer’s proportion of the net pension liability was based on the Issuer’s share of contributions to the IPERS pension plan relative to the contributions of all IPERS participating employers. At June 30, 2023, the Issuer’s collective proportion was 0.788%. See **“APPENDIX A – “EMPLOYEE PENSION PLAN”** herein for more summary information related to the Issuer’s contributions, and **“APPENDIX D—AUDITED FINANCIAL STATEMENTS OF THE ISSUER - NOTES TO THE FINANCIAL STATEMENTS (NOTE 22)”** for additional information related to the Issuer’s deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity. Changes to the Issuer’s pension contributions, or available sources to fund said contributions, may adversely affect the Issuer’s financial condition. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the **“SECURITY AND SOURCE OF PAYMENT FOR THE BONDS”** herein.

Loss of Tax Base

Economic and other factors beyond the Issuer'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, derecho, 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 Issuer's financial position.

Continuing Disclosure

A failure by the Issuer to comply with continuing disclosure obligations (see "CONTINUING DISCLOSURE" herein) will not constitute an event of default on the Bonds. Any such failure 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 Bonds and their market price.

Bankruptcy

The rights and remedies available to holders of the Bonds 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 creditor's 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 of Iowa. The various opinions of counsel to be delivered with respect to the Bonds and the resolutions, including the opinion of Bond Counsel, will be similarly qualified. If the Issuer were to file a petition under Chapter 9 of the Bankruptcy Code, the owners of the Bonds could be prohibited from taking any steps to enforce their rights under the Resolutions. In the event the Issuer fails to comply with its covenants under the resolutions or fails to make payments on the Bonds, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Bonds.

Under Iowa Code Chapter 76, specifically sections 76.16 and 76.16A, as amended, a city, county, or other political subdivision may become a debtor under Chapter 9 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) 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) 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) 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) the debt is not an obligation to pay money to a city, county, entity organized pursuant to chapter 28E of the Code of Iowa, or other political subdivision.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. 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 Bonds are an appropriate investment for such investor.

Other Factors

An investment in the Bonds involves an element of risk. 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 judgment as to whether the Bonds are an appropriate investment.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. 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.

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

LITIGATION AND SELF-INSURANCE

To the knowledge of the Issuer, there is no legal action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body for which the Issuer has been served with process or official notice or threatened against or affecting the Issuer or any reasonable basis therefore, wherein an unfavorable decision, ruling or finding would adversely affect the transaction contemplated by this Official Statement or the validity of the Bonds, the Resolutions, or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement, and no member, employee or agent of the Issuer has been served with any legal process regarding such litigation or other proceeding.

The Issuer encounters litigation occasionally in the ordinary course of business. To the knowledge of the Issuer, no litigation is pending or threatened which, in the opinion of the Issuer's counsel, if decided adversely to the Issuer would be likely to result, either individually or in the aggregate, in final judgments against the Issuer which would materially adversely affect its ability to meet debt service payments on the Bonds when due, or its obligations under the Resolutions, or materially adversely affect its financial condition.

The Issuer has established a self-insurance program to cover loss from a wide variety of risks, including general liability, property, fleet, workers' compensation and other miscellaneous risks. An ongoing reserve fund of \$5,000,000 is maintained in the Risk Management Fund. The Issuer also self-insures for certain employee medical and dental insurance, administered by third-party administrators, with excess medical coverage for individual health claims above \$200,000 per plan year and aggregate stop loss insurance coverage at 125% of a projected amount. See "APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER – NOTES TO THE FINANCIAL STATEMENTS (NOTE 16)" for more information regarding the Issuer's Self-Insurance Fund and Employee Insurance Fund.

ACCOUNTANT

The GAAP-basis financial statements of the Issuer included as **APPENDIX D** to this Official Statement have been examined by Eide Bailly LLP to the extent and for the periods indicated in their report thereon. Such financial statements have been included herein without permission of said CPA, and said CPA expresses no opinion with respect to the Bonds or the Official Statement.

UNDERWRITING

The Series 2025C Bonds are being purchased, subject to certain conditions, by _____ (the "Series 2025C Underwriter"). The Series 2025C Underwriter has agreed, subject to certain conditions, to purchase all, but not less than all, of the Series 2025C Bonds at an aggregate purchase price of \$ _____ plus accrued interest to the Closing Date.

The Series 2025D Bonds are being purchased, subject to certain conditions, by _____ (the "Series 2025D Underwriter"). The Series 2025D Underwriter has agreed, subject to certain conditions, to purchase all, but not less than all, of the Series 2025D Bonds at an aggregate purchase price of \$ _____ plus accrued interest to the Closing Date.

The Underwriter(s) may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds 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 Bonds may be changed, from time to time, by the Underwriter.

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

THE PROJECT *

The Bonds are being issued to provide funds for (a) various County Capital improvement and equipment acquisition purposes, (b) funding certain voter-approved Conservation improvement projects; and (c) provide for the costs of issuance.

SOURCES AND USES OF FUNDS *

<u>Sources of Funds</u>	<u>Series 2025C</u>	<u>Series 2025D</u>
Bond Proceeds	\$	\$
Reoffering Premium		
<u>Total Sources of Funds</u>	\$	\$
<u>Uses of Funds</u>		
Deposit to Project Fund	\$	\$
Costs of Issuance		
Underwriter's Discount		
Contingency		
<u>Total Uses of Funds</u>	\$	\$

* Preliminary, subject to change

TAX MATTERS

With Respect to the Series 2025C Bonds

Tax Exemption and Related Considerations: Federal tax law contains a number of requirements and restrictions that apply to the Series 2025C Bonds. These include investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and facilities financed with bond proceeds, and certain other matters. The Issuer has covenanted to comply with all requirements that must be satisfied in order for the interest on the Series 2025C Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Series 2025C Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2025C Bonds.

Subject to the Issuer's compliance with the above referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Series 2025C Bonds is excludable from gross income for federal income tax purposes. Interest on the Series 2025C Bonds is not an item of tax preference for purposes of the federal alternative minimum tax on individuals; however, such interest may be taken into account for the purpose of computing the alternative minimum tax imposed on corporations.

The prospective purchaser of the Series 2025C Bonds should be aware that ownership of the Series 2025C Bonds 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. The prospective purchaser of the Series 2025C Bonds should consult their tax advisors as to collateral federal income tax consequences.

The interest on the Series 2025C Bonds is NOT exempt from present Iowa income taxes.

Ownership of the Series 2025C Bonds may result in other federal, state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2025C Bonds. The prospective purchaser of the Series 2025C Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

NOT-Qualified Tax-Exempt Obligations: The Issuer will NOT designate the Series 2025C Bonds 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").

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. It cannot be predicted whether or not the Service will commence an audit of the Series 2025C Bonds. If an audit is commenced, under current procedures the Service may treat the Issuer as a taxpayer and the Series 2025C Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Series 2025C Bonds until the audit is concluded, regardless of the ultimate outcome.

Withholdings: Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Series 2025C Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any bond 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 Bondholder 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.

Legislation: Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may be considered by the Iowa legislature. Judicial interpretation of state or federal laws, rules or regulations may also affect 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 Series 2025C Bonds will not have an adverse effect on the tax status of interest or other income on the Series 2025C Bonds or the market value or marketability of the Series 2025C Bonds. 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 Series 2025C Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

From time to time, current and future legislative proposals, including some that carry retroactive effective dates, if enacted into law, court decisions, or clarification of the Code may cause interest on the Series 2025C Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Series 2025C Bonds from realizing the full current benefit of the tax status of such interest. From time-to-time proposals are made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2025C Bonds. The introduction or enactment of any such legislative proposals, court decisions or clarification of the Code may also affect, perhaps significantly, the market price for, or marketability of the Series 2025C Bonds. The prospective purchaser of the Series 2025C Bonds should consult their own tax advisors regarding any pending or proposed tax legislation, as to which Bond Counsel expresses no opinion except as set forth in APPENDIX B to this Preliminary Official Statement.

With Respect to the Series 2025D Bonds

Taxability and Related Considerations: In the opinion of Bond Counsel, under existing law, interest on the Series 2025D Bonds will be included in gross income of the owners thereof for federal income tax purposes.

The interest on the Series 2025D Bonds is NOT exempt from present Iowa income taxes.

Ownership of the Series 2025D Bonds may result in other federal, state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2025D Bonds. Prospective purchasers of the Series 2025D Bonds should consult their tax advisors regarding the applicability of any such federal, state and local taxes.

With Respect to the Bonds (Applicable to both Series)

Discount and Premium on Certain Bonds: The initial public offering price of certain Bonds (the “Discount Bonds”) may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of Discount Bonds (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bonds. Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds 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 Bonds (the “Premium Bonds”) may be greater than the amount payable on such Premium Bonds at maturity. An amount equal to the difference between the initial public offering price of Premium Bonds (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes a premium to the initial purchaser of such Premium Bonds. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Enforcement: Holders of the Bonds 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 Bonds, 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 Resolutions. There is no bond trustee or similar person to monitor or enforce the terms of the Resolutions. In the event of a default in the payment of principal or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the Issuer and certain other public officials to perform the terms of the Resolutions) may have to be enforced from year to year. The enforceability of the rights and remedies of owners of the Bonds may be subject to limitation as set forth in Bond Counsel’s opinions.

The obligation to pay general ad valorem property taxes is secured by a statutory lien upon the taxed property but is not an obligation for which a property owner may be held personally liable in the event of a deficiency. The owners of the Bonds cannot foreclose on property within the boundaries of the Issuer or sell such property in order to pay the debt service on the Bonds. In addition, the enforceability of the rights and remedies of owners of the Bonds may be subject to limitation as set forth in Bond Counsel’s opinions. The opinions to be delivered concurrently with the delivery of the Bonds 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, and to the exercise of judicial discretion in appropriate cases.

No representation is made, and no assurance is given, that the enforcement of any remedies with respect to such assets will result in sufficient funds to pay all amounts due under the Resolutions, including principal of and interest on the Bonds.

Opinions: 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 Bonds, 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.

Bond Counsel's opinions are 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 Issuer described in this section. No ruling has been sought from the Service with respect to the matters addressed in the opinions of Bond Counsel and Bond Counsel's opinions are not binding on the Service. Bond Counsel assumes no obligation to update its opinions after the issue date to reflect any further action, fact or circumstance, or change in law or interpretation, or otherwise.

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

LEGAL MATTERS

The Bonds 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 to the extent described in the section herein entitled **"PREPARATION OF THE OFFICIAL STATEMENT"**. 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. The form of legal opinion for each issue, in substantially the forms set forth in **"APPENDIX B – FORM OF LEGAL OPINIONS"** to this Official Statement, will be delivered at closing.

The legal opinions to be delivered concurrently with the delivery of the Bonds, respectively, express 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.

There is no bond trustee or similar person to monitor or enforce the provisions of the Resolutions for the Bonds. The owners of the Bonds 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 Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the Issuer and certain other public officials to perform the terms of the Resolutions for the Bonds) may have to be enforced from year to year. The obligation to pay general ad valorem property taxes is secured by a statutory lien upon the taxed property, but is not an obligation for which a property owner may be held personally liable in the event of a deficiency. The owners of the Bonds cannot foreclose on property within the boundaries of the County or sell such property in order to pay the debt service on the Bonds. See **"TAX COLLECTION HISTORY"**, **"COMBINED HISTORIC TAX RATES"** and **"PROPERTY TAX LEGISLATION"** included in **"APPENDIX A – INFORMATION ABOUT THE ISSUER"** herein, for a description of property tax collection and enforcement.

In addition, the enforceability of the rights and remedies of owners of the Bonds 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 Issuer with respect to the Bonds 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.

MUNICIPAL ADVISOR

The Issuer has retained Piper Sandler & Co. as municipal advisor (the "Municipal Advisor") in connection with the issuance of the Bonds. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of the Official Statement. The Municipal Advisor is not a public accounting firm and has not been engaged by the Issuer to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards.

CONTINUING DISCLOSURE

For the purpose of complying with the Rule, the Issuer has covenanted for the benefit of the holders of the Bonds to provide certain financial information and operating data relating to the Issuer, and to provide notices of the occurrence of certain enumerated events, if deemed by the Issuer to be material (the "Undertaking"). The specific nature of the information that the Issuer may provide pursuant to the Undertaking is summarized herein under the caption **"APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE."** This

covenant is being made by the Issuer to assist the Underwriter in complying with SEC Rule 15c2-12.

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

The Issuer's annual financial and operating table data is included within its annual comprehensive financial report ("ACFR"), which have been timely filed for the last five years. Certain data is presented in a slightly different format in the ACFR than the original table in prior Official Statements. With regard to the "Combined Historic Tax Rates" table, which data is presented under the heading "Direct and Overlapping Property Tax Rates" in the ACFR, the annual filings have excluded the State and Transit levies under the "Other" category therein. Additionally, the "Property Valuation" table distinguishes between Actual and Taxable Value in the Official Statement, and annual filings reference data presented under the "Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years" in the ACFRs, which fails to include Taxable Values. Accordingly, the State and Transit levies, and Taxable Values, have not been included, nor timely updated, in the Issuer annual filings for the last five years, but were included in Issuer's Official Statements available on EMMA for issuances in 2019, 2020, 2022 and 2024. The Issuer posted its FY24 financial and operating table data to EMMA on April 9, 2025, which included data for each of these for the last five years. No failure to file notices have been posted.

Other than as described above, the Issuer is not aware of any instance in the previous five years 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 Bonds or Resolutions. A broker or dealer is to consider a known breach of the Undertaking, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the Issuer to observe the Undertaking may adversely affect the transferability and liquidity of the Bonds and their market price.

PREPARATION OF THE OFFICIAL STATEMENT

Bond Counsel has not participated in the preparation of this Official Statement other than to review or prepare information describing the terms of the Bonds, Iowa and Federal law pertinent to the validity of the Bonds, and the tax status of interest on the Bonds which can be found generally under the sections "**THE BONDS**", "**SECURITY AND SOURCE OF PAYMENT FOR THE BONDS**", "**THE PROJECT**", and "**TAX MATTERS**". Additionally, Bond Counsel has provided its forms of bond opinion and Issuer's continuing disclosure certificate, found in Appendices B and C. Ahlers & Cooney PC is also serving as Disclosure Counsel to the Issuer in connection with the issuance of the Bonds.

All other information contained in this Official Statement has been obtained by (or on behalf of) the Issuer from sources which the Issuer considers to be reliable but it makes no warranty, guaranty, or other representation with respect to the accuracy or completeness of such information.

This Official Statement is not to be construed as a contract or agreement amongst the Issuer, the Underwriter, or the holders of any of the Bonds. 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 nor the sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof. The information contained in this Official Statement is not guaranteed.

I have reviewed the information contained within the Official Statement of Polk County, Iowa, and said Official Statement does not contain any material misstatements of fact nor omissions of any material fact regarding the issue of \$6,890,000* General Obligation Bonds, Series 2025C and \$14,310,000 Taxable General Obligation Bonds, Series 2025D of the Issuer, to be issued as of the date of delivery.

POLK COUNTY, IOWA

/s/ _____

Matt McCoy

Chair of the Board of Supervisors

APPENDIX A - INFORMATION ABOUT THE ISSUER POLK COUNTY, IOWA

COUNTY OFFICIALS

BOARD OF SUPERVISORS:	Jill Altringer Angela Connolly Tom Hockensmith Mark Holm Matt McCoy, Chair
COUNTY AUDITOR:	Jamie Fitzgerald
COUNTY TREASURER:	Mary L. Wells
COUNTY RECORDER:	Julie Haggerty
COUNTY ATTORNEY:	Kimberly Graham
COUNTY SHERIFF:	Kevin Schneider
COUNTY ADMINISTRATOR:	Frank Marasco

CONSULTANTS

BOND COUNSEL & DISCLOSURE COUNSEL	Ahlers & Cooney, P.C. Des Moines, Iowa
MUNICIPAL ADVISOR	Piper Sandler & Co. Des Moines, Iowa
MUNICIPAL ADVISOR COUNSEL	Pierson Ferdinand LLP Kansas City, MO
REGISTRAR & PAYING AGENT	Polk County Treasurer Des Moines, Iowa

General Information

Polk County, located in central Iowa, was formed in 1846. The County, containing Des Moines, West Des Moines, Urbandale, Ankeny and 14 smaller cities, is the largest population center in Iowa. Des Moines is the state capital and has a diverse and vigorous economy. Principal industries include financial services, health care, government, and varied manufacturing. The area has enjoyed a stable economy and moderate growth during the past decade.

The County currently occupies a land area of approximately 592 square miles and serves a population of approximately 492,401. Polk County is empowered to levy a property tax on taxable real property located within its boundaries.

Polk County operates under a Board of Supervisors form of government. The Board of Supervisors has both legislative and administrative powers and is the policy-making body for Polk County government. With its authority to adopt legislation and policies for department operations, the Board sets priorities, allocates resources and maintains budgetary control. The Board also appoints individuals to serve on a number of Boards and Commissions that affect all aspects of Polk County. There are five members on the Board of Supervisors, each elected by citizens in one of the five districts. Board members serve overlapping four-year terms, with elections held every two years. The Board elects one of its members annually to chair its activities. The Board is available to its constituency on a full-time basis and can respond to issues of importance to citizens.

Other elected officials operate independently and equally with the Board. These officials are the Auditor, Treasurer, Recorder, Sheriff and County Attorney.

The County provides a broad scope of services to its citizens, operating through various organizational entities ranging from elected departments to administrative departments to appointed commissions. The County provides a full range of services, including public safety, mental health, social services, construction and maintenance of highways, streets, and other infrastructure, and recreational/entertainment event centers.

COUNTY INITIATIVES

Five Points of Progress

The Supervisors adopted a plan entitled “Five Points of Progress” outlining their leadership strategies. These include the following priorities:

1. Fulfill the basic needs of all individuals in Polk County by providing innovative resources for mental health, physical wellbeing and economic livelihood,
2. Lead regional collaboration to create positive change, navigate crisis situations and plan our region’s future,
3. Maintain and improve the quality of life for all residents with conservation programs, infrastructure management and other essential services,
4. Help all of our neighborhoods prosper by funding revitalization initiatives and bringing new opportunities to communities, and
5. Drive economic development by promoting our region and creating a prosperous environment for businesses and residents alike.

More information on these initiatives can be found at the Polk County Board of Supervisor’s website: <https://www.polkcountyiowa.gov/board-of-supervisors/five-points-of-progress>.

Global Neighbors/Life Services Center

Polk County has completed renovations to property owned by Polk County at 1900 Carpenter, known as Polk County Life Services Center. Now open, the west half of the building accommodates a host of crisis services including a 24-hour crisis observation center, psychiatric urgent care, and a sobering center. The purpose of this center is to divert individuals who are experiencing mental health and substance abuse crises from the emergency departments and the Polk County Jail. Individuals will be better served with community-based mental health and substance abuse services. The east half of the building, 1914 Carpenter, will be renovated to house Global Neighbors. It will serve as a one-stop hub of basic services for immigrant and refugee families who are new to Central Iowa. Refugees will be able to access resources for transportation, childcare, food, education, language and more. The goal is to help move these individuals faster and more efficiently towards self-sufficiency and to create a hub of diverse activity in a historically underserved neighborhood. The construction on both sides of the building is being completed by the staff of Polk County General Services. By self-performing the majority of this work, Polk County is saving millions of dollars on construction costs.

Healthcare Workforce

When Polk County received federal COVID relief funds, we undertook a planning process that included interviews with stakeholders on the largest issues affecting our community. We heard from our healthcare partners that nursing professionals, and all healthcare professions, were struggling to keep up with demand for service. One of the needs was for additional simulation space. Healthcare programs in Central Iowa were unable to expand or fill to capacity because of inadequate simulation space. In the meantime, Des Moines University, a leading health sciences private institution, was in the process of moving to a new campus in West Des Moines, leaving a vacant campus in the heart of downtown Des Moines. Polk County leaders set aside \$5 million to continue to look for innovative and collaborative solutions to the healthcare workforce crisis and are in the process of convening leaders from Des Moines University, Des Moines Area Community College, Des Moines Public Schools and Mercy College of Health Sciences to reimagine the vacant downtown campus. The vision includes shared and upgraded simulation space, shared instructors, a shared student recruitment strategy, access to online learning for rural partners, and a scholarship program to retain healthcare workforce in Iowa.

Emergency Rental Assistance 2 Funding

Polk County received \$62 million from the U.S. Treasury to address rental assistance in the wake of the COVID-19 pandemic. The first 75% of the funds was spent directly on rental assistance administered by Impact Community Action Partnership. The remaining 25% will be used to develop new affordable housing units in Polk County. Investments will be made in 15 unique affordable housing projects with local developers, the demolition of an old hotel on suburban city-owned property for future affordable housing redevelopment; and operational start-up funds for a new Community Land Trust.

Des Moines International Airport Terminal Expansion Bonding

In November 2023, the County held a special election and approved the proposed issuance of general obligation bonds or capital loan notes not exceeding the amount of \$350,000,000 for the purpose of undertaking any project jointly or in cooperation with any other governmental body. The debt issuances will be used for a new airport terminal facility and apron projects which include purchase, acquisition, construction, reconstruction, equipping, improvement or enlargement of the Des Moines International Airport (the “Project”), owned and operated by the Des Moines Airport Authority (the “Authority”).

For each series of bonds or notes issued pursuant to this referendum, Polk County will enter into a loan agreement with the Des Moines Airport Authority wherein the Airport Authority will reimburse Polk County for all issuance and debt service costs. The issuance of these bonds or notes by Polk County will allow a savings of more than \$70 million in interest expenses for the Project. In June 2024, Polk County issued the first series of notes for the Des Moines Airport Authority in the amount of \$112.17 million. The Series 2025A Notes and Series 2025B Notes, issued in June 2025, represent the balance of the authority from referendum.

Polk County Water and Land Legacy Projects

In November 2021, voters supported the \$65 million Polk County Water and Land Legacy (PCWLL) Bond, passing the measure by 81%. Conservation projects to be addressed in the coming years include improved water quality, wildlife habitat protection, connected communities by means of trails and greenways, revitalized parks, outdoor recreation and education opportunities. Of \$65 million authorized debt, \$27.935 million was issued in the first bond letting in May 2022 and \$11.39 million was issued in the second bond letting in June 2024. The Series 2025D Bonds include \$11,550,000 of authority from the referendum.

Broadway Avenue Multi-Modal Improvements Project

Phase 1 of this project is comprised of converting the existing 2-lane rural design of a significant minor arterial roadway to an urban three-lane roadway to match its current use. The project will improve the safety and transportation network reliability for dozens of industries, thousands of employees, and local residents that use this corridor every day. Phase 2 of this project will be the construction of an underpass structure below a dual track rail crossing owned and operated by the Union Pacific Railroad Co. The profile geometry and sight distance restrictions of the existing at-grade crossings are unsafe and result in frequent vehicle accidents in addition to traffic delays each day. Polk County has worked with the City of Des Moines, Des Moines Area MPO, Iowa Department of Transportation, Union Pacific Railroad, Des Moines Water Works, and our business partners to secure the project funding, with both phases estimated to cost over \$90 million. This project was awarded a \$25 million federal BUILD program grant (Better Utilizing Investments to Leverage Development) in November of 2020 and an additional \$5 million federal CPF grant (Community Project Funding) in March of 2023. The second year of the three-year Phase 1 project is nearly done with full completion expected in the winter of 2026. Phase 2, the railway underpass, is planned to be constructed summer of 2027 through early winter 2028.

NE 22nd Street Improvement Project

This project is currently under design with a planned letting in late fall of 2025 and construction through 2026. The project will widen NE 22nd Street from 2 lanes to 2 lanes with a center turn lane from NE 54th Avenue to NE 62nd Avenue. The project will include improvements at the NE 58th Avenue intersection and safety improvements at the railroad crossing.

Watershed Management Authorities

Polk County is involved in the Watershed Management Authorities (WMA) within the region to develop long term management plans for each of the respective watersheds to reduce flooding risks, improve water quality, and educate the public. The Watershed Management Authorities are bringing together cities, counties, and Soil and Water Conservation Districts within each watershed. A key component to each watershed is improving water quality through the implementation of projects and policies. Notable implementation projects include:

Batch and Build- Since 2020, Polk County has led the development of “Batch and Build” to implement saturated buffers and bioreactors to treat agricultural runoff from tile drainage systems. The program has since gained national notoriety and will have implemented over 200 projects by the end of 2024.

- *Wetland Wave-* A targeted wetland effort that currently has over 20 regional wetland projects under design and construction. An additional group of wetlands are currently holding for the next wave, once staff capacity is available. This is on track to become the largest wetland initiative in Iowa.
- *Ag-Urban Cover Crop Seeder Initiative-* An ongoing program where Polk County purchased a first of its kind cover crop seeder in partnership with the Iowa Department of Ag and Land Stewardship, Des Moines, and Des Moines Water Works. Over 10,000 acres were seeded in 2024.
- *Central Iowa Land Stewardship Project-* In partnership with Polk Soil & Water Conservation District, Polk County has launched a new program seeking to complete comprehensive farm assessments for the implementation of conservation and water quality projects.

Eastern Polk County Stream Restoration Program

Polk County has strategically removed itself from the Watershed Flood Prevention and Operations Program. Taking its place, Polk County secured a 28E Agreement with the Iowa Department of Agriculture and Land Stewardship to complete the projects. With a new, more aggressive timeline, the County will be completing over eleven stream restoration projects by the end of 2026. The County continues to be engaged with funding partners, including: Altoona, Pleasant Hill, Ankeny, Des Moines, and Polk County Conservation. In total, this project outlines \$20 million in watershed improvements in Eastern Polk County and is expected to be the largest stream restoration project ever completed in Iowa.

Polk County Comprehensive Plan - Polk 2050

The Comprehensive Plan update was adopted in August of 2022 and encompasses two years of community outreach, stakeholder input, public engagement, and plan development. Polk 2050 provides needed updates to demographic, economic and other data and analyses essential to understanding and planning for future growth and development of Polk County. The plan includes recommendations, goals and strategies including policy and action items for Land Use, Housing, Natural Resources, Agriculture, Economic Development, Infrastructure, and Transportation.

Operational and Budget Management

Polk County remains committed to serving the needs of our community in an effective and efficient manner. The County continues to provide financial relief for housing needs, and is initiating new programs to address substance abuse issues. Funding provided through the American Rescue Plan Act continues to be expended for housing, health, economic well-being and environmental programs that enhance the long-term vitality of our community.

The Board continues to improve efficiency by enhancing intergovernmental communications through its membership in the Metropolitan Advisory Council. The council consists of mayors, council members and County supervisors within the metropolitan area who meet to discuss such issues as shared services, planning, and infrastructure. Shared successes have included regional use of the uniform building code and nuisance and vicious animal ordinances. The Board of Supervisors and the Des Moines City Council continue to dialogue about cost efficiencies and service improvements between the two governments.

It is anticipated that during the upcoming year, fund balances will be at a level consistent with the County's adopted financial policies. These strong reserves enhance the County's ability to manage upcoming challenges. Notwithstanding, Polk County is monitoring the financial impact of House File 718, Senate File 2442, as other legislative proposals and is preparing for a more stringent financial environment in the near future.

Long-term Financial Planning

The Board has developed and implemented a fiscal policy and three-year budget forecast. These financial practices enable management to identify fiscal threats while sufficient time exists to make adjustments in revenue and expenditures. Additionally, Polk County initiated a five-year capital improvement plan (CIP) that assists the Board with long-term capital planning.

Prairie Meadows

The County owns real estate that is currently improved with a horse track and gaming facility in Altoona, Iowa. The Board of Supervisors leases the facility to Prairie Meadows Racetrack and Casino, Inc. ("Prairie Meadows") through a contract that covers the period of 2019-2026. This Agreement provides for rental payments to the County of \$15.9 million per year and "Additional Payments" of 5% of Prairie Meadows' adjusted gross receipts. In the event adjusted gross receipts exceed \$225 million, an additional 1% of adjusted gross receipts will be paid on the increment above \$225 million. Additionally, Prairie Meadows will reimburse Polk County for any annual property tax liability in excess of \$4.5 million.

During the 2011 legislative session, the state approved an amendment to Iowa gaming law which removed the referendum renewal requirement for casinos that previously received voter approval through at least two consecutive referendums. Prairie Meadows meets the new requirements and is exempt from future renewal referendums unless the voters petition for a reverse referendum.

As a result of the COVID-19 pandemic, on March 16, 2020 operations at Prairie Meadows including the casino, associated hotel and convention center, closed. However, operations resumed in June 2020. Adjusted gross receipts for calendar year 2020 were significantly lower than trend, reaching just \$145.6 million as compared to the pre-pandemic level of approximately \$208 million. Because a portion of the County's lease receipts from Prairie Meadows is based upon adjusted gross receipts, the County's FY 20/21 lease revenue declined to \$23.2 million as compared to \$26.3 million received in the year prior.

For calendar year 2021, adjusted gross receipts ("AGR") rebounded and actually exceeded pre-pandemic levels, reaching \$224.7 million. Since CY 2021, adjusted gross receipts have remained high, ranging from \$235 million to \$244 million annually.

In the fiscal year ending June 30, 2025, the County received \$27,426,000 from Prairie Meadows, applied as follows: \$11,301,000 to retire County bonds related to the Iowa Events Center, \$4,500,000 as property tax payment on the Prairie Meadows facility, \$2,914,000 in revenue sharing with city of Des Moines and schools in the county, and the remainder for community grants, economic development opportunities in the county, select one-time operations and addition to the Prairie Meadows enterprise fund balance.

End of County Initiatives

Employee Pension Plan

Plan Description. Iowa Public Employees' Retirement System ("IPERS") membership is mandatory for employees of the Issuer. The Issuer's employees are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by IPERS. IPERS benefits are established under Iowa Code, Chapter 97B and the administrative rules thereunder. The Issuer's employee who completed seven years of covered service or has reached the age of 65 while in IPERS covered employment becomes vested. If the Issuer's employee retires before normal retirement age, the employees' monthly retirement benefit will be permanently reduced by an early-retirement reduction. IPERS provides pension benefits as well as disability benefits to Issuer employees and benefits to the employees' beneficiaries upon the death of the eligible employee.

Contributions. Although the actuarial contribution rates are calculated each year, the contribution rates were set by state law through June 30, 2012 and did not necessarily coincide with the actuarially calculated contribution rate. As a result, from June 30, 2002 through June 30, 2012, the rate allowed by statute was less than the actuarially required rate. Effective July 1, 2012, as a result of a 2010 law change, IPERS contribution rates for the Issuer and its employees are established by IPERS following the annual actuarial valuation (which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization method.) State statute, however, limits the amount rates can increase or decrease each year to one (1) percentage point. Therefore, any difference between the actuarial contribution rates and the contributions paid is entirely due to statutorily set contributions that may differ from the actual contribution rates. As a result, while the contribution rate in the fiscal year ended June 30, 2014 equaled the actuarially required rate, there is no guarantee, due to this statutory limitation on rate increases, that the contribution rate will meet or exceed the actuarially required rate in the future.

In fiscal year 2024, pursuant to the IPERS' required rate, the Issuer's regular employees contributed 6.29% of pay, and the Issuer contributed 9.44% for a total rate of 15.73%. Sheriff and deputy employees and the Issuer both contributed 8.51% for a total rate of 17.02%. Protection occupation employees contributed 6.21% of pay, and the Issuer contributed 9.31% for a total rate of 15.52%. The Issuer's contributions to IPERS for the year ended June 30, 2024 was \$11,898,433 which amount is not less than its actuarially determined calculated annual actuarial valuation. The Issuer's share of the contribution, payable from the applicable funds of the Issuer, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The Issuer has always made its full required contributions to IPERS.

The following table sets forth the contributions made by the Issuer and its employees to IPERS for the period indicated. The Issuer cannot predict the levels of funding that will be required in the future.

Table 1 – Issuer and Employees Contribution to IPERS (1) (2) (3) (4)

Fiscal Year	Amount Contributed	Issuer Contribution			Amount Contributed	Issuer Employees' Contribution		
		% of Covered Payroll for Regular members	% of Covered Payroll for Sheriff	% of Covered Payroll For Protection occupation members		% of Covered Payroll for Regular members	% of Covered Payroll for Sheriff	% of Covered Payroll For Protection occupation members
2020	9,579,734	9.44	9.51	9.91	6,802,920	6.29	9.51	6.61
2021	9,710,249	9.44	9.26	9.61	6,901,762	6.29	9.26	6.41
2022	10,007,764	9.44	9.01	9.31	7,084,426	6.29	9.01	6.21
2023	11,019,963	9.44	8.76	9.31	7,780,877	6.29	8.76	6.21
2024	11,898,433	9.44	8.51	9.31	8,386,021	6.29	8.51	6.21
2025	12,591,987	9.44	8.51	9.31	8,865,659	6.29	8.51	6.21

The Issuer cannot predict the levels of funding that will be required in the future as any IPERS unfunded pension benefit obligation could be reflected in future years in higher contribution rates. The investment of moneys, assumptions underlying the same and the administration of IPERS is not subject to the direction of the Issuer. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of IPERS ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, adjustments, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAAL could be substantial in the future, requiring significantly increased contributions from the Issuer which could affect other budgetary matters.

The following table sets forth certain information about the funding status of IPERS that has been extracted from the comprehensive annual financial reports of IPERS for the fiscal years as noted ("IPERS ACFRs"), and the actuarial valuation reports provided to IPERS by Cavanaugh MacDonald Consulting, LLC (the "IPERS Actuarial Reports"). Additional information regarding IPERS and its latest actuarial valuations can be obtained by contacting IPERS administrative staff.

- (1) % of Covered Payroll is a weighted average based upon the various rates for different employee classifications
- (2) Amount Contributed and Employees' contribution source: the Issuer
- (3) % of Covered Payroll source: IPERS
- (4) Numbers for FY25 are not audited

Table 2 – Funding Status of IPERS (1)

Valuation Date	Actuarial Value of Assets [a]	Market Value of Assets [b]	Actuarial Accrued Liability [c]	Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]	Funded Ratio (Actuarial Value) [a]/[c]	Unfunded Actuarial Accrued Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) [b]/[c]	Covered Payroll [d]	UAAL as a Percentage of Covered Payroll (Actuarial Value) [[c-a]/[d]]
2020	34,485,656,745	34,047,692,112	41,072,427,540	6,586,770,795	83.96	7,024,735,428	82.90	8,391,856,350	78.49
2021	37,584,987,296	42,889,875,682	42,544,648,750	4,959,661,454	88.34	-345,226,932	100.81	8,648,783,536	57.35
2022	39,354,232,379	40,191,542,073	43,969,714,606	4,615,482,227	89.50	3,778,172,533	91.41	9,018,019,950	51.18
2023	41,012,524,216	41,206,314,261	45,719,979,439	4,707,455,223	89.70	4,513,665,178	90.13	9,588,339,001	49.10
2024	42,927,257,062	43,661,123,300	47,302,619,657	4,375,362,595	90.75	3,641,496,357	92.30	10,002,034,975	43.74

Table 3 – Recent returns of IPERS (1)

According to IPERS, the market value investment return on program assets is as follows:

Fiscal Year Ended June 30	Investment Return %
2020	3.39
2021	29.63
2022	-3.90
2023	5.41
2024	9.07

See “**APPENDIX F–AUDITED FINANCIAL STATEMENTS OF THE ISSUER FOR FISCAL YEAR 2024–NOTES TO THE FINANCIAL STATEMENTS (NOTE 22)**” for additional information on IPERS.

Net Pension Liabilities (2)

Effective for fiscal years beginning after June 15, 2014, GASB Statement 68 requires all reporting units in a multi-employer cost sharing pension plan to record a balance sheet liability for their proportionate share of the net pension liability of the plan. The Issuer was required to implement GASB 68 in their year end June 30, 2015 financial statements.

At June 30, 2024, the Issuer reported a liability of \$35,589,831 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Issuer’s proportion of the net pension liability was based on the Issuer’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. See “**APPENDIX F–AUDITED FINANCIAL STATEMENTS OF THE ISSUER FOR FISCAL YEAR 2024–NOTES TO THE FINANCIAL STATEMENTS (NOTE 22)**” for additional information related to the Issuer’s deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity.

Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117 or on IPERS’ website at www.ipers.org. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

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

(1) Source: IPERS Actuarial Reports. For a description of the assumptions used when calculating the funding status of IPERS, see IPERS ACFRs
(2) Source: the Issuer

Other Post-Employment Benefits (1) (2)

Plan Description and Benefits Provided

The County sponsors a single-employer defined post-employment benefit plan that provides a continuation option to retirees to purchase health benefits under the County’s group health plan. Group insurance benefits are established under Iowa Code Chapter 509A.13. Retirees have the option to purchase health coverage for themselves and their eligible dependents. Eligible retirees receive health care coverage through a self-funded medical plan, administered through Wellmark.

The Sheriff and Deputies may retire with the election to continue health coverage at age 50 with 22 or more years of service or at age 55 if they have less than 22 years of service. All other full-time employees may retire with the election to continue health coverage after age 55. Retirees under age 65 pay the same premium for the medical benefit as active employees, which results in an implicit subsidy and an OPEB liability. Health coverage under the County’s plan ends at age 65. The health plan contributions on behalf of employees are established and amended through negotiation by management and the union and governed by the County’s union contracts. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75. The plan does not issue a stand-alone financial report.

Contributions

All retirees are required to contribute 102% of the retiree rates (COBRA) to continue coverage through the County’s plan at retirement. The County’s monthly retiree premium rates are \$853 for single health coverage and \$2,134 for family health coverage. The County establishes and amends contribution requirements annually.

Employees Covered by Benefit Terms

At June 30, 2024, the following employees were covered by the benefit terms:

Current retirees, beneficiaries and dependents	83
Current active members, fully eligible for benefits	277
Current active members, not fully eligible for benefits	1,110
	<u>1,470</u>

Total OPEB Liability – The County’s total OPEB liability of \$22,465,000 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date. The County’s portion of the total OPEB liability, \$22,071,000 is reported in the government-wide financial statements and the County Assessor’s office portion, \$394,000 is reported in a Custodial Fund.

Total OPEB Liability by Employee Group

Employee Group	Total	OPEB
Polk County		\$22,071,000
County Assessor’s Office		394,000
		<u></u>
Total		\$22,465,000

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability – July 1, 2023	\$19,686,000
Changes for the year:	
Service cost	1,514,000
Interest cost	767,000
Differences between expected and actual experience	-733,000
Changes in assumptions or other inputs	1,409,000
Benefit payments	<u>-572,000</u>
Net change in total OPEB liability	2,385,000
Total OPEB liability – June 30, 2023	<u>\$22,071,000</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.65% in fiscal year ending June 30, 2023 to 3.93% in fiscal year ending June 30, 2024.

See “APPENDIX F–AUDITED FINANCIAL STATEMENTS OF THE ISSUER FOR FISCAL YEAR 2024–NOTES TO THE FINANCIAL STATEMENTS (NOTE 23)” for additional information on actuarial assumptions, discount rate and discount rate sensitivity, sensitivity to changes in health care cost trends, and deferred outflows and inflows related to Issuer’s Other Post-Employment Benefits.

(1) Source: The Issuer
(2) Preliminary, subject to change

Population (1)

The following table sets forth population trends for the County:

<u>Year</u>	<u>Population</u>
2020	492,401
2010	430,640
2000	374,601
1990	327,140
1980	303,170
1970	286,101

Population by Age (1)

Presented below are the 2023 Census estimates according to age group for Polk County and the State of Iowa:

<u>Age Group</u>	<u>Polk County</u>	<u>State of Iowa</u>
Under 20 years of age	26.5%	25.5%
20 to 24 years of age	6.5%	6.9%
25 to 44 years of age	29.4%	25.2%
45 to 64 years of age	23.4%	23.8%
65 to 84 years of age	12.6%	16.3%
85 and over	1.6%	2.2%
Median Age	36.8	39.1

Major Employers (2)

Following are the major employers within the County:

<u>Employer</u>	<u>Business/Service</u>	<u>Approximate</u>
State of Iowa	State government	21,214
Hy-Vee	Grocery store	11,782
Wells Fargo & Co.	Financial services	10,605
MercyOne	Health care	5,641
Principal Financial Group	Retirement and global asset management	5,595
Unity Point Health	Health care	5,147
Des Moines Public Schools	Education	4,818
Amazon	Data center, distribution	4,100
John Deere Des Moines Works	Agricultural equipment	3,531
Nationwide Mutual Insurance	Insurance	3,300
Corteva Agriscience	Crop inputs for worldwide agribusiness	2,211
City of Des Moines	City government	2,000
Maverik/Kum & Go	Convenience store chain	2,000
Mercer Health & Benefits, LLC	Insurance	1,800
Casey's General Stores	Convenience Stores	1,750
UPS	Package delivery	1,721
Wellmark Inc.	Insurance	1,700
Ankeny CSD	Education	1,644
Athene	Financial Services	1,600
Lumen	Telecommunications	1,500
Polk County	County government	1,391
Baker Group	Commercial & industrial HVAC, electrical, plumbing	1,176
FBL Financial Group	Insurance & investments	1,111
EMC Insurance Company	Property & casualty insurance	1,100
The Iowa Clinic	Multi-specialty clinic	1,100
The Waldinger Corporation	Mechanical, sheet metal, electrical structured cabling and service	1,100
DeeZee	Aftermarket automotive accessories	1,054
CDS Global	Telemarketing	1,050
MidAmerican Energy	Energy and complementary services	1,000
CDS Global	Business process outsourcing for magazines, nonprofit & consumer	994
Drake University	Higher Education	983
Sammons Financial Group	Life insurance, annuities and retirement planning solutions	901
Atlantic Coca-Cola Bottling Company	Coca-Cola products, include Powerade, Boddy Armor, Monster Energy	880
Prairie Meadows	Horsetrack & casino	878
ChildServe	Children and young adults' special health care needs	851

(1) Source: U.S. Census Bureau

(2) Source: Greater Des Moines Partnership

Employment Statistics (1)

The State of Iowa Workforce Development Department reports unemployment unadjusted rates as follows (July 2025):

<u>Governmental Body</u>	<u>Percentage Unemployed</u>
National Average	4.20%
State of Iowa	3.70%
Polk County	4.30%

Historical Employment Statistics (1)

Presented below are the historical unemployment rates for the years indicated for Polk County and the State of Iowa:

<u>Calendar Year</u>	<u>Polk County</u>	<u>State of Iowa</u>
2024	3.00%	2.90%
2023	2.90%	2.90%
2022	2.80%	2.80%
2021	4.00%	3.80%
2020	5.90%	5.20%

Retail Sales (2)

Presented below are retail sales statistics for Polk County as reported by the State of Iowa Department of Revenue for the period indicated:

<u>Year Ended</u>	<u>Taxable Retail Sales</u>	<u>Number of Businesses</u>
2024	11,364,386,813	13,385
2023	11,160,516,461	13,178
2022	10,474,374,274	11,365
2021	9,442,904,368	11,456
2020	8,691,852,171	11,309

Median Family Income (3)

Polk County had an estimated median family income of \$78,827, compared to \$70,571 for the State of Iowa. The following table represents the distribution of family incomes for the County according to the 2019-2023 American Community Survey 5 year estimated table:

<u>Household Income</u>	<u># of Households</u>	<u>% of Households</u>
Under \$10,000	6,780	3.3%
10,000 to 14,999	5,337	2.6%
15,000 to 24,999	11,573	5.7%
25,000 to 34,999	12,546	6.2%
35,000 to 49,999	22,928	11.3%
50,000 to 74,999	34,520	17.1%
75,000 to 99,999	28,678	14.2%
100,000 to 149,999	37,190	18.4%
150,000 to 199,999	21,500	10.6%
200,000 or more	21,352	10.5%

Public Funds Investments (4)

The Issuer invests its funds pursuant to Chapter 12B of the Code. Presented below are the amounts on deposit and the type of deposit as of June 30, 2025:

<u>Type of Investment</u>	<u>Amount Invested</u>
Money Market	\$120,755,764
Publicly Traded Securities	\$264,131,915

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- (1) Source: Iowa Workforce Development
(2) Source: Iowa Department of Revenue
(3) Source: U.S. Census Bureau
(4) Source: the Issuer

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 Issuer'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. In 2023, the residential rollback for the 2022 assessment year was reduced (affecting Fiscal Year 2023/24) from 56.4919% to 54.6501%. This resulted in a reduction in taxable valuation in the residential, commercial, industrial and railroad property classes upon which the Issuer levied property taxes for FY 24. In fiscal year 2024/25, the residential rollback decreases from 54.6501% to 46.3428%. Residential rollback in Fiscal Year 2025/26 will increase to 47.4316%.

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 consolidated a number of existing county property tax levies and created a new adjusted general county basic levy ("AGCBL") (assessed on all taxable property in the county), and adjusted rural county basic levy ("ARCBL") (assessed on all taxable property in the county outside of incorporated city areas). Property tax provisions were further amended by Senate File 2442, adopted during the 2024 Legislative Session and signed into law on May 1, 2024. To control the growth of property taxes, the new AGCBL and ARCBL are subject to potential limitation or reduction by constraining growth by 1% - 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 Issuer calculated new AGCBL and ARCBL as baseline rates. The first annual adjustments thereof began Fiscal Year 2024/25, resulting in the General Basic maximum levy decreasing from \$3.50 to \$3.39 and the Rural Basic maximum levy decreasing from \$3.95 to \$3.83 per \$1,000 of taxable valuation. The AGCBL and ARCBL rates for Fiscal Years 2024/25 through 2027/28 are based on growth in taxed value and the previous year's tax rate. Beginning in Fiscal Year 2028/29, all counties go to maximum rates of \$3.50/\$1000 for AGCBL and \$3.95/\$1000 for ARCBL, respectively, and the levy limitation calculations ceases. The levy for debt service is not included in the levy limitations. The Issuer's AGCBL for Fiscal Year 2025/26 will be \$3.36, and the ARCBL will be \$3.80. For Fiscal Year 2025-26, the County's non-TIF tax valuation growth was 3.5%, causing the Issuer's property tax revenue growth to be mitigated by the calculations imposed by SF 2442. The Issuer's Budget for Fiscal Year 2025-26 accommodated this reduction of tax revenues relative to its non-TIF tax valuation growth.

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 in this Official Statement. 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 Issuer 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 Bonds 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, pending or future legislation, the Notes are secured by an unlimited ad valorem property tax. See "SECURITY AND SOURCES OF PAYMENT" for more details.

Property Tax Valuations (1) (2) (3)

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, 2022 are used to calculate tax liability for the tax year starting July 1, 2023 through June 30, 2024. Presented below are the historic property valuations of the Issuer by valuation year, and separately, by class of property.

In compliance with Section 441.21 of the Code of Iowa, as amended, the State Director of Revenue 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 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. The rollback percentages for residential, agricultural and commercial valuations are as follows:

<u>Fiscal Year</u>	<u>Residential</u>	<u>Ag. Land & Buildings</u>	<u>Commercial</u>	<u>Multi-residential</u>	<u>Railroad</u>	<u>Utilities</u>	<u>Industrial</u>
2025-26	47.4316	73.8575	90.0000	NA	90.0000	100.0000	90.0000
2024-25	46.3428	71.8370	90.0000	NA	90.0000	100.0000	90.0000
2023-24	54.6501	91.6430	90.0000	NA	90.0000	100.0000	90.0000
2022-23	54.1302	89.0412	90.0000	63.7500	90.0000	100.0000	90.0000
2021-22	56.4094	84.0305	90.0000	67.5000	90.0000	98.5489	90.0000

(1) Source: Iowa Department of Revenue

(2) In 2023, the Legislature created a rollback for small commercial, small railroad and small industrial properties that receive the same rollback rate as residential properties receive for said year, for the valuation of those classes up to \$150,000. Valuation above \$150,000 is taxed at the above rollback rate for each of commercial, railroad and industrial.

(3) During the 2021 Iowa legislative session, House File 418 was signed into law on March 8, 2021, applicable to valuations beginning January 1, 2022 (impacting FY2023/24). HF418 removed the multi-residential property classification by reclassifying certain properties as a subdivision of "residential" property. The multi-residential classification was created as part of the January 1, 2015 valuations, and became unnecessary due to the equalization of the residential and multi-residential classifications as of January 1, 2022 (impacting FY2023/24).

Property Valuations (1)

Valuation Year	Actual Valuation w/ Utilities	% Change in Actual Valuation	Taxable Valuation w/ Utilities	% Change in Taxable Valuation
2024	66,685,026,087	1.89%	37,159,717,692	3.16%
2023	65,447,417,123	22.47%	36,021,746,937	9.78%
2022	53,438,007,112	3.82%	32,813,163,903	1.52%
2021	51,472,259,329	9.74%	32,322,833,932	6.74%
2020	46,905,841,028	2.71%	30,282,901,606	3.90%

Actual Valuation

Valuation as of January Fiscal Year	2024 2025-26	2023 2024-25	2022 2023-24	2021 2022-23	2020 2021-22
Residential:	46,434,662,173	45,758,451,071	36,735,855,628	34,120,044,691	31,076,819,642
Agricultural Land:	261,614,322	263,628,766	203,715,905	206,163,186	202,134,338
Ag Buildings:	23,878,480	23,716,080	17,200,690	17,008,000	14,352,400
Commercial:	10,845,958,132	10,641,955,918	9,077,717,455	8,710,642,064	8,308,707,596
Industrial:	1,521,419,360	1,278,301,802	1,005,416,204	967,530,434	814,160,995
Multi-Residential	0	0	0	1,629,955,271	1,324,100,770
Reserved	0	0	0	0	0
Railroads:	88,488,475	87,640,887	84,406,657	78,983,945	75,012,603
Utilities:	166,500,857	167,214,353	163,701,199	193,494,461	203,878,444
Other:	0	0	0	0	0
Total Valuation:	59,342,521,799	58,220,908,877	47,288,013,738	45,923,822,052	42,019,166,788
Less Military:	46,795,772	48,742,958	23,266,676	24,554,617	25,862,794
Less Homestead	210,791,750	106,474,941			
Net Valuation:	59,084,934,277	58,065,690,978	47,264,747,062	45,899,267,435	41,993,303,994
TIF Valuation:	4,497,667,373	4,479,984,574	3,546,630,532	3,655,055,601	3,139,336,916
Utility Replacement:	3,102,424,437	2,901,741,571	2,626,629,518	1,917,936,293	1,773,200,118

Taxable Valuation

Valuation as of January Fiscal Year	2024 2025-26	2023 2024-25	2022 2023-24	2021 2022-23	2020 2021-22
Residential:	21,559,028,542	20,758,394,136	19,765,274,692	18,214,406,039	17,312,920,860
Agricultural Land:	193,221,202	189,382,957	186,691,410	183,570,139	169,854,400
Ag Buildings:	17,636,049	17,036,941	15,763,269	15,144,080	12,060,373
Commercial:	9,109,182,475	8,913,888,390	7,641,214,706	7,624,855,735	7,286,536,896
Industrial:	1,310,654,722	1,103,659,616	868,859,034	853,505,345	719,819,884
Multi-Residential	0	0	0	996,208,831	860,149,161
Reserved	0	0	0	0	0
Railroads:	79,384,218	78,614,855	75,753,888	71,085,552	67,511,343
Utilities:	166,500,857	167,214,353	163,701,199	193,494,461	200,919,967
Other:	0	0	0	0	0
Total Valuation:	32,435,608,065	31,228,191,248	28,717,258,198	28,152,270,182	26,629,772,884
Less Military:	46,795,772	48,742,958	23,266,676	24,554,617	25,862,794
Less Homestead	210,791,750	106,474,941			
Net Valuation:	32,178,020,543	31,072,973,349	28,693,991,522	28,127,715,565	26,603,910,090
TIF Valuation:	4,233,368,031	4,211,227,315	3,378,571,695	3,473,194,604	3,026,321,248
Utility Replacement:	748,885,361	737,546,273	740,600,686	721,923,763	652,670,268

Tax Collection History (2)

Fiscal Year	Amount Levied	Amount Collected	Percentage Collected
2024	209,588,306	209,050,208	99.74%
2023	205,511,613	204,920,417	99.71%
2022	203,264,228	202,695,118	99.72%
2021	200,572,804	200,037,273	99.73%
2020	186,270,558	183,547,007	98.54%
2019	177,823,246	177,494,432	99.82%

(1) Source: Iowa Department of Management

(2) Source: the Issuer

Tax Rates (1)

The County levied the following taxes for collection during the fiscal years indicated: (Source: Local Division, Iowa State Comptroller Office):

<u>Fiscal Year</u>	<u>General Basic</u>	<u>Cemetery</u>	<u>General Supp</u>	<u>Mental Health</u>	<u>Debt Service</u>	<u>Countywide</u>
2026	3.36442	0.00000	2.51710	0.00000	0.82744	6.70896
2025	3.39806	0.00000	1.53372	0.00000	1.83921	6.77099
2024	3.50000	0.00000	2.52809	0.00000	0.74290	6.77099
2023	3.50000	0.00000	2.56764	0.00000	0.70335	6.77099
2022	3.50000	0.00000	2.56764	0.38017	0.68602	7.13383

Combined Historic Tax Rates (1)

There are many different governmental bodies that operate within the County, with many of those bodies having overlapping boundaries. Presented below are the tax rates for four of the largest combinations of governmental bodies that operate within the County:

City of Des Moines/Des Moines Independent Community School District

Presented below are the tax rates by taxing district for the residents of the City of Des Moines/Des Moines School District:

<u>Year</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>Assessor</u>	<u>Ag Extens</u>	<u>Hospital</u>	<u>County</u>	<u>Transit</u>	<u>Levy Rate</u>
2026	16.61000	14.61057	0.78046	0.00000	0.24426	0.03143	2.38878	6.70896	0.95000	42.32446
2025	16.61000	14.67446	0.75916	0.00180	0.25772	0.03175	2.39364	6.77099	0.95000	42.44952
2024	16.61000	15.15446	0.74410	0.00180	0.22070	0.03346	2.63945	6.77099	0.95000	43.12496
2023	16.61000	15.34447	0.69448	0.00240	0.22542	0.03328	2.57722	6.77099	0.95000	43.20826
2022	16.61000	16.05937	0.67789	0.00260	0.19192	0.03486	2.57740	7.13383	0.95000	44.23787

City of West Des Moines/West Des Moines Community School District

Presented below are the tax rates by taxing district for residents of the City of West Des Moines/West Des Moines School District:

<u>Year</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>Assessor</u>	<u>Ag Extens</u>	<u>Hospital</u>	<u>County</u>	<u>Transit</u>	<u>Levy Rate</u>
2026	10.80000	12.21780	0.78046	0.00000	0.24426	0.03143	2.38878	6.70896	0.95000	34.12169
2025	10.85000	12.21816	0.75916	0.00180	0.25772	0.03175	2.39364	6.77099	0.91898	34.20220
2024	10.90000	13.16057	0.74410	0.00180	0.22070	0.03346	2.63945	6.77099	0.86174	35.33281
2023	10.95000	13.15798	0.69448	0.00240	0.22542	0.03328	2.57722	6.77099	0.83939	35.25116
2022	10.95000	13.15921	0.67789	0.00260	0.19192	0.03486	2.57740	7.13383	0.82377	35.55148

City of Urbandale/Urbandale Community School District

Presented below are the tax rates by taxing district for residents of the City of Urbandale/Urbandale School District:

<u>Year</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>Assessor</u>	<u>Ag Extens</u>	<u>Hospital</u>	<u>County</u>	<u>Transit</u>	<u>Levy Rate</u>
2026	10.03000	17.93652	0.78046	0.00000	0.24426	0.03143	2.38878	6.70896	0.62778	38.74819
2025	10.08000	17.94026	0.75916	0.00180	0.25772	0.03175	2.39364	6.77099	0.63500	38.87032
2024	10.01000	17.99523	0.74410	0.00180	0.22070	0.03346	2.63945	6.77099	0.63138	39.04711
2023	10.01000	17.99500	0.69448	0.00240	0.22542	0.03328	2.57722	6.77099	0.65643	38.96522
2022	10.11000	17.98941	0.67789	0.00260	0.19192	0.03486	2.57740	7.13383	0.68190	39.39981

City of Ankeny/Ankeny Community School District

Presented below are the tax rates by taxing district for residents of the City of Ankeny/Ankeny School District:

<u>Year</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>Assessor</u>	<u>Ag Extens</u>	<u>Hospital</u>	<u>County</u>	<u>Transit</u>	<u>Levy Rate</u>
2026	9.90000	16.00047	0.78046	0.00000	0.24426	0.03143	2.38878	6.70896	0.62963	36.68399
2025	9.90000	16.04608	0.75916	0.00180	0.25772	0.03175	2.39364	6.77099	0.63154	36.79268
2024	9.90000	16.99602	0.74410	0.00180	0.22070	0.03346	2.63945	6.77099	0.62636	37.93288
2023	9.90000	17.05078	0.69448	0.00240	0.22542	0.03328	2.57722	6.77099	0.63567	37.89024
2022	9.95000	17.31652	0.67789	0.00260	0.19192	0.03486	2.57740	7.13383	0.65206	38.53708

(1) Source: Iowa Department of Management

Largest Taxpayers (1) (2)

Set forth in the following table are the persons or entities which represent the largest taxpayers within the County, as provided by the Auditor's Office. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the County. Except as noted below, the Issuer's mill levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the County from such taxpayers will be in proportion to the taxable valuations of the properties. The total tax bill for each of the properties is dependent upon the mill levies of the other taxing entities which overlap the properties.

<u>Taxpayer</u>	<u>2024 Taxable Valuation</u>	<u>Percent of Total</u>	<u>2023 Taxable Valuation</u>	<u>Percent of Total</u>
Mid American Energy (2)	738,375,782	1.99%	727,393,337	2.02%
Microsoft Corporation	295,597,099	0.80%	220,153,244	0.61%
Polk County	197,025,652	0.53%	196,558,015	0.55%
CS1031 Zero Coupon Fulfillment Center Fee Owner	143,846,147	0.39%	125,610,514	0.35%
Principal Mutual Life Insurance Company	135,887,784	0.37%	217,445,993	0.60%
Deere & Company	106,210,005	0.29%	101,821,203	0.28%
DRA Properties LC	95,882,963	0.26%	85,790,123	0.24%
Wellmark Inc.	95,695,295	0.26%	109,219,031	0.30%
Wells Fargo Properties Inc.	94,901,504	0.26%	112,103,878	0.31%
Magellan Pipeline Co.	94,869,520	0.26%	91,879,112	0.26%
Hy-Vee Inc	89,643,269	0.24%	89,443,974	0.25%
Casey's Marketing Co	86,672,520	0.23%	85,779,628	0.24%
Eighth & Grand Owner LLC	78,766,297	0.21%		0.00%
Employers Mutual Casualty Company	77,268,387	0.21%	88,564,223	0.25%
Principal Life Insurance Co.		0.00%		0.00%
Nationwide Mutual Insurance Company		0.00%	115,784,058	0.32%
Top 10 Total		5.38%	Top 10 Total	5.60%

(1) Source: The Issuer

(2) Utility Property Tax Replacement. Under Iowa Code chapters 437A and 437B, the State replaced its previous property tax assessment procedure in valuing the property of entities involved primarily in the production, delivery, service and sale of electricity, natural gas, and rate-regulated water utilities ("Utilities") with a replacement tax formula based upon the delivery of energy by these entities. The Utilities now pay replacement taxes to the State in lieu of property taxes. All replacement taxes are allocated among local taxing entities by the State Department of Revenue and Finance 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. Properties of these utilities are exempt from the levy of property tax by political subdivisions. 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. The utility replacement tax statute states that the utility replacement tax collected by the State and allocated among local taxing entities (including the Issuer) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. However, utility property is not subject to the levy of property tax by political subdivisions, only the utility replacement tax and statewide property tax. It is possible that the general obligation debt capacity of the Issuer 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 Issuer'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 Issuer can issue or (ii) adversely affect the Issuer's ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds. Less than 1% of the Issuer's tax base currently is utility property. Notwithstanding the foregoing, the Issuer has the obligation to levy taxes against all the taxable property within the boundaries of the Issuer sufficient to pay principal of and interest on the Bond.

Debt Limit (1) (2) (3) (4) (5)

The amount of general obligation debt a political subdivision of the State of Iowa can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of property within the corporate limits, taken from the last County Tax list. The Issuer's debt limit, based upon said valuation, amounts to the following:

	<u>FY26</u>
Actual Valuation	66,685,026,087
X	5%
Statutory Debt Limit:	3,334,251,304
 Total General Obligation Bond Debt:	 469,649,000
The Bonds	21,200,000
Obligations under a 28E intergovernmental agreement (3)	6,148,682
Total Urban Renewal Obligations (2)	10,282,737
SBITA Leases	3,323,106
 Total Debt Subject to Limit:	 510,603,525
Percentage of Debt Limit Obligated:	15.31%

Direct General Obligation Debt (4)

The Issuer has previously issued general obligation bonds and notes, with outstanding balances as of 6/30/24 and 6/30/25 as shown below:

Bond/Note	Bonds/Notes		Bonds/Notes	
series	Outstanding	Retired	Issued	Outstanding
	<u>6/30/24</u>	<u>FY25</u>	<u>FY25</u>	<u>6/30/25</u>
Leases	4,655,717	-1,332,611		3,323,106
WRA	6,387,026	-238,344		6,148,682
10/19/12	7,563,000	-41,000		7,522,000
7/30/08	1,130,000	-269,000		861,000
6/16/10	0	0		0
6/2/11	4,634,000	-37,000		4,597,000
9/1/12	310,000	-1,000		309,000
6/1/15	1,060,000	-1,060,000		0
6/1/16	0	0		0
6/7/17	11,335,000	-6,000,000		5,335,000
5/23/18	3,925,000	-500,000		3,425,000
5/30/19	14,210,000	-5,495,000		8,715,000
6/4/20	57,500,000	-3,905,000		53,595,000
6/4/20	0	0		0
5/17/22	17,245,000	-2,885,000		14,360,000
5/17/22	23,225,000	-13,685,000		9,540,000
6/27/24	52,585,000	-41,195,000		11,390,000
6/4/24	112,170,000	0		112,170,000
6/5/25	0		180,375,000	180,375,000
6/5/25	0		57,455,000	57,455,000
	317,934,743	-76,643,955	237,830,000	479,120,788

(1) Valuation Source: Iowa Department of Management

(2) As reported by the Issuer pursuant to development agreements for urban renewal projects under the authority of Iowa Code Chapter 403. The Iowa Supreme Court has not formally ruled on the question of whether contracts to rebate the tax increment generated by a particular development constitutes indebtedness of an issuer for constitutional debt limit purposes. The amount above includes rebate agreements that may not be debt. Some development agreements are subject to the right of annual appropriation by the Issuer, thereby limiting the extent of possible debt to only amounts currently due and appropriated in the current fiscal year. Amounts payable under a particular development agreement may not constitute legal indebtedness, but are memorialized in the table above to conservatively state the Issuer's possible financial exposure. Payment of future installments may be dependent upon undertakings by the developers, which may have not yet occurred. The Issuer actively pursues opportunities consistent with the development goals of its various urban renewal plans, which may be amended from time to time, and the Issuer may enter into additional development agreements committing to additional rebate incentive in calendar year 2025 or after. See "Other Agreements" table herein for more information.

(3) The Issuer is a member of the Des Moines Wastewater Reclamation Authority. WRA is a 28E intergovernmental entity which provides sanitary sewer treatment facilities for communities in the greater Des Moines area. Pursuant to the WRA operating agreement, the Issuer is obligated to make payments to WRA based on a formula that includes annual adjustments for flow from one community member to another, as well as adjustments based on capital allocated to each community.

(4) Direct debt source: the Issuer

(5) Subscription Based Information Technology Arrangements. The Iowa Supreme Court has not formally ruled on the question of whether certain lease assets and liabilities previously classified as operating leases, which pursuant to GASB 87 are now required to be recognized as a lease liability and an intangible right-to-use lease asset, constitute an indebtedness for constitutional debt purposes. Though the agreements noted herein may not constitute legal indebtedness for constitutional debt limit purposes, amounts reflected above are memorialized in the table to conservatively state the County's possible financial exposure.

Outstanding Debt (1) (2) (3)

The Issuer has numerous outstanding general obligation bonds and notes. Presented below is a summary of the balance on the Issuer's outstanding general obligations, including the Bonds, presented by fiscal year:

Fiscal Year	Existing GO Bonds & Notes			The 2025C-D Bonds			Existing Leases			Intergovernmental 28E		
	Principal	Interest	Total P&I	Principal	Interest	Total P&I	Principal	Interest	Total P&I	Principal	Interest	Total P&I
6/1/26	28,114,000	21,496,370	49,610,370	9,860,000	644,833	10,504,833	595,628	143,131	738,759	244,493	169,029	413,522
6/1/27	16,535,000	20,485,233	37,020,233	2,800,000	567,000	3,367,000	616,890	117,166	734,056	265,600	150,095	415,695
6/1/28	16,507,000	19,734,808	36,241,808	0	427,000	427,000	440,451	90,500	530,951	272,983	143,338	416,321
6/1/29	15,142,000	19,061,610	34,203,610	0	427,000	427,000	389,554	73,658	463,212	280,610	136,246	416,856
6/1/30	16,793,000	18,453,825	35,246,825	1,350,000	427,000	1,777,000	302,386	58,684	361,070	288,531	128,926	417,457
6/1/31	19,481,000	17,794,960	37,275,960	7,190,000	359,500	7,549,500	242,410	47,018	289,428	300,445	122,120	422,565
6/1/32	20,122,000	17,104,643	37,226,643	0	0	0	258,650	35,156	293,806	320,844	114,977	435,821
6/1/33	17,245,000	16,434,058	33,679,058	0	0	0	275,866	22,491	298,357	295,724	107,403	403,127
6/1/34	12,640,000	15,762,288	28,402,288	0	0	0	171,022	8,976	179,998	297,966	99,854	397,820
6/1/35	13,180,000	15,225,188	28,405,188	0	0	0	14,896	704	15,600	279,441	92,631	372,072
6/1/36	11,670,000	14,663,488	26,333,488	0	0	0	15,353	247	15,600	277,920	85,683	363,603
6/1/37	10,565,000	14,108,188	24,673,188	0	0	0	0	0	0	272,120	78,677	350,797
6/1/38	9,385,000	13,608,938	22,993,938	0	0	0	0	0	0	279,482	71,950	351,432
6/1/39	18,300,000	13,169,588	31,469,588	0	0	0	0	0	0	287,039	65,023	352,062
6/1/40	21,080,000	12,285,388	33,365,388	0	0	0	0	0	0	271,196	57,902	329,098
6/1/41	18,480,000	11,263,088	29,743,088	0	0	0	0	0	0	264,952	50,990	315,942
6/1/42	22,915,000	10,325,525	33,240,525	0	0	0	0	0	0	268,638	44,075	312,713
6/1/43	22,400,000	9,165,500	31,565,500	0	0	0	0	0	0	228,743	37,054	265,797
6/1/44	23,435,000	8,045,500	31,480,500	0	0	0	0	0	0	193,327	30,770	224,097
6/1/45	135,660,000	6,873,750	142,533,750	0	0	0	0	0	0	190,442	25,227	215,669
6/1/46							0	0	0	195,992	19,715	215,707
6/1/47							0	0	0	180,770	14,040	194,810
6/1/48							0	0	0	186,133	8,617	194,750
6/1/49							0	0	0	33,247	3,033	36,280
6/1/50							0	0	0	33,622	2,661	36,283
6/1/51							0	0	0	34,008	2,277	36,285
6/1/52							0	0	0	34,393	1,882	36,275
6/1/53							0	0	0	34,801	1,475	36,276
6/1/54							0	0	0	35,220	1,057	36,277
Totals:	469,649,000	295,061,930	764,710,930	21,200,000	2,852,333	24,052,333	3,323,106	597,731	3,920,837	6,148,682	1,866,727	8,015,409

(1) Source: the Issuer

(2) Subscription Based Information Technology Arrangements. The Iowa Supreme Court has not formally ruled on the question of whether certain lease assets and liabilities previously classified as operating leases, which pursuant to GASB 87 are now required to be recognized as a lease liability and an intangible right-to-use lease asset, constitute an indebtedness for constitutional debt purposes. Though the agreements noted herein may not constitute legal indebtedness for constitutional debt limit purposes, amounts reflected above are memorialized in the table to conservatively state the County's possible financial exposure.

(3) Preliminary, subject to change.

General Obligation Bonds abated from Gaming Revenues (1)

The Issuer has previously issued Bonds and Notes to fund projects that are intended to be paid from the Issuer's receipt of gaming revenue from Prairie Meadows. Presented below are G.O. obligations for which the Issuer abates the debt service levy with this revenue source:

<u>Year</u>	<u>5/17/22</u>	<u>Total Interest</u>	<u>Total P&I</u>
2026	9,540,000	286,200	9,826,200
Totals:	9,540,000	286,200	9,8826,200

Rock Creek Sanitary Sewer Improvements (1)

The Issuer has previously issued general obligation notes on 7/30/2008, 6/8/2011, and 10/19/2012, all purchased by the Iowa State Revolving Loan Fund (the "SRF"). Proceeds of those notes were used to build the Rock Creek Sanitary Sewer trunk line and related improvements through northern Ankeny and to Polk City, to connect those communities, and the unincorporated area between them, to the Wastewater Reclamation Authority sanitary sewer treatment facility operated by the City of Des Moines. The County and the cities of Ankeny and Polk City agreed to an annual payment stream sufficient to amortize the Bonds and Notes issued based on a 30-year payoff period and a 5-year construction period. During 2023, the City of Ankeny pre-paid its obligation, and the County called the 6/16/10 GO Bond out of proceeds of the pre-payment (\$5,726,000). Presented below is a summary of the debt service of the Rock Creek project:

<u>Fiscal Year</u>	<u>7/30/08</u>	<u>6/2/11</u>	<u>10/19/12</u>	<u>9/1/12</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total P&I</u>
6/1/26	278,000	38,000	42,000	1,000	359,000	232,558	591,558
6/1/27	287,000	39,000	43,000	1,000	370,000	226,275	596,275
6/1/28	296,000	40,000	40,000	1,000	377,000	219,800	596,800
6/1/29		343,000	38,000	1,000	382,000	213,203	595,203
6/1/30		1,210,000	47,000	1,000	1,258,000	206,518	1,464,518
6/1/31		2,927,000	1,344,000	50,000	4,321,000	184,503	4,505,503
6/1/32			5,968,000	254,000	6,222,000	108,885	6,330,885
Totals:	861,000	4,597,000	7,522,000	309,000	13,289,000	1,706,990	14,995,990

Metro Waste Authority Debt (1)

The County issued its 2020 Bonds, a portion of which was used to fund projects constructed, owned and operated by Metro Waste Authority ("MWA"), an intergovernmental organization under Iowa Code chapter 28E, of which the County is a member. The Issuer has entered into a loan agreement with MWA, and MWA is required to make payments with respect to its loan in the below amounts:

<u>Fiscal Year</u>	<u>6/4/20 A</u>	<u>Total Interest</u>	<u>Total P&I</u>
2026	1,010,000	624,750	1,634,750
2027	1,060,000	574,250	1,634,250
2028	1,115,000	521,250	1,636,250
2029	1,145,000	487,800	1,632,800
2030	1,180,000	453,450	1,633,450
2031	1,215,000	418,050	1,633,050
2032	1,250,000	381,600	1,631,600
2033	1,290,000	344,100	1,634,100
2034	1,330,000	305,400	1,635,400
2035	1,370,000	265,500	1,635,500
2036	1,410,000	224,400	1,634,400
2037	1,450,000	182,100	1,632,100
2038	1,495,000	138,600	1,633,600
2039	1,540,000	93,750	1,633,750
2040	1,585,000	47,550	1,632,550
Totals:	19,445,000	5,062,550	24,507,550

(1) Source: the Issuer

General Obligation Bonds abated from Intergovernmental & Sanitary Sewer Receipts (1) (2)

The Issuer has previously issued Bonds and Notes to fund projects that are intended to be paid from the Issuer's receipt of intergovernmental funding, sewer system special assessments, and the sale of capacity in the treatment plant by the County to certain communities. Presented below are the G.O. obligations for which the Issuer abates the debt service levy with this revenue source:

<u>Fiscal Year</u>	<u>WRA</u>	<u>6/7/17</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Admin Fee</u>	<u>Total P&I</u>
2026	244,493	280,000	524,493	183,029	16,772	724,294
2027	265,600		265,600	150,095	14,760	430,455
2028	272,983		272,983	143,338	14,096	430,417
2029	280,610		280,610	136,246	13,414	430,270
2030	288,531		288,531	128,926	12,712	430,169
2031	300,445		300,445	122,120	11,991	434,556
2032	320,844		320,844	114,977	11,240	447,061
2033	295,724		295,724	107,403	10,438	413,565
2034	297,966		297,966	99,854	9,699	407,519
2035	279,441		279,441	92,631	8,954	381,026
2036	277,920		277,920	85,683	8,255	371,858
2037	272,120		272,120	78,677	7,560	358,357
2038	279,482		279,482	71,950	6,880	358,312
2039	287,039		287,039	65,023	6,181	358,243
2040	271,196		271,196	57,902	5,464	334,562
2041	264,952		264,952	50,990	4,786	320,728
2042	268,638		268,638	44,075	4,123	316,836
2043	228,743		228,743	37,054	3,452	269,249
2044	193,327		193,327	30,770	2,880	226,977
2045	190,442		190,442	25,227	2,397	218,066
2046	195,992		195,992	19,715	1,920	217,627
2047	180,770		180,770	14,040	1,430	196,240
2048	186,133		186,133	8,617	979	195,729
2049	33,247		33,247	3,033	513	36,793
2050	33,622		33,622	2,661	430	36,713
2051	34,008		34,008	2,277	346	36,631
2052	34,393		34,393	1,882	261	36,536
2053	34,801		34,801	1,475	175	36,451
2054	35,220		35,220	1,057	88	36,365
Totals:	6,148,682	280,000	6,428,682	1,880,727	182,198	8,491,607

Additional Debt (1)

Upon completion of the Bonds, the Issuer will have voter-authorized but unsold balance for conservation, in the amount of \$13,660,000 (currently anticipated to be issued in part in each of 2026 and 2028, but this current anticipation is subject to change).

(1) Source: the Issuer

(2) The County is a member of the Des Moines Wastewater Reclamation Authority (WRA). WRA is a 28E intergovernmental entity which provides sanitary sewer treatment facilities for communities in the greater Des Moines area. Pursuant to the WRA 28E agreement, members are obligated to make payments to WRA for operations and WRA debt incurred, based on a formula that includes annual adjustments for flow from one community member to another, as well as adjustments based on capital allocated to each community. The above amount reflects the County's allocation of WRA operational costs and debt based upon current flows. The County funds the annual amount in its budget each year.

Des Moines International Airport Authority Obligations (1) (2)

The Issuer previously issued its Series 2024A Notes, Series 2025A Notes, and Series 2025B Notes, the proceeds of which are to be used to fund projects constructed, owned and operated by Des Moines Airport Authority (“DMAA”), a separate governmental body. The Issuer has entered into a loan agreement with DMAA, and DMAA is required to make payments with respect to its loan in the below amounts:

<u>Fiscal Year</u>	<u>A</u> <u>6/4/24</u>	<u>A</u> <u>6/5/25</u>	<u>B</u> <u>6/5/25</u>	<u>Total</u> <u>Principal</u>	<u>Total</u> <u>Interest</u>	<u>DMAA</u> <u>P&I</u>
6/1/26	1,785,000	0	0	1,785,000	17,485,142	19,270,142
6/1/27	1,875,000	2,675,000	1,000,000	5,550,000	17,529,338	23,079,338
6/1/28	1,970,000	2,860,000	1,000,000	5,830,000	17,251,838	23,081,838
6/1/29	2,070,000	3,020,000	1,100,000	6,190,000	16,960,338	23,150,338
6/1/30	2,170,000	3,170,000	1,200,000	6,540,000	16,650,838	23,190,838
6/1/31	2,280,000	3,330,000	1,200,000	6,810,000	16,323,838	23,133,838
6/1/32	2,395,000	3,495,000	1,300,000	7,190,000	15,983,338	23,173,338
6/1/33	2,515,000	3,670,000	1,300,000	7,485,000	15,623,838	23,108,838
6/1/34	2,640,000	3,855,000	1,400,000	7,895,000	15,249,588	23,144,588
6/1/35	2,770,000	4,045,000	1,500,000	8,315,000	14,854,838	23,169,838
6/1/36	2,910,000	4,250,000	3,100,000	10,260,000	14,439,088	24,699,088
6/1/37	3,055,000	4,460,000	1,600,000	9,115,000	13,926,088	23,041,088
6/1/38	3,205,000	4,685,000	0	7,890,000	13,470,338	21,360,338
6/1/39	11,840,000	4,920,000	0	16,760,000	13,075,838	29,835,838
6/1/40	12,430,000	5,165,000	1,900,000	19,495,000	12,237,838	31,732,838
6/1/41	13,055,000	5,425,000	0	18,480,000	11,263,088	29,743,088
6/1/42	13,705,000	5,710,000	3,500,000	22,915,000	10,325,525	33,240,525
6/1/43	14,390,000	6,510,000	1,500,000	22,400,000	9,165,500	31,565,500
6/1/44	15,110,000	6,825,000	1,500,000	23,435,000	8,045,500	31,480,500
6/1/45		102,305,000	33,355,000	135,660,000	6,873,750	142,533,750
Totals:	112,170,000	180,375,000	57,455,000	350,000,000	276,735,480	626,735,480

As described herein, the Issuer intends to use the payment received from the Authority under the Airport Loan Agreement to abate the Issuer debt service levy securing the 2024A, 2025A and 2025B Notes. **Payments by the Authority under the Airport Loan Agreement are NOT pledged as security for the Series 2024A, 2025A and 2025B Notes, and said Noteholders have no claim against said payments, Authority revenues in general, or Authority property.**

(1) Source: the Issuer

(2) Preliminary, subject to change.

Other Agreements (1)

Economic Development incentive agreements

		<u>Date Obligation</u>	<u>Financial</u>	<u>Outstanding Amount</u>	<u>Final Payment</u>
		<u>Incurred</u>	<u>Obligation Amount</u>	<u>6/30/24</u>	<u>Date</u>
Saylorville	Development agreement	1/3/06	8,500,000	4,311,331	6/1/37
Whitetail Ridge	Development agreement	11/7/17	1,500,000	1,182,045	8/1/30
	LMI	11/7/17	583,800	460,028	8/1/30
	Amendment #1	12/18/18	N/A	N/A	N/A
Big Creek Valley Plat 1					
	Development agreement	5/7/19	2,037,491	1,822,293	8/1/33
	LMI	5/7/19	837,816	749,327	8/1/33
Big Creek Valley Plat 2					
	Development agreement	4/14/20	1,392,635	1,245,545	8/1/33
	LMI	4/14/20	572,651	512,168	8/1/33

Contractual Obligations – paid from County reserves

		<u>Date Obligation</u>	<u>Financial</u>	<u>Outstanding Amount</u>	<u>Final Payment</u>
		<u>Incurred</u>	<u>Obligation Amount</u>		<u>Date</u>
Pro Iowa		8/21/21	7,000,000	7,000,000	TBD
Pro Iowa		10/22/24	10,000,000	10,000,000	TBD

(1) Source: the Issuer

Overlapping & Underlying Debt (1) (2)

Presented below is a listing of the overlapping and underlying debt and the amount applicable to the Issuer:

	6/30/25 Total GO Debt <u>Outstanding</u>	1/1/24 Taxable Valuation <u>(x \$1,000)</u>	Valuation Within Issuer <u>(x \$1,000)</u>	Percentage <u>Applicable</u>	Amount <u>Applicable</u>
DES MOINES CSD	0	10,678,039,770	10,593,592,049	99.21%	0
WEST DES MOINES CSD	40,105,000	6,233,944,636	6,170,430,113	98.98%	39,696,390
ANKENY CSD	14,400,000	6,095,633,572	6,095,633,572	100.00%	14,400,000
JOHNSTON CSD	0	3,524,044,822	3,524,044,822	100.00%	0
SOUTHEAST POLK CSD	79,835,000	3,237,972,103	3,225,078,706	99.60%	79,517,102
URBANDALE CSD	70,525,000	1,815,820,702	1,815,820,702	100.00%	70,525,000
SAYDEL CSD	16,450,000	1,718,230,490	1,718,230,490	100.00%	16,450,000
DALLAS CENTER-GRIMES CSD	48,241,292	1,880,770,684	1,611,097,548	85.66%	41,324,244
BONDURANT-FARRAR CSD	63,410,000	1,234,451,242	1,230,377,642	99.67%	63,200,752
NORTH POLK CSD	38,325,000	815,873,090	808,624,710	99.11%	37,984,513
CARLISLE CSD	11,470,000	519,710,924	185,577,171	35.71%	4,095,681
WOODWARD-GRANGER CSD	16,395,000	448,172,263	118,573,637	26.46%	4,337,651
COLLINS-MAXWELL CSD	5,650,000	226,588,781	35,454,068	15.65%	884,049
MADRID CSD	5,085,000	202,773,209	23,551,308	11.61%	590,603
BALLARD CSD	18,370,000	694,439,586	3,095,915	0.45%	81,896
PCM CSD	5,025,000	409,819,005	1,091,482	0.27%	13,383
City of DES MOINES	488,650,000	10,793,516,550	10,774,773,543	99.83%	487,801,456
City of ANKENY	65,888,334	6,051,862,725	6,051,862,725	100.00%	65,888,334
City of WEST DES MOINES	292,035,558	8,008,456,794	4,139,430,936	51.69%	150,948,061
City of URBANDALE	50,245,000	4,485,626,650	3,339,933,110	74.46%	37,411,705
City of JOHNSTON	111,130,304	2,157,675,374	2,157,675,374	100.00%	111,130,304
City of ALTOONA	90,985,000	1,944,153,647	1,944,153,647	100.00%	90,985,000
City of GRIMES	78,160,000	1,660,847,562	1,656,552,660	99.74%	77,957,881
City of CLIVE	40,649,000	2,048,491,450	1,302,056,777	63.56%	25,837,211
City of PLEASANT HILL	22,350,000	879,399,122	879,399,122	100.00%	22,350,000
City of BONDURANT	47,820,000	680,138,877	680,138,877	100.00%	47,820,000
City of POLK CITY	12,910,000	436,381,777	436,381,777	100.00%	12,910,000
City of WINDSOR HEIGHTS	17,460,091	334,309,622	334,309,622	100.00%	17,460,091
City of ELKHART	425,000	73,691,311	71,887,001	97.55%	414,594
City of MITCHELLVILLE	4,224,000	69,321,871	69,321,871	100.00%	4,224,000
City of CARLISLE	7,575,000	241,242,945	55,120,595	22.85%	1,730,780
City of GRANGER	2,108,278	135,002,352	34,110,749	25.27%	532,694
City of ALLEMAN	0	31,995,762	31,995,762	100.00%	0
City of RUNNELLS	0	21,325,642	21,325,642	100.00%	0
City of SHELDAHL	0	15,464,137	8,275,932	53.52%	0
City of NORWALK	36,835,000	941,372,487	3,914	0.00%	153
Des Moines Area CC	68,145,000	70,226,515,406	37,160,273,935	52.91%	36,058,843
Heartland AEA	0	69,999,578,107	37,160,273,935	53.09%	0
URBANDALE SANITARY SEWER	4,850,000	4,245,241,735	2,725,666,515	64.21%	3,113,953
URBANDALE/WINDSOR HTS SANITARY SEWER	0	572,622,686	496,483,566	86.70%	0

Total: 1,567,676,323

(1) Valuation Source: Iowa Department of Management

(2) Debt outstanding as of 6/30/24. Uses 1/1/23 valuation (FY25 valuations). Overlapping & Underlying debt source: EMMA.MSRB.ORG; Treasurer, State of Iowa; independent auditors' statements

FINANCIAL SUMMARY (1) (2) (3) (4) (5)

Actual Value of Property	66,685,026,087
Taxable Value of Property	37,160,273,935
Direct General Obligation Debt:	490,849,000
SBITA Leases	3,323,106
28E commitments	6,148,682
Less Self-Supporting Debt	-398,702,682
Net Direct General Obligation Debt	101,618,106
Overlapping Debt:	1,567,676,323
Direct & Overlapping General Obligation Debt:	2,058,525,323
Population, 2020 US Census:	492,401
Direct Debt per Capita:	206
Total Debt per Capita:	4,181
Direct Debt to Taxable Valuation:	0.273%
Total Debt to Taxable Valuation:	5.540%
Direct Debt to Actual Valuation:	0.152%
Total Debt to Actual Valuation:	3.087%
Actual Valuation per Capita:	135,428
Taxable Valuation per Capita:	75,468

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- (1) Valuation Source: Iowa Department of Management
- (2) Direct debt source: the Issuer
- (3) Overlapping & Underlying debt source: EMMA.MSRB.ORG; Treasurer, State of Iowa; independent auditors' statements
- (4) Population Source: U.S. Census
- (5) Preliminary, subject to change

APPENDIX B – FORM OF LEGAL OPINIONS

Series 2025C

We hereby certify that we have examined a certified transcript of the proceedings of the Board of Supervisors and acts of administrative officers of County of Polk, State of Iowa (the "Issuer"), relating to the issuance of General Obligation Bonds, Series 2025C, by said County, dated November 19, 2025, in the denomination of \$5,000 or multiples thereof, in the aggregate amount of \$_____ (the "Bonds").

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 issuance of the Bonds (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 issue the Bonds.
2. The Bonds 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 Bonds. Taxes have been levied by the Resolution for the payment of the Bonds and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.
4. Interest on the Bonds 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 Bonds 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 Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

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

The rights of the owners of the Bonds and the enforceability of the Bonds 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,

Series 2025D

We hereby certify that we have examined a certified transcript of the proceedings of the Board of Supervisors and acts of administrative officers of County of Polk, State of Iowa (the "Issuer"), relating to the issuance of Taxable General Obligation Bonds, Series 2025D, by said County, dated November 19, 2025, in the denomination of \$5,000 or multiples thereof, in the aggregate amount of \$ _____ (the "Bonds").

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 issuance of the Bonds (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 issue the Bonds.
2. The Bonds 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 Bonds. Taxes have been levied by the Resolution for the payment of the Bonds and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.
4. The interest on the Bonds is not excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). THE HOLDERS OF THE BONDS SHOULD TREAT THE INTEREST THEREON AS SUBJECT TO FEDERAL INCOME TAXATION.

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

The rights of the owners of the Bonds and the enforceability of the Bonds 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 C – FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by County of Polk, State of Iowa (the "Issuer"), in connection with the issuance of \$_____ General Obligation Bonds, Series 2025C and \$_____ Taxable General Obligation Bonds, Series 2025D (collectively the "Bonds") dated November 19, 2025. The Bonds are being issued pursuant to resolutions of the Issuer approved on November 4, 2025 (each, a "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 Bonds 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 Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds 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 Bonds, 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 Bonds, dated _____, 2025.

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

"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 the 15th day of April each year, 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 Exhibits A-1 and A-2.
- 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 Appendix A to the final Official Statement under the captions "Property Valuations", "Tax Collection History," "Tax Rates," "Combined Historic Tax Rates," "Largest Taxpayers," "Debt Limit," "Outstanding Debt," "Overlapping & Underlying Debt" and "Financial Summary".

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 Bonds 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 Bonds 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 Bonds, or material events affecting the tax-exempt status of the Bonds;
 - vii. Modifications to rights of Holders of the Bonds, if material;
 - viii. Bond calls (excluding sinking fund mandatory redemptions), if material, and tender offers;
 - ix. Defeasances of the Bonds;
 - x. Release, substitution, or sale of property securing repayment of the Bonds, if material;
 - xi. Rating changes on the Bonds;
 - 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 Bonds shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds 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: 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 Bonds, or the type of business conducted;

- a. 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 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- b. The amendment or waiver either (i) is approved by the Holders of the Bonds 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 Bonds.
- c. 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 Bonds 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 Bonds.

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 Bonds, 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: 19th day of November, 2025.

COUNTY OF POLK, STATE OF IOWA

By: _____

Chairperson

ATTEST:

By: _____

County Auditor

EXHIBIT A-1 - NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: County of Polk, Iowa.

Name of Bond Issue: \$ _____ General Obligation Bonds, Series 2025C

Dated Date of Issue: November 19, 2025

NOTICE IS HEREBY GIVEN that the Issuer has not provided Annual Financial Information with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate delivered by the Issuer in connection with the Bonds. The Issuer anticipates that the Annual Financial Information will be filed by _____.

Dated: _____ day of _____, 20____.

COUNTY OF POLK, STATE OF IOWA

By: _____

Its: _____

EXHIBIT A-2 - NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: County of Polk, Iowa.

Name of Bond Issue: \$_____ Taxable General Obligation Bonds, Series 2025D

Dated Date of Issue: November 19, 2025

NOTICE IS HEREBY GIVEN that the Issuer has not provided Annual Financial Information with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate delivered by the Issuer in connection with the Bonds. The Issuer anticipates that the Annual Financial Information will be filed by _____.

Dated: _____ day of _____, 20____.

COUNTY OF POLK, STATE OF IOWA

By: _____

Its: _____

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER

This Appendix contains the entire 2024 audited financial statement of the issuer. The Auditor of State of the State of Iowa (the "State Auditor") maintains a webpage that contains prior years' audits of city, county, school district and community college, including audits of the Issuer.

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POLK COUNTY, IOWA

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

PREPARED BY:

POLK COUNTY AUDITOR'S OFFICE – JAMIE FITZGERALD

CENTRAL ACCOUNTING DIVISION

Central Accounting Manager
Keith Olson

Accounting Supervisor
Jo Ellen Bigelow, CPA, CPM

Other Staff

Christina Albizo
Stacy Biondi
Alison Herold, CPA
Sheila Schmitt
Darren Sickerson

BOARD OF SUPERVISOR'S STAFF

Deb Anderson

POLK COUNTY, IOWA

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(concluded)



COUNTY OF POLK
OFFICE OF POLK COUNTY AUDITOR
DES MOINES, IOWA 50309

JAMIE FITZGERALD
COUNTY AUDITOR
COMMISSIONER OF ELECTIONS

ADMINISTRATION BUILDING
111 COURT AVE.
286-3080

June 30, 2025

Members of the Board of Supervisors and the
Citizens of the County of Polk, Iowa:

State law requires that all local governments publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles or GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of Polk County (the “County”) for the fiscal year ended June 30, 2024.

This report consists of management’s representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County’s financial statements have been audited by Eide Bailly LLP, a firm of licensed certified public accountants. The purpose of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor issued an unmodified opinion on the County’s financial statements for the fiscal year ended June 30, 2024, indicating that they were fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are in the compliance section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Profile of Polk County

Polk County, located in central Iowa, was formed in 1846. The County, containing Des Moines, West Des Moines, Urbandale, Ankeny and 14 smaller cities, is the largest population center in Iowa. Des Moines is the state capital and has a diverse and vigorous economy. Principal industries include financial services, health care, government, and varied manufacturing. The area has enjoyed a stable economy and moderate growth during the past decade.

The County occupies a land area of 592 square miles and serves a population of 505,255. Polk County is empowered to levy a property tax on real properties located within its boundaries.

Polk County operates under a Board of Supervisors form of government. The Board of Supervisors has both legislative and administrative powers and is the policy-making body for Polk County government. With its authority to adopt legislation and policies for department operations, the Board sets priorities, allocates resources and maintains budgetary control. The Board also appoints individuals or serves on a number of Boards and Commissions that affect all aspects of Polk County. There are five members on the Board of Supervisors, each elected by citizens in one of the five districts. Board members serve overlapping four-year terms, with elections held every two years. The Board elects one of its members annually to chair its activities. The Board is available to its constituency on a full-time basis and can respond to issues of importance to citizens.

Other elected officials operate independently and equally with the Board. These officials are the Auditor, Treasurer, Recorder, Sheriff and County Attorney.

The County provides a broad scope of services to its citizens, operating through various organizational entities ranging from elected departments to administrative departments to appointed commissions. The County provides a full range of services, including public safety, mental health, social services, construction and maintenance of highways, streets, and other infrastructure, and recreational/entertainment event centers.

In addition, the County is financially accountable for a legally separate convention center hotel entity, Iowa Event Center Hotel Corporation ("IEC Hotel Corp"). IEC Hotel Corp is reported separately within Polk County's financial statements as discretely presented component unit. Additional information on this legally separate entity can be found in Note 1. (A) in the notes to the financial statements.

The annual budget serves as the foundation for the County's financial planning and control. The budget division is responsible for developing a budget proposal to the Board of Supervisors. The proposed budget is presented to the Board in January and February of each year. The Board is required to file proposed property tax information with the state by March 15th, and the County Auditor is required to mail proposed property tax statements to individual property owners by March 20th. Following this mailing, the Board must hold a public hearing on the proposed property tax amount. Thereafter, the Board is required to hold a public hearing on the proposed budget and, by April 30th, certify the budget for the fiscal year beginning July 1st. If an amendment to the budget is needed after certification, the Board approves and publishes an amendment, with a final amendment approved no later than May 31st of the respective fiscal year. The State of Iowa requires passage of an annual budget of total County operating expenditures by major program service areas. Activities of the general fund, special revenue funds, capital projects funds and debt service funds are included in the annual appropriated budget. The legal level of budgetary control is at the total program service area level.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy

The current general economic condition of the County is growing. The population continues to grow at a moderate pace, up approximately 10% since 2015, to 505,255 in 2024. Unemployment is approximately 3.0% which is higher than the state level of 2.8% and lower than the national level of 4.3%. Other economic indicators are also steady. The County remains the primary center of economic activity in Central Iowa and the State although adjoining counties, specifically Dallas County to the west, are experiencing significant new development.

Major Initiatives

Global Neighbors/Life Services Center

Polk County completed renovations to property owned by Polk County at 1900 Carpenter, known as Polk County Life Services Center in November 2024. The west half of the building accommodates a host of crisis services including a 24-hour crisis observation center, psychiatric urgent care, and a sobering center. The purpose of this center is to divert individuals who are experiencing mental health and substance abuse crises from the emergency departments and the Polk County Jail. Individuals will be better served with community-based mental health and substance abuse services. The east half of the building, 1914 Carpenter, will be renovated to house Global Neighbors. It will serve as a one-stop hub of basic services for immigrant and refugee families who are new to Central Iowa. Refugees will be able to access resources for transportation, childcare, food, education, language and more. The goal is to help move these individuals faster and more efficiently towards self-sufficiency and to create a hub of diverse activity in a historically underserved neighborhood. The construction on both sides of the building is being completed by the staff of Polk County General Services. By self-performing the majority of this work, Polk County is saving millions of dollars on construction costs.

Healthcare Workforce

When Polk County received federal COVID relief funds, we undertook a planning process that included interviews with stakeholders on the largest issues affecting our community. We heard from our healthcare partners that nursing professionals, and all healthcare professions, were struggling to keep up with demand for service. One of the needs was for additional simulation space. Healthcare programs in Central Iowa were unable to expand or fill to capacity because of inadequate simulation space. In the meantime, Des Moines University, a leading health sciences private institution, was in the process of moving to a new campus in West Des Moines, leaving a vacant campus in the heart of downtown Des Moines. Polk County leaders set aside \$5 million to continue to look for innovative and collaborative solutions to the healthcare workforce crisis and are in the process of convening leaders from Des Moines University, Des Moines Area Community College, Des Moines Public Schools and Mercy College of Health Sciences to reimagine the vacant downtown campus. The vision includes shared and upgraded simulation space, shared instructors, a shared student recruitment strategy, access to online learning for rural partners, and a scholarship program to retain healthcare workforce in Iowa.

Emergency Rental Assistance 2 Funding

Polk County received \$62.2 million from the U.S. Treasury to address rental assistance in the wake of the COVID-19 pandemic. The first 75% of the funds was spent directly on rental assistance administered by Impact Community Action Partnership. Since receiving these funds in fiscal year ending June 30, 2021 the County has spent \$46.7 million on rental assistance leaving a balance of \$15.6 million. The remaining 25% will be used to develop new affordable housing units in Polk County. Additionally, the County has earned \$2.7 million of interest revenue from these funds through June 30, 2024. The interest earnings will be used to support additional affordable housing projects that may not fall within the U.S. Treasury guidelines. Projects that have been funded through June 30, 2025 include creation of up to 10 single family residences on an urban infill lot owned by a local non-profit; affordable rental units for youth who are aging out of foster care; repairs to the local homeless shelter; the demolition of an old hotel on suburban city-owned property for future affordable housing redevelopment; and operational start-up funds for a new Community Land Trust. Future investments include \$1.1 million to rehab a scattered site on Anawim property

Des Moines International Airport Terminal Expansion Bonding

In November 2023, the County held a special election and approved the proposed issuance of general obligation bonds or capital loan notes not exceeding the amount of \$350,000,000 for the purpose of undertaking any project jointly or in cooperation with any other governmental body. The debt issuance will be used for a new airport terminal facility and apron projects which include purchase, acquisition, construction, reconstruction, equipping, improvement or enlargement of the Des Moines International Airport, owned and operated by Des Moines Airport Authority.

For each series of bonds issued pursuant to this referendum, Polk County will enter into a loan agreement with the Des Moines Airport Authority wherein the Airport Authority will reimburse Polk County for all issuance and debt service costs. The issuance of these bonds by Polk County will allow the project to save more than \$70 million in interest expenses. In June 2024, Polk County issued the first series of bonds for the Des Moines Airport Authority in the amount of \$112.17 million. In June 2025, Polk County issued the remainder of the authorized issuance for the Des Moines Airport Authority in the amount of \$237,830,000.

Polk County Water and Land Legacy Projects

In November 2021, voters supported the \$65 million Polk County Water and Land Legacy (PCWLL) Bond, passing the measure by 81%. Conservation projects to be addressed in the coming years include improved water quality, wildlife habitat protection, connected communities by means of trails and greenways, revitalized parks, outdoor recreation and education opportunities. Of \$65 million authorized debt, \$27.935 million was issued in the first bond letting in May 2022 and \$11.39 million was issued in the second bond letting in June 2024.

Broadway Avenue Multi-Modal Improvements Project

Phase 1 of this project is comprised of converting the existing 2-lane rural design of a significant minor arterial roadway to an urban three-lane roadway to match its current use. The project will improve the safety and transportation network reliability for dozens of industries, thousands of employees, and local residents that use this corridor every day. Phase 2 of this project will be the construction of an underpass structure below a dual track rail crossing owned and operated by the Union Pacific Railroad Co. The profile geometry and sight distance restrictions of the existing at-grade crossings are unsafe and result in frequent vehicle accidents in addition to traffic delays each day. Polk County has worked with the City of Des Moines, Des Moines Area MPO, Iowa Department of Transportation, Union Pacific Railroad, Des Moines Water Works, and our business partners to secure the project funding, with both phases estimated to cost over \$90 million. This project was awarded a \$25 million federal BUILD program grant (Better Utilizing Investments to Leverage Development) in November of 2020 and an additional \$5 million federal CPF grant (Community Project Funding) in March of 2023. The second year of the three-year Phase 1 project is nearly done with full completion expected in the winter of 2026. Phase 2, the railway underpass, is planned to be constructed summer of 2027 through early winter 2028.

NE 22nd Street Improvement Project

This project is currently under design with a planned letting in late fall of 2025 and construction through 2026. The project will widen NE 22nd Street from 2 lanes to 2 lanes with a center turn lane from NE 54th Avenue to NE 62nd Avenue. The project will include improvements at the NE 58th Avenue intersection and safety improvements at the railroad crossing.

Watershed Management Authorities

Polk County is involved in the Watershed Management Authorities (WMA) within the region to develop long term management plans for each of the respective watersheds to reduce flooding risks, improve water quality, and educate the public. The Watershed Management Authorities are bringing together cities, counties, and Soil and Water Conservation Districts within each watershed. A key component to each watershed is improving water quality through the implementation of projects and policies. Notable implementation projects include:

- *Batch and Build*- Since 2020, Polk County has led the development of “Batch and Build” to implement saturated buffers and bioreactors to treat agricultural runoff from tile drainage systems. The program has since gained national fame and will have implemented over 200 projects by the end of 2024.

- *Wetland Wave*- A targeted wetland effort that currently has over 20 regional wetland projects under design and construction. An additional group of wetlands are currently holding for the next wave, once staff capacity is available. This is on track to become the largest wetland initiative in Iowa.
- *Ag-Urban Cover Crop Seeder Initiative*- An ongoing program where Polk County purchased a first of its kind cover crop seeder in partnership with the Iowa Department of Ag and Land Stewardship, Des Moines, and Des Moines Water Works. Over 10,000 acres were seeded in 2024.
- *Central Iowa Land Stewardship Project*- In partnership with Polk Soil & Water Conservation District, Polk County has launched a new program seeking to complete comprehensive farm assessments for the implementation of conservation and water quality projects.

Eastern Polk County Stream Restoration Program

Polk County has strategically removed itself from the Watershed Flood Prevention and Operations Program. Taking its place, Polk County secured a 28E Agreement with the Iowa Department of Agriculture and Land Stewardship to complete the projects. With a new, more aggressive timeline, the County will be completing over eleven stream restoration projects by the end of 2026. The County continues to be engaged with funding partners, including: Altoona, Pleasant Hill, Ankeny, Des Moines, and Polk County Conservation. In total, this project outlines \$20 million in watershed improvements in Eastern Polk County and is expected to be the largest stream restoration project ever completed in Iowa.

Polk County Comprehensive Plan - Polk 2050

The Comprehensive Plan update was adopted in August of 2022 and encompasses two years of community outreach, stakeholder input, public engagement, and plan development. Polk 2050 provides needed updates to demographic, economic and other data and analyses essential to understanding and planning for future growth and development of Polk County. The plan includes recommendations, goals and strategies including policy and action items for Land Use, Housing, Natural Resources, Agriculture, Economic Development, Infrastructure, and Transportation.

Operational and Budget Management

Polk County remains committed to serving the needs of our community in an effective and efficient manner. The County continues to provide financial relief for housing needs, and is initiating new programs to address substance abuse issues. Funding provided through the American Rescue Plan Act continues to be expended for housing, health, economic well-being and environmental programs that enhance the long-term vitality of our community.

The Board continues to improve efficiency by enhancing intergovernmental communications through its membership in the Metropolitan Advisory Council. The council consists of mayors, council members and County supervisors within the metropolitan area who meet to discuss such issues as shared services, planning, and infrastructure. Shared successes have included regional use of the uniform building code and nuisance and vicious animal ordinances. The Board of Supervisors and the Des Moines City Council continue to dialogue about cost efficiencies and service improvements between the two governments.

It is anticipated that during the upcoming year, fund balances will be at a level consistent with the County's adopted financial policies. These strong reserves enhance the County's ability to manage upcoming challenges. Notwithstanding, Polk County is monitoring the financial impact of House File 718, and in response to that legislation, preparing for a more stringent financial environment in the near future.

Long-term Financial Planning

The Board has developed and implemented a fiscal policy and three-year budget forecast. These financial practices enable management to identify fiscal threats while sufficient time exists to make adjustments in revenue and expenditures. Additionally, Polk County initiated a five-year capital improvement plan (CIP) that assists the Board with long-term capital planning.

Awards and Acknowledgements

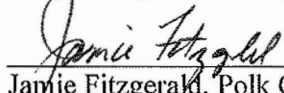
The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Polk County for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. A Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Polk County has received a Certificate of Achievement for the last thirty consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for their review.

The preparation of this report could not have been accomplished without the dedicated efforts of the employees of the offices of the County Auditor and County Treasurer. We also would like to thank the members of the Board of Supervisors for their interest and support in timely and comprehensive financial reporting.

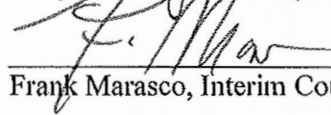
Respectfully submitted,



Jamie Fitzgerald, Polk County Auditor



Mary Wells, Polk County Treasurer



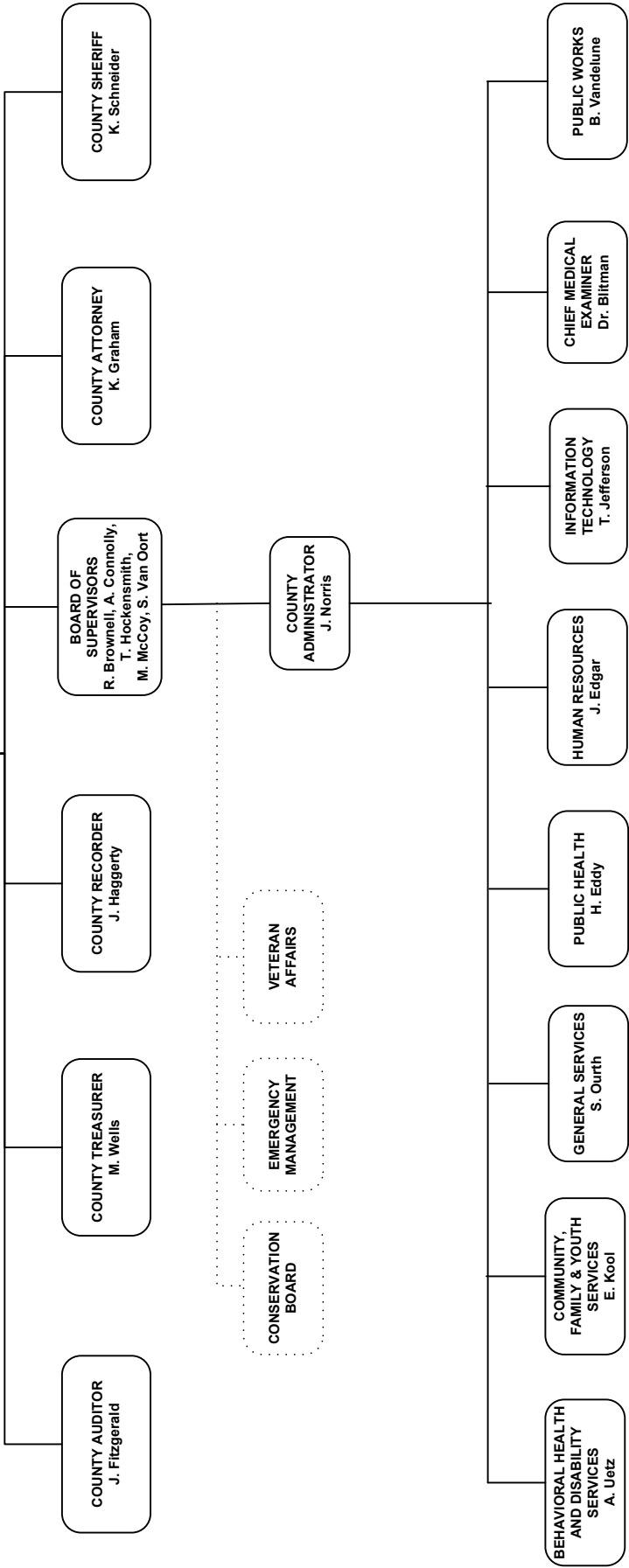
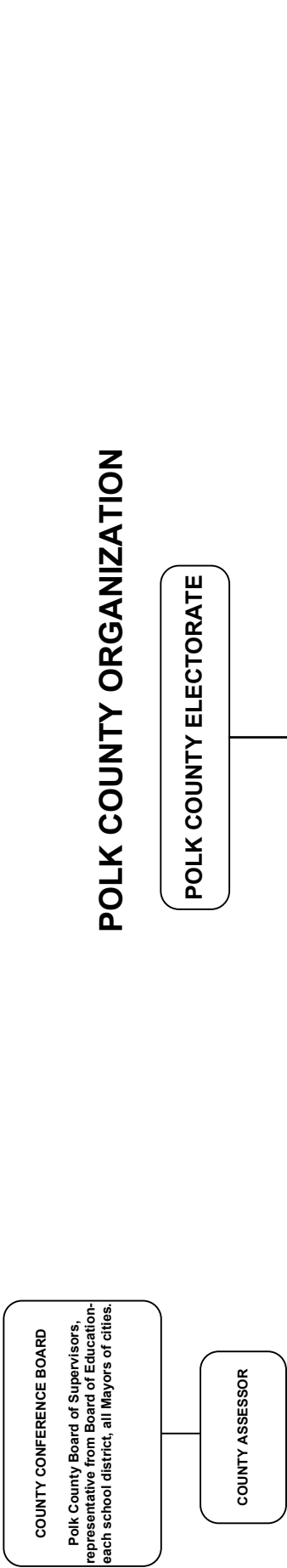
Frank Marasco, Interim County Administrator

POLK COUNTY, IOWA

OFFICIALS

Name	Title	Term Began	Term Expires
Kimberly Graham	County Attorney	2022	2026
Jamie Fitzgerald	County Auditor	2020	2024
Julie Haggerty	County Recorder	2022	2026
Mary L Wells	County Treasurer	2022	2026
Kevin Schneider	County Sheriff	2020*	2024
Randy Ripperger	County Assessor	2022	2027*
Robert Brownell	Board of Supervisors	2020	2024
Angela Connolly	Board of Supervisors	2022	2026
Steve Van Oort	Board of Supervisors	2020	2024
Tom Hockensmith	Board of Supervisors	2022	2026
Matt McCoy	Board of Supervisors	2022	2026

* Appointed



Note: Dotted line indicates Quasi-County agency with strong budgetary relationship to the Board of Supervisors; Department Heads report to their respective Boards/Commissions; budgets/plans are submitted to the Board of Supervisors.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Polk
Iowa**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

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Independent Auditor's Report

Board of Supervisors
Polk County, Iowa

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Polk County, Iowa (the County) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Iowa Event Center Hotel Corporation (IEC Hotel Corp), a discretely presented component unit, which represent 100% of the assets, net position, and revenues of the discretely presented component unit, as of June 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the IEC Hotel Corp, is based solely on the report of the other auditors.

Basis for Opinions

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

Correction of Errors

As discussed in Note 30 to the financial statements, certain errors resulting in an overstatement of amounts previously reported for investments, expenses/expenditures, advances to component units, accounts payable, and an understatement of amounts previously reported for prepaid assets, long-term debt, capital assets, interest revenue and notes receivable as of June 30, 2023, were discovered by management of the County during the current year. Accordingly, a restatement has been made to the General Fund, Debt Service, and nonmajor governmental funds fund balances, Prairie Meadows, Iowa Events Center, nonmajor enterprise funds, nonmajor internal service funds, governmental activities, and business-type activities net position as of July 1, 2023, to correct the errors. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the total other postemployment benefit (OPEB) liability and related ratios schedule, the Iowa Public Employees Retirement System pension plan schedules and the budgetary comparison schedule be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements, the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and other schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, combining and individual nonmajor fund financial statements, the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and other schedules listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, and other regulatory reports, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Fargo, North Dakota
June 30, 2025

POLK COUNTY, IOWA

Management's Discussion and Analysis For the Year Ended June 30, 2024

This section of Polk County's ("County") annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year that ended June 30, 2024. Please read this section in conjunction with the transmittal letter at the front of this report and with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's total net position increased by \$53 million (7%) to \$777.3 million. Net position of governmental activities increased \$47.2 million (12%) to \$430.6 million primarily due to an increase in property tax revenues, an increase in unrealized gain on investments and increased interest earnings on emergency rental assistance funding, capital grants and contributions, and charges for services revenue. Net position of business-type activities increased \$5.8 million (2%) to \$346.7 million primarily due to a transfer of Sleepy Hollow Sports Park capital assets from governmental activities to the Conservation Enterprises Fund and an increase in event revenue at the Iowa Events Center.
- In the County's governmental activities, total revenues increased \$.5 million (.1%) primarily due to an increase in revenues mentioned above over the decrease of operating grants and contributions due to realizing ARPA lost revenue replacement funding in the prior year. Total expenses increased \$28.6 million (9%) during the year. Physical health and social services expenses increased \$12.9 million primarily due to a \$6 million contribution to an owner-occupied major home repair program in addition to the County serving as fiscal agent for the Central Iowa Workforce Development Area, including pass through of \$1.8 million of US Department of Labor funding. Public safety and legal services expenses increased \$10 million primarily due to an increase in cost of the jail medical services and food, base salaries of detention officers at the jail, and overtime due to vacancies and turnover in the corrections positions. Interest on long-term debt increased \$9 million primarily due to fiscal charges related to the Series A 2024 G.O. Capital Loan Notes issued for the Des Moines Airport Authority (DMAA). In addition, administration expense increased \$2.8 million primarily due to increased pass-through of emergency rental assistance funding.
- In the County's business-type activities, total revenues decreased \$13.2 million (-17%) and total expenses increased \$11.2 million (24%). The decrease in revenues is primarily due to recording a prior year capital contribution of 75 group homes valued at \$19.3 million offset by an increase of charges for services at the Iowa Events Center and TIF revenue for the Norwoodville Urban Renewal Area. Expenses increased primarily due to an increase in events at the Iowa Events Center, increase in cost of operations of group homes since acquiring the homes at the end of the prior fiscal year, increase in cost of operations at Sleepy Hollow Sports Park since acquiring the property in the prior year, and an increase in allowance for doubtful accounts for three Urban Sewer notes.
- The County's actual expenditures were \$92.8 million below budget amounts. This is attributed to the timing of pass-through expenditures for emergency rental assistance, ARPA-related program expenses, and large multi-year capital projects. Additionally, expenditures were lower than anticipated for various social service and public health programs as well as community and economic development grants.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This discussion and analysis is intended to serve as an introduction to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of County finances, in a manner similar to private-sector business.

The government-wide financial statements of the County are divided into three categories:

- **Governmental Activities** – Most of the County's basic services are included here, such as public safety, legal services, physical health, social services, mental health, county environment, roads/transportation, and administration services. Property taxes and state and federal grants finance the majority of these activities.

- **Business-Type Activities** – The County charges fees to customers to help it cover the costs of certain services. The County’s racetrack/casino and events center are included here.
- **Component Unit** – The County includes the Iowa Events Center Hotel Corporation (“IEC Hotel Corp”) in its report. Although legally separate, this “component unit” is included as it is financially dependent on the County.

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

The **Statement of Activities** presents information showing how the County’s net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to 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 only result in cash flows in future fiscal periods (such as uncollected taxes and earned but unused vacation leave).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes. The County uses fund accounting to ensure and demonstrate compliance with legal requirements for financial transactions and reporting.

The County has three kinds of funds:

- **Governmental funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County’s near-term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains three individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Mental Health Fund and Debt Service Fund, which are considered to be major funds. Data from the other 19 governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget which includes its general, special revenue, debt service and capital projects funds. A budgetary comparison schedule has been provided for these funds to demonstrate compliance with this budget. For additional information see notes to required supplementary information.

- **Proprietary funds** – The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its group homes, air pollution control, convention/arena, racetrack/casino, golf course, sewer/drainage district operations, and a tax and tags collection system. Internal service funds are accounting devices used to accumulate and allocate costs internally among the County’s various functions. The County uses internal service funds to account for health insurance and risk management. The County’s internal services primarily benefit governmental activities.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Prairie Meadows Racetrack/Casino and Iowa Events Center which are considered to be major funds of the County. Data from the other seven enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

- **Fiduciary funds** – The County is the agent, or *fiduciary*, for resources held for the benefit of parties outside the government. All of the County’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in assets and liabilities. These activities are excluded from the County’s government-wide financial statements because the County cannot use these assets to finance its operations. The County reports individual fund data for the custodial funds within other supplementary information.

Notes to the Financial Statements – The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* which includes the changes in the total OPEB liability and related ratios schedule, proportionate share of net pension liability schedule, pension contribution schedule and the budgetary comparison schedule for the governmental funds. The combining statements referred to earlier in connection with nonmajor governmental, proprietary, internal service, fiduciary funds and discretely presented component unit are presented immediately following the required supplementary information.

Restatement of Net Position – The County restated beginning net position due to errors identified in the June 30, 2023 financial statements. Additional information on these errors can be found in Note 30 in the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. The following table presents a summary of the County’s net position for the year ended June 30, 2024 with comparison totals as of June 30, 2023. The County’s *combined* net position increased \$53 million (7%) in the current year.

Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023 (As Restated)	2024	2023 (As Restated)	2024	2023 (As Restated)
Current and other assets	\$ 744,934,605	\$ 589,163,659	\$ 140,939,449	\$ 147,583,777	\$ 885,874,054	\$ 736,747,436
Capital assets, net	336,527,357	318,998,581	302,615,707	310,806,521	639,143,064	629,805,102
Total assets	<u>1,081,461,962</u>	<u>908,162,240</u>	<u>443,555,156</u>	<u>458,390,298</u>	<u>1,525,017,118</u>	<u>1,366,552,538</u>
Deferred outflows of resources	32,954,412	19,465,615	731,364	445,043	33,685,776	19,910,658
Long-term liabilities	379,796,078	216,940,479	37,610,481	50,072,659	417,406,559	267,013,138
Other liabilities	38,247,525	80,469,512	21,990,628	11,641,832	60,238,153	92,111,344
Total liabilities	<u>418,043,603</u>	<u>297,409,991</u>	<u>59,601,109</u>	<u>61,714,491</u>	<u>477,644,712</u>	<u>359,124,482</u>
Deferred inflows of resources	265,756,537	246,788,360	38,007,602	56,246,185	303,764,139	303,034,545
Net position						
Net investment in capital assets	235,350,935	217,162,089	264,093,542	268,234,416	499,444,477	485,396,505
Restricted	158,585,462	20,210,910	1,283,806	1,184,609	159,869,268	21,395,519
Unrestricted	36,679,837	146,056,505	81,300,461	71,455,640	117,980,298	217,512,145
Total net position	<u>\$ 430,616,234</u>	<u>\$ 383,429,504</u>	<u>\$ 346,677,809</u>	<u>\$ 340,874,665</u>	<u>\$ 777,294,043</u>	<u>\$ 724,304,169</u>

Net position of the County's governmental activities increased 12% to \$430.6 million at June 30, 2024. The largest portion of the County's net position (55%) reflects its investment in capital assets (e.g. land, buildings, infrastructure, equipment, etc.), less any related debt used to acquire those assets that is still outstanding. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased \$17.6 million (8%) over the prior year.

The net investment in capital assets increased primarily due to work on the NE Broadway Ave Phase I improvements, Easter Lake North Shore improvements, Trails End Mitigation Bank construction, ICON Water Trails, several land acquisitions, and wetland restoration projects by the Polk County Conservation Board.

Restricted net position of governmental activities increased \$138.4 million (685%) to \$158.6 million primarily due to the issuance of the Series A 2024 G.O. Capital Loan Notes for the DMAA and reclassifying the Series A and B 2020 G.O. Capital Loan Notes for the Metro Waste Authority as a note receivable in the fund statements. See Note 30 for further explanation. Unrestricted net position of governmental activities decreased \$114.3 million (-76%) to \$36.7 million primarily due to the increase in net assets restricted for debt service from the issuance of the G.O. Capital Loan Notes for the DMAA.

The net position of business-type activities increased 2% to \$346.7 million at June 30, 2024. Approximately 76% of the net position of business-type activities is invested in capital assets (e.g. land, buildings, infrastructure, equipment, etc.), less any related debt used to acquire those assets that is still outstanding.

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
	(As Restated)		(As Restated)		(As Restated)	
Revenues:						
Program revenues:						
Charges for services	\$ 37,718,407	\$ 36,694,457	\$ 55,104,840	\$ 49,678,823	\$ 92,823,247	\$ 86,373,280
Operating grants and contributions	96,853,375	118,161,226	1,284,587	1,017,443	98,137,962	119,178,669
Capital grants and contributions	14,382,983	11,368,657	1,244,566	20,041,430	15,627,549	31,410,087
General revenues:						
Property taxes	204,320,367	197,807,818	-	-	204,320,367	197,807,818
Other County taxes	8,796,716	8,357,702	-	-	8,796,716	8,357,702
Interest on property taxes	1,497,596	1,531,234	-	-	1,497,596	1,531,234
State replacements	11,079,224	12,343,394	-	-	11,079,224	12,343,394
Use of money and property	19,666,221	8,019,611	6,188,430	4,799,325	25,854,651	12,818,936
Miscellaneous	4,811,548	4,368,676	473,500	1,965,549	5,285,048	6,334,225
Total revenues	399,126,437	398,652,775	64,295,923	77,502,570	463,422,360	476,155,345
Expenses:						
Public safety and legal services	114,312,510	104,322,142	-	-	114,312,510	104,322,142
Physical health and social services	56,567,473	43,673,290	-	-	56,567,473	43,673,290
Mental health	24,135,125	22,520,961	-	-	24,135,125	22,520,961
County environment and education	39,083,707	45,130,214	-	-	39,083,707	45,130,214
Roads and transportation	18,699,637	21,629,360	-	-	18,699,637	21,629,360
Government services to residents	10,431,648	9,252,028	-	-	10,431,648	9,252,028
Administration	75,758,886	72,909,625	-	-	75,758,886	72,909,625
Interest on long-term debt	14,256,031	5,221,659	-	-	14,256,031	5,221,659
Group Homes	-	-	1,453,895	7,200	1,453,895	7,200
Air Quality	-	-	1,542,004	1,289,443	1,542,004	1,289,443
Sanitary Sewer	-	-	2,541,859	1,786,982	2,541,859	1,786,982
Prairie Meadows Racetrack/Casino	-	-	15,024,422	13,896,727	15,024,422	13,896,727
Conservation Enterprises	-	-	2,024,400	799,847	2,024,400	799,847
Hamilton Urban Drainage District	-	-	398,579	419,597	398,579	419,597
Iowa Events Center	-	-	30,785,766	27,249,215	30,785,766	27,249,215
Urban Sewer	-	-	2,839,921	15,175	2,839,921	15,175
Iowa Tax & Tags	-	-	576,623	499,564	576,623	499,564
Total expenses	353,245,017	324,659,279	57,187,469	45,963,750	410,432,486	370,623,029
Excess (deficiency) before transfers	45,881,420	73,993,496	7,108,454	31,538,820	52,989,874	105,532,316
Transfers	1,305,310	(1,885,988)	(1,305,310)	1,885,988	-	-
Increase (decrease) in net position	47,186,730	72,107,508	5,803,144	33,424,808	52,989,874	105,532,316
Net position - beginning	383,429,504	316,881,317	340,874,665	309,770,662	724,304,169	626,651,979
Adjustments - Note 30	-	(5,559,321)	-	(2,320,805)	-	(7,880,126)
Beginning net position, as restated	383,429,504	311,321,996	340,874,665	307,449,857	724,304,169	618,771,853
Net position- ending	\$ 430,616,234	\$ 383,429,504	\$ 346,677,809	\$ 340,874,665	\$ 777,294,043	\$ 724,304,169

Statement of Activities - Changes in Net Position

Polk County's governmental activities net position increased \$47.2 million during the year. The County reported an excess of revenues over expenses for the year of \$45.9 million. Revenues for governmental activities increased \$.5 million primarily due to an increase of \$6.5 million in property tax revenue, an increase of \$11.6 in use of money and property, an increase of \$3 million in capital grants and contributions, and an increase of \$1 million in charges for service revenues over a decrease of \$21.3 million in operating grants and contributions primarily due to realizing ARPA lost revenue replacement funding in the prior year. The County's taxable valuations increased 8.1%, resulting in an increase in current property tax revenue. Use of money and property increased due to increased interest earnings on emergency rental assistance funding and an increase in unrealized gain on investments. Capital grants and contributions increased primarily due to a contribution from Central Iowa Community Services to the Life Services Center construction project, pledges and donations to the Easter Lake North Shore project from the Great Outdoor Foundation, grant reimbursement from the Iowa Department of Transportation for the Trails End Mitigation Bank, and other grant funds received for several other conservation projects. Charges for services revenues increased primarily due to reimbursements under Polk County Large Renovation Program, an increased service of civil papers revenue, and prisoner room and board reimbursements. The business-type activities net position increased \$5.8 million during the year due to an increase in parking income, concession sales, and commissions income at the Iowa Events Center and the transfer of Sleepy Hollow Sports Park capital assets from governmental activities to the Conservation Enterprises Fund.

The fact that 51% of total governmental revenues are derived from property taxes illustrates the County's continued dependence on property taxes to finance its general functions. In addition, operating grants represent 24% and charges for services represent 9% of total governmental revenues.

Governmental activities expenses increased 9%, including a 30% increase in physical health and social services expenses primarily due to expanded weatherization and emergency repair programs. Polk County also contributed \$6 million to an owner-occupied major home repair program and began serving as fiscal agent for the Central Iowa Workforce Development Area. Public safety expenses increased 10% primarily due to increased costs for jail medical services and food, base salaries of detention officers at the jail, and overtime due to vacancies and turnover in the corrections positions. Interest on long-term debt increased 173% primarily due to fiscal charges incurred related to the issuance of the Series A 2024 Capital Loan Notes for the DMAA. Administration expenses increased 4% primarily due to increased pass-through of emergency rental assistance funding.

The County's expenses cover a range of services, with the largest expenses relating to public safety and legal services (32%), administration (emergency rental assistance) (21%), and physical health and social services (16%).

Governmental Activities Revenues for the County's governmental activities increased \$.5 million (.1%), while expenses increased \$28.6 million (9%). Key elements of these changes include the following:

- \$1 million (3%) increase in charges for services revenue primarily due to reasons discussed in the above section.
- \$21.3 million (-18%) decrease in operating grants and contributions due to reasons discussed in the above section.
- \$3 million (27%) increase in capital grants and contributions revenue due to reasons discussed in the above section.
- \$6.5 million (3%) increase in property tax revenue due to reasons discussed in the above section.
- \$1.3 million (-10%) decrease in state replacements due to the continued phase out of commercial and industrial revenue replacement.
- \$11.6 million (145%) increase in use of money and property due to higher interest earnings on emergency rental assistance funding and a \$5.8 million increase in unrealized gain on investments.
- \$10 million (10%) increase in public safety and legal services expense primarily due to reasons discussed in the above section.
- \$12.9 million (30%) increase in physical health and social services expense due to expanded weatherization and emergency repair programs as well as wage/benefit increases. Additionally, Polk County contributed \$6 million to an owner-occupied major home repair program and began serving as fiscal agent for the Central Iowa Workforce Development Area, including pass through of \$1.8 million of US Department of Labor funding.
- \$1.6 million (7%) increase in mental health expense primarily due to utilization adjustments required to align expenditures with available resources.

- \$6 million (-13%) decrease in county environment and education expense primarily due to a prior year large economic development payment for the NE Broadway Avenue project and prior year large allowance for doubtful accounts that was established for two economic development loans provided to Merle Hay Mall.
- \$2.9 million (-14%) decrease in roads and transportation expense primarily due to decreased spending on road maintenance projects during the year.
- \$2.8 million (4%) increase in administration expense primarily due to increased pass-through of emergency rental assistance funding. This was partially offset by decreased expenditure of ARPA lost revenue replacement funding.

Business-type Activities Revenues for the County's business-type activities decreased \$13.2 million (-17%) and expenses increased \$11.2 million (24%). Key elements of these changes include the following:

- Capital grants and contributions decreased \$18.8 million primarily due to acquiring 75 group homes valued at \$19.3 million during the prior fiscal year.
- Charges for services increased \$5.4 million primarily due to a \$1.4 million increase in concession sales, \$1.3 million increase in commissions income and \$.7 million increase in event revenue at the Iowa Events Center, and \$1.8 million increase in TIF revenue for Sanitary Sewer Fund.
- Iowa Events Center expenses increased \$3.5 million primarily due to several events having higher food and beverage costs and a recognized loss on disposal of capital assets of \$1.3 million for the replacement of the WFA roof and lighting.
- Urban Sewer expenses increased \$2.8 million primarily due to a large allowance for doubtful accounts that was established for four sewer connection fee loans provided to the City of Bondurant, City of Mitchellville, City of Pleasant Hill, and Stubbs & Sons Development.
- Conservation Enterprises expenses increased \$1.2 million primarily due to increased depreciation and cost of staffing and operating Sleepy Hollow Sports Park.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds

As the County completed the current fiscal year, its governmental funds reported a *combined fund* balance of \$411.5 million at June 30, 2024, which is \$165.1 million more than the prior year. Key elements of these changes include the following:

- The General Fund increased \$31.1 million primarily due to the issuance of \$35.5 million in bonds for housing, the NE Broadway Avenue project and economic development. In addition, property tax revenues increased \$4.4 million due to an 8.1% increase in taxable valuation.
- The Mental Health Special Revenue Fund increased \$1.6 million primarily due to \$5.6 million state regional incentive payment during the year which was to be used to avoid eliminating services to individuals with ID/DD population groups and support new mandated core services.
- The Debt Service Fund increased \$112.7 million primarily due to the issuance of \$112.2 million in Series A 2024 G.O. Capital Loan Notes for DMAA plus a premium of \$9.1 million.

Proprietary Funds

Prairie Meadows Racetrack/Casino net position decreased \$8.4 million primarily due to \$1.7 million in economic development costs relating to the Iowa Event Center Hotel Corp, \$2.4 million increase in property taxes, and \$3.6 million increase of transfers out for funding of community betterment projects and Iowa Events Center Iowa Hall of Pride (IHOP) remodel.

Iowa Events Center net position increased \$8.9 million primarily due to \$15.8 million transfers in over \$6.9 million net loss due to an increase in concession sales and commissions at the Iowa Events Center due to holding events with higher food and beverage. Transfers in consist of funds to pay for Iowa Events Center Hotel debt service, Wells Fargo Arena roof replacement expenses and funding for IHOP remodel.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's capital assets for its governmental and business-type activities as of June 30, 2024, amount to \$639.1 million (net of accumulated depreciation / amortization). These capital assets include land, buildings, improvements other than buildings, leasehold improvements, infrastructure, equipment, vehicles, intangibles, construction in progress, right to use lease building, right to use lease equipment, right to use subscription asset and subscription asset-software in progress. Polk County's capital assets increased \$8.7 million during the year. The primary reason for the increase is due to an increase in capital assets for land, construction in progress, infrastructure, improvements other than buildings, buildings, equipment, vehicles, and right to use subscription assets over the increase in depreciation expense.

Major capital asset events for the year ended June 30, 2024, are as follows:

- Construction in progress:
Polk County Water & Land Legacy projects - \$16.6 million
Life Services Center - \$3.2 million
NE Broadway Ave Phase I - \$4.3 million
Bridge Replacement projects - \$1.8 million
Iowa Events Center IHOP remodel - \$4.4 million
- Land Acquisitions and Mitigation/Restoration completion- \$12.1 million
- Completion of Polk County Water & Land Legacy projects - \$22.4 million
- Completion of Bridge Replacement projects - \$2.7 million
- Completion of WFA roof and lighting replacement - \$5.7 million

Capital assets for the governmental and business-type activities at June 30, 2024 are as follows:

	Capital Assets					
	Governmental Activities		Business-Type Activities		Totals	
	2024	Restated 2023	2024	2023	2024	Restated 2023
Land	\$ 46,288,959	\$ 34,165,100	\$ 23,442,083	\$ 23,442,083	\$ 69,731,042	\$ 57,607,183
Construction in progress	21,467,120	20,700,901	7,117,398	3,838,851	28,584,518	24,539,752
Intangibles - permanent easements	-	-	3,322,580	3,322,580	3,322,580	3,322,580
SBITA in progress	-	145,038	-	-	-	145,038
Buildings	289,779,370	288,391,189	348,989,926	346,118,508	638,769,296	634,509,697
Improvements other than buildings	30,134,087	21,230,180	11,571,591	11,571,591	41,705,678	32,801,771
Leasehold improvements	-	-	191,536,328	191,536,328	191,536,328	191,536,328
Equipment	22,197,617	20,038,601	11,151,387	7,076,287	33,349,004	27,114,888
Vehicles	18,175,697	16,648,717	314,711	240,038	18,490,408	16,888,755
Right to use leased building	188,247	188,247	-	-	188,247	188,247
Right to use leased equipment	317,535	170,133	-	-	317,535	170,133
Right to use subscription asset	6,856,431	4,692,514	-	-	6,856,431	4,692,514
Infrastructure	161,093,514	157,300,587	42,270,311	41,720,303	203,363,825	199,020,890
Intangibles - computer software	2,598,063	2,598,063	-	-	2,598,063	2,598,063
Total	599,096,640	566,269,270	639,716,315	628,866,569	1,238,812,955	1,195,135,839
Less: accumulated depreciation / amortization	(262,569,283)	(247,270,689)	(337,100,608)	(318,060,048)	(599,669,891)	(565,330,737)
Total	\$ 336,527,357	\$ 318,998,581	\$ 302,615,707	\$ 310,806,521	\$ 639,143,064	\$ 629,805,102

Additional information on Polk County's capital assets can be found in Note 7 in the notes to the financial statements.

The County’s FY 24/25 capital budget includes spending an estimated \$2.3 million to complete construction of the Resource Center/Welcome Center, \$11.6 million for Polk County Water & Land Legacy projects, \$12.8 million for capital improvement projects at various County facilities, \$1.2 million for technology upgrades, and \$7 million for the potential county morgue construction. Planned capital outlays for proprietary funds include \$2.5 million for improvements to the Iowa Events Center, \$3.3 million for sanitary sewer improvements and \$0.9 million for Sleepy Hollow Sports Park.

Long-Term Debt

At June 30, 2024, the County had \$325.8 million in bonds and notes outstanding, an increase of \$137.4 million compared to FY 22/23. The reason for the increase in bonds and notes outstanding is the 2024 issuance of \$112.2 million of G.O. bonds for the Des Moines Airport Authority and \$52.6 million of G.O. bonds for County purposes including housing, conservation, and capitals. In addition to the notes issued on behalf of the Des Moines Airport Authority, two other large outstanding obligations pertain to the Iowa Events Center Enterprise Fund. The fund reported outstanding obligations of \$23.7 million at the end of FY23/24.

Polk County is well below the statutory debt capacity limitation. The debt capacity is controlled by the constitutional debt limit which is an amount equal to 5% of the actual value of taxable property within the County limits. The County’s unused legal debt capacity was \$2.2 billion as of June 30, 2024. In addition, the County maintains an Aaa rating from Moody’s Investors Service and an AAA rating from Standard & Poor’s Global Ratings on all outstanding debt obligations.

Outstanding Debt

	Governmental Activities		Business-type Activities		Total		Percentage Change 2023-2024
	2024	2023	2024	2023	2024	2023	
G.O. bonds	\$ 289,259,181	\$ 139,121,396	\$ 22,936,228	\$ 35,374,404	\$ 312,195,409	\$ 174,495,800	79%
Notes payable	-	-	13,637,000	13,974,000	13,637,000	13,974,000	-2%
Total	<u>\$ 289,259,181</u>	<u>\$ 139,121,396</u>	<u>\$ 36,573,228</u>	<u>\$ 49,348,404</u>	<u>\$ 325,832,409</u>	<u>\$ 188,469,800</u>	73%

Additional information on Polk County’s outstanding debt can be found in Note 9 in the notes to the financial statements.

BUDGETARY HIGHLIGHTS

Over the course of the year, the Board of Supervisors amended the County budget twice to reflect a variety of actions taken since certifying the original budget. Adjustments included such items as re-appropriating special project funds, grant awards, position changes and amendments based on revised expenditure and revenue estimates. Additionally, because unexpended appropriations do not carry forward from year to year, the County was required to amend the budget to fulfill commitments from the previous year.

Even with these adjustments, actual expenditures were \$92.8 million below final budget amounts. Significant variances include:

- County environment and education expense was \$14.5 million less than budget. This is due to the timing of expenditures for several home repair programs as well as a major road project. This is also due to under expenditure of a contingency appropriation for economic development projects.

- Capital projects were \$19.3 million less than budget. This includes asset repair/replacement and bridge construction being \$11.2 million less than budget due to timing. The budget is a conservative estimate to ensure sufficient appropriation is available to carry out any potential or planned capital improvements. The actual construction expenditures lag the appropriated expenditure schedule. Additionally, \$7.0 million was budgeted as a contingency to construct a new county morgue. This amount was not expended since discussions continue to determine the best option for a new morgue facility.
- Physical health and social service expense was \$14 million less than budget. Appropriations for shelter assistance, transportation, public health grants, sobering services, and weatherization were underexpended. Additionally, \$5 million of budgeted housing support pass-through expense was deferred to the following fiscal year.
- Administration expense was \$35.5 million less than budget due to timing of emergency rental assistance pass-through funding and ARPA lost-revenue-replacement expenditures, as well as lower than anticipated risk management expense. Additionally, Community development grant expenditures were \$1.9 million less than budget. The variance is primarily due to a large grant reserve being set aside for this purpose, but fewer than anticipated grants actually being awarded.
- Public safety and legal services were \$3.1 million less than budget. This includes under expenditure of the adult corrections appropriation, primarily the jail medical contract contingency and housing prisoners out-of-county expense. This also includes lower than budgeted expenses for criminal prosecution, medical examinations, and assistance to district courts.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The financial condition of Polk County government remains strong. Healthy reserves, significant growth in property valuations, and state and federal funding have allowed Polk County to continue to provide County services without growth in the tax rate.

For FY 24/25, non-TIF taxable valuations increased 8.1% which would have generated a \$7.8 million increase in General Basic tax revenues. However, during the 2023 legislative session, the state adopted House File 718 which reduced allowable property tax revenue growth. As a result, the County reduced its General Basic levy rate from \$3.50/\$1,000 of taxable valuation to \$3.40/\$1,000 of taxable valuation and generated an increase of \$4.5 million in General Basic tax revenues and state tax replacements.

Significant one-time expenditures in FY 24/25 include continued expenditure of ARPA lost revenue replacement funds of \$24.6 million as well as \$4.2 million of pass-through funding for a owner-occupied major home improvement program. Polk County's current budget indicates General fund balances will approximate \$138 million at FYE June 30, 2025, which more than satisfies the County policy that sets ending fund balances at a goal of 20% - 25% of expenditures. Additionally, the County will retain its \$8 million contingency reserve.

In the longer-range forecast, Polk County anticipates continued significant fiscal impact from House File 718 which effectively scales back the rate of growth in the General Basic and Rural Basic funds by one to three percentage points on an annual basis. The County projects that this will dramatically impact tax revenue growth during the FY 25/26 budget year and necessitate budgetary changes. To that end, the County is taking a more reserved approach to the current year and to the preliminary FY 25/26 budget, with the goal of better positioning ourselves to manage the ongoing fiscal impact of HF 718.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Polk County Auditor's Office, 111 Court Avenue, Suite 315, Des Moines, IA 50309, telephone (515) 286-3419 or e-mail at JoEllen.Bigelow@polkcountyiowa.gov.

POLK COUNTY, IOWA

Statement of Net Position

June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	IEC Hotel Corp
ASSETS				
Cash and pooled investments	\$ 268,441,342	\$ 55,429,663	\$ 323,871,005	\$ 1,544,932
Receivables (net)	183,596,413	52,650,418	236,246,831	1,255,349
Due from component units	-	503,336	503,336	-
Advances to component units	4,488,484	33,227,249	37,715,733	-
Internal balances	4,342,616	(4,342,616)	-	-
Inventories	2,121,754	119,956	2,241,710	63,526
Prepaid items	6,518,548	2,067,637	8,586,185	328,700
Derivative instruments, interest rate swaps	-	-	-	817,586
Restricted assets - cash and pooled investments	38,136,291	1,283,806	39,420,097	13,121,298
Succeeding year property taxes receivable	237,289,157	-	237,289,157	-
Capital assets not being depreciated	67,756,079	33,882,061	101,638,140	-
Capital assets being depreciated/amortized, net	268,771,278	268,733,646	537,504,924	85,898,129
TOTAL ASSETS	1,081,461,962	443,555,156	1,525,017,118	103,029,520
DEFERRED OUTFLOWS OF RESOURCES	32,954,412	731,364	33,685,776	-
LIABILITIES				
Accounts payable and other current liabilities	21,824,971	20,442,796	42,267,767	2,679,292
Due to primary government	-	-	-	12,705,956
Interest payable	712,878	74,165	787,043	1,284,594
Unearned revenues	15,709,676	437,904	16,147,580	676,807
Advance deposits and ticket sales	-	1,035,763	1,035,763	-
Due within one year:				
General obligation bonds payable	64,588,883	13,018,115	77,606,998	-
Notes payable	-	348,000	348,000	-
Lease, subscription, and financed purchase agreements	1,791,181	-	1,791,181	-
Compensated absences payable	2,857,861	74,311	2,932,172	-
Estimated liability for claims and judgments	3,989,000	-	3,989,000	-
Certificate of participation	-	-	-	1,789,292
Due in more than one year:				
General obligation bonds payable	224,670,298	9,918,113	234,588,411	-
Notes payable	-	13,289,000	13,289,000	-
Lease, subscription, and financed purchase agreements	5,343,079	-	5,343,079	-
Compensated absences payable	17,759,637	288,250	18,047,887	-
Estimated liability for claims and judgments	1,810,000	-	1,810,000	-
Total OPEB liability	22,071,000	-	22,071,000	-
Net pension liability	34,915,139	674,692	35,589,831	-
Certificate of participation	-	-	-	50,398,908
Certificate of participation - due to primary government	-	-	-	26,548,000
Due to manager - Hilton Management, LLC	-	-	-	1,850,000
TOTAL LIABILITIES	418,043,603	59,601,109	477,644,712	97,932,849
DEFERRED INFLOWS OF RESOURCES	265,756,537	38,007,602	303,764,139	-
NET POSITION				
Net investment in capital assets	235,350,935	264,093,542	499,444,477	7,161,929
Restricted for:				
Capital improvements	-	1,283,806	1,283,806	-
Debt service	136,463,571	-	136,463,571	-
Enabling legislation - State Statutes	22,121,891	-	22,121,891	-
IEC Hotel Corporation	-	-	-	1,369,214
Unrestricted	36,679,837	81,300,461	117,980,298	(3,434,472)
TOTAL NET POSITION	\$ 430,616,234	\$ 346,677,809	\$ 777,294,043	\$ 5,096,671

POLK COUNTY, IOWA

Statement of Activities
For the Year Ended June 30, 2024

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION							
Function/Program	PROGRAM REVENUES				Primary Government		Component Unit
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental	Business-type	
					Activities	Activities	
Primary government:							
Governmental activities:							
Public safety and legal services	\$ 114,312,510	\$ 20,816,099	\$ 1,956,137	\$ -	\$ (91,540,274)	\$ (91,540,274)	\$ -
Physical health and social services	56,567,473	1,152,384	25,056,021	546,967	(29,812,101)	(29,812,101)	-
Mental health	24,135,125	17,388	25,489,821	-	1,372,084	1,372,084	-
County environment and education	39,083,707	4,117,136	1,083,020	8,369,361	(25,514,190)	(25,514,190)	-
Roads and transportation	18,699,637	846,970	7,943,772	5,466,655	(4,442,240)	(4,442,240)	-
Government services to residents	10,431,648	9,100,545	-	-	(1,331,103)	(1,331,103)	-
Administration	75,758,886	1,667,847	35,324,604	-	(38,766,435)	(38,766,435)	-
Interest on long-term debt	14,256,031	38	-	-	(14,255,993)	(14,255,993)	-
Total governmental activities	353,245,017	37,718,407	96,853,375	14,382,983	(204,290,252)	(204,290,252)	-
Business-type activities:							
Group Homes	1,453,895	956,427	-	-	(497,468)	(497,468)	-
Air Quality	1,542,004	426,657	911,117	-	(204,230)	(204,230)	-
Sanitary Sewer	2,541,859	3,106,148	-	1,212,566	1,776,855	1,776,855	-
Prairie Meadows Racetrack/Casino	15,024,422	26,931,355	-	-	11,906,933	11,906,933	-
Conservation Enterprises	2,024,400	717,979	-	-	(1,306,421)	(1,306,421)	-
Hamilton Urban Drainage District	398,579	123,163	-	-	(275,416)	(275,416)	-
Iowa Events Center	30,785,766	22,489,216	373,470	32,000	(7,891,080)	(7,891,080)	-
Urban Sewer	2,839,921	-	-	-	(2,839,921)	(2,839,921)	-
Iowa Tax & Tags	576,623	353,895	-	-	(222,728)	(222,728)	-
Total business-type activities	57,187,469	55,104,840	1,284,587	1,244,566	446,524	446,524	-
Total primary government	\$ 410,432,486	\$ 92,823,247	\$ 98,137,962	\$ 15,627,549	(204,290,252)	(203,843,728)	-
Component unit:							
IEC Hotel Corp	\$ 22,753,691	\$ 20,124,082	\$ 1,658,752	\$ 1,887,220			916,363
General revenues:							
Property taxes					204,320,367	204,320,367	-
Other county taxes					8,796,716	8,796,716	-
Interest and penalties on property taxes					1,497,596	1,497,596	-
State tax credits and replacements against levied property taxes					11,079,224	11,079,224	-
Interest income					19,666,221	6,188,430	25,854,651
Miscellaneous					4,811,548	473,500	5,285,048
Transfers					1,305,310	(1,305,310)	-
Total general revenues and transfers					251,476,982	5,356,620	256,833,602
Change in net position					47,186,730	5,803,144	52,989,874
Net position - beginning as previously reported					388,988,825	343,195,470	732,184,295
Adjustments - Note 30					(5,559,321)	(2,320,805)	(7,880,126)
Net position - beginning as restated					383,429,504	340,874,665	724,304,169
Net position - ending					\$ 430,616,234	\$ 346,677,809	\$ 777,294,043
							\$ 5,096,671

See Notes to Basic Financial Statements

POLK COUNTY, IOWA

**Balance Sheet
Governmental Funds
June 30, 2024**

	General	Mental Health	Debt Service
ASSETS			
Cash and pooled investments	\$ 195,955,057	\$ 1,556,908	\$ 538,700
Restricted assets - cash and pooled investments	17,483,619	-	1,242,655
Receivables (net):			
Taxes	775,469	-	98,832
Succeeding year property taxes	156,882,484	-	66,251,557
Special assessments	129,112	-	-
Accounts	927,694	-	-
Opioid settlement	-	-	-
Leases	304,086	-	-
Notes	8,911,596	-	132,575,000
Accrued interest	1,679,073	-	446,302
Due from other funds	355,112	-	2,117,159
Due from other governments	10,897,377	-	-
Advances to other funds	2,218,050	-	-
Advances to component unit	-	-	-
Inventories	691,609	-	-
Prepaid items	5,507,673	497,425	-
TOTAL ASSETS	\$ 402,718,011	\$ 2,054,333	\$ 203,270,205
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 4,432,029	\$ 2,139,150	\$ 176,991
Contract/retainage payable	-	-	-
Wages payable	4,670,156	50,139	-
Payroll taxes payable	768,089	8,417	-
Compensated absences payable	2,884,551	-	-
Estimated liability for claims and judgments	68,000	-	-
Due to other funds	430,985	-	7,733
Due to other governments	4,081,048	-	-
Trust payable	79,687	-	-
Unearned revenues	15,709,676	-	-
TOTAL LIABILITIES	33,124,221	2,197,706	184,724
DEFERRED INFLOWS OF RESOURCES	162,873,749	-	66,621,910
Fund balances:			
Nonspendable	8,264,733	497,425	-
Restricted	-	-	136,463,571
Committed	27,787,186	-	-
Unassigned	170,668,122	(640,798)	-
TOTAL FUND BALANCES	206,720,041	(143,373)	136,463,571
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 402,718,011	\$ 2,054,333	203,270,205

See Notes to Basic Financial Statements

Nonmajor Governmental Funds		Total Governmental Funds	
\$	45,021,147	\$	243,071,812
	19,410,017		38,136,291
	76,932		951,233
	14,155,116		237,289,157
	16,063		145,175
	60,144		987,838
	24,116,107		24,116,107
	-		304,086
	-		141,486,596
	22,425		2,147,800
	72,862		2,545,133
	988,997		11,886,374
	-		2,218,050
	4,488,484		4,488,484
	1,430,145		2,121,754
	378,499		6,383,597
\$	110,236,938	\$	718,279,487
\$	4,132,933	\$	10,881,103
	223,752		223,752
	215,640		4,935,935
	36,002		812,508
	-		2,884,551
	-		68,000
	-		438,718
	303,503		4,384,551
	-		79,687
	-		15,709,676
	4,911,830		40,418,481
	36,843,629		266,339,288
	1,808,644		10,570,802
	40,402,222		176,865,793
	26,274,936		54,062,122
	(4,323)		170,023,001
	68,481,479		411,521,718
\$	110,236,938	\$	718,279,487

POLK COUNTY, IOWA

**Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds
to Net Position of Governmental Activities on the Statement of Net Position
June 30, 2024**

Fund balances - total governmental funds	\$	411,521,718
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital assets	\$	599,096,640	
Accumulated depreciation/amortization		<u>(262,569,283)</u>	336,527,357

Interest payable on long-term obligations that does not require current financial resources and therefore is not reported in the funds.	(712,878)
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Internal service funds are used by management to charge the costs of insurance to individual funds.

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	24,159,401
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Revenues and other financing sources that are not available to pay for current period expenditures in the funds.

Property taxes	826,070	
Special assessments	140,918	
Accounts receivable	465,219	
Due from other governments	4,335,525	
Due from other funds (Prairie Meadows property taxes)	<u>652,164</u>	6,419,896

Pension related deferred outflows of resources and deferred inflows of resources are not reported in the governmental funds, but are amortized and recognized as a component of pension/OPEB expense in the government-wide financial statements, as follows:

Deferred outflows of resources (Pension)	28,329,359
Deferred outflows of resources (OPEB)	4,625,053
Deferred inflows of resources (Pension)	(2,573,195)
Deferred inflows of resources (OPEB)	(1,909,478)
Deferred inflows of resources (Gain on refunding)	(1,354,472)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

General obligation bonds payable	(289,259,181)
Lease agreements payable	(426,886)
Subscription liability	(4,228,831)
Financed purchases agreements	(2,478,543)
Compensated absences payable	(17,732,947)
Estimated liability for claims and judgments	(3,304,000)
Total OPEB liability	(22,071,000)
Net pension liability	<u>(34,915,139)</u>

Net position of governmental activities	\$	<u><u>430,616,234</u></u>
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POLK COUNTY, IOWA

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024**

	(Formerly major)		
	General	Mental Health	American Rescue Plan Act
			Debt Service
REVENUES:			
Property taxes	\$ 168,616,571	\$ -	\$ 23,259,475
Other County taxes	5,796,084	-	560,133
Interest and penalties on delinquent taxes	1,497,596	-	-
Intergovernmental	86,214,793	25,507,210	1,195,399
Licenses and permits	987,217	-	-
Charges for services	16,478,039	-	-
Use of money and property	19,396,725	-	1,571,363
Miscellaneous	2,099,648	200,738	-
TOTAL REVENUES	301,086,673	25,707,948	26,586,370
EXPENDITURES:			
Current:			
Public safety and legal services	107,697,436	-	-
Physical health and social services	55,742,643	-	-
Mental health	-	24,134,746	-
County environment and education	31,560,073	-	-
Roads and transportation	1,231,038	-	-
Government services to residents	10,582,634	-	-
Administration	82,640,194	-	-
Debt service:			
Principal	917,765	-	23,080,000
Interest and fiscal charges	50,058	-	14,075,781
Capital projects:			
Roadway construction	-	-	-
Conservation land acquisition and development	8,092,099	-	-
Other capital projects	-	-	-
TOTAL EXPENDITURES	298,513,940	24,134,746	37,155,781
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,572,733	1,573,202	(10,569,411)
OTHER FINANCING SOURCES (USES):			
Transfers in	25,286,719	-	-
Transfers out	(35,161,415)	-	-
Issuance of bonds	35,511,350	-	113,913,000
Premium/(discount) on bonds issued	137,333	-	9,355,212
Lease agreements	317,535	-	-
Issuance of SBITA agreements	693,751	-	-
Issuance of financed purchases	1,740,263	-	-
TOTAL OTHER FINANCING SOURCES (USES)	28,525,536	-	123,268,212
NET CHANGE IN FUND BALANCES	31,098,269	1,573,202	112,698,801
FUND BALANCE, BEGINNING AS PREVIOUSLY REPORTED	178,344,786	(1,716,575)	4,488,484
Adjustments - Note 30	(2,723,014)	-	(4,488,484)
FUND BALANCE, BEGINNING AS RESTATED	175,621,772	(1,716,575)	23,764,770
FUND BALANCE, ENDING	\$ 206,720,041	\$ (143,373)	\$ 136,463,571

Nonmajor Governmental Funds		Total Governmental Funds	
\$	12,474,050	\$	204,350,096
	2,440,499		8,796,716
	-		1,497,596
	11,165,188		124,082,590
	210,589		1,197,806
	1,090,033		17,568,072
	1,157,519		22,125,607
	10,033,928		12,334,314
	38,571,806		391,952,797
	1,958,752		109,656,188
	81,685		55,824,328
	-		24,134,746
	3,113,719		34,673,792
	12,723,714		13,954,752
	286,723		10,869,357
	-		82,640,194
	316,647		24,314,412
	66,407		14,192,246
	5,000,416		5,000,416
	14,380,767		22,472,866
	9,652,983		9,652,983
	47,581,813		407,386,280
	(9,010,007)		(15,433,483)
	19,491,058		44,777,777
	(8,266,516)		(43,427,931)
	15,330,650		164,755,000
	616,350		10,108,895
	-		317,535
	1,540,502		2,234,253
	-		1,740,263
	28,712,044		180,505,792
	19,702,037		165,072,309
	45,490,366		226,607,061
	3,289,076		19,842,348
	48,779,442		246,449,409
\$	68,481,479	\$	411,521,718

POLK COUNTY, IOWA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds	\$ 165,072,309
Amounts reported for governmental activities in the statement of net position are different because:	
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. The following is the detail of the amount by which capital outlays and capital contributions exceed depreciation/amortization in the current year:	
Capital outlays	34,313,944
Capital contribution	4,331,301
Depreciation/amortization expense	(18,091,933)
The net effect of various transactions involving capital assets is to increase/(decrease) net position.	
Transfer out to business-type activities	(3,024,536)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	
Change in deferred inflows of resources	2,137,844
Change in interest receivable (Metro Waste Authority)	(59,756)
The current year County employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position.	
	11,660,464
Expenses in the statement of activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.	
Change in estimated liabilities for claims and judgments	6,174,000
Change in compensated absences	(1,403,103)
Pension expense	(5,159,259)
OPEB expense	(1,895,626)
Debt proceeds provide current financial resources to governmental funds. Issuing debt increases long-term liabilities in the government-wide statement of net position. Repayments are an expenditure in the governmental funds. Repayment reduces long-term liabilities in the government-wide statement of net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Payment on lease agreements	64,573
Issuance of lease agreements	(317,535)
Payments on long-term bonds	23,080,000
Payments on subscription liability	815,928
Issuance of SBITA agreements	(2,234,253)
Payment on financed purchase agreements	353,911
Issuance of financed purchase agreements	(1,740,263)
Proceeds on long-term debt	(164,755,000)
Premium/(discount) on the issuance of debt	(10,108,895)
Amortization of bond premium/(discount)	1,646,110
Amortization of gain on refunding of debt	272,494
Interest expense on long-term debt is reported in the government-wide statement of activities.	
Interest payable does not require the use of current financial resources. This related interest expense is not reported as an expenditure in the governmental funds.	
Change in interest payable on debt	(336,279)
Internal service funds are used by management to charge the costs of insurance. The change in net position is reported with governmental activities.	
	<u>6,390,290</u>
Change in net position of governmental activities	<u>\$ 47,186,730</u>

See Notes to Basic Financial Statements

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POLK COUNTY, IOWA

Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Prairie Meadows Racetrack/ Casino	Iowa Events Center	Nonmajor Enterprise Funds	Total	
ASSETS					
Current assets:					
Cash and pooled investments	\$ 16,131,204	\$ 21,329,412	\$ 17,969,047	\$ 55,429,663	\$ 25,369,530
Restricted assets - cash and pooled investments	-	1,283,806	-	1,283,806	-
Receivables (net):					
Accounts	-	4,158,854	247,174	4,406,028	1,458,494
Lease receivables	14,957,011	-	-	14,957,011	-
Notes	-	-	667,572	667,572	-
Accrued interest	110,097	57,701	50,095	217,893	49,138
Due from other funds	77,622	179,674	28,035	285,331	37,596
Due from other governments	1,503,448	-	273,313	1,776,761	-
Due from component units	-	503,336	-	503,336	-
Inventories	-	119,956	-	119,956	-
Prepaid items	-	497,860	1,569,777	2,067,637	134,951
Total current assets	32,779,382	28,130,599	20,805,013	81,714,994	27,049,709
Noncurrent assets:					
Receivables (net):					
Special assessments	-	-	8,442	8,442	-
Lease receivables	23,292,946	-	-	23,292,946	-
Notes	-	-	7,323,765	7,323,765	-
Advances to component units	28,213,000	5,014,249	-	33,227,249	-
Capital assets not being depreciated	3,129,000	18,840,005	11,913,056	33,882,061	-
Capital assets being depreciated, net	100,571,859	119,226,250	48,935,537	268,733,646	-
Total noncurrent assets	155,206,805	143,080,504	68,180,800	366,468,109	-
TOTAL ASSETS	187,986,187	171,211,103	88,985,813	448,183,103	27,049,709
DEFERRED OUTFLOW OF RESOURCES	-	37,895	693,469	731,364	-
LIABILITIES					
Current liabilities:					
Accounts payable	-	14,550,935	102,351	14,653,286	278,188
Contract/retainage payable	-	163,972	-	163,972	-
Wages payable	-	158,291	89,343	247,634	-
Payroll taxes payable	-	12,482	14,138	26,620	185,120
Interest payable	-	52,701	21,464	74,165	-
Estimated liability for claims and judgments	-	-	-	-	2,427,000
Due to other funds	652,164	1,506,632	251,101	2,409,897	-
Due to other governments	5,351,284	-	-	5,351,284	-
Advance deposits and ticket sales	-	1,035,763	-	1,035,763	-
Unearned revenues	-	437,904	-	437,904	-
General obligation bonds payable	-	12,619,581	398,534	13,018,115	-
Notes payable	-	-	348,000	348,000	-
Advances from other funds	-	-	277,819	277,819	-
Compensated absences payable	-	22,097	52,214	74,311	-
Total current liabilities	6,003,448	30,560,358	1,554,964	38,118,770	2,890,308
Noncurrent liabilities:					
General obligation bonds payable	-	9,589,580	328,533	9,918,113	-
Notes payable	-	-	13,289,000	13,289,000	-
Advances from other funds	-	-	1,940,231	1,940,231	-
Compensated absences payable	-	-	288,250	288,250	-
Net pension liability	-	17,981	656,711	674,692	-
Total noncurrent liabilities	-	9,607,561	16,502,725	26,110,286	-
TOTAL LIABILITIES	6,003,448	40,167,919	18,057,689	64,229,056	2,890,308
DEFERRED INFLOWS OF RESOURCES	36,601,708	1,215,689	190,205	38,007,602	-
NET POSITION					
Net investment in capital assets	103,700,859	113,181,090	47,211,593	264,093,542	-
Restricted for capital improvements	-	1,283,806	-	1,283,806	-
Unrestricted	41,680,172	15,400,494	24,219,795	81,300,461	24,159,401
TOTAL NET POSITION	\$ 145,381,031	\$ 129,865,390	\$ 71,431,388	\$ 346,677,809	\$ 24,159,401

See Notes to Basic Financial Statements

POLK COUNTY, IOWA

**Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024**

	Prairie Meadows Racetrack/ Casino	Iowa Events Center	Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
OPERATING REVENUES:					
Charges for goods and services:					
Charges for services	\$ -	\$ 4,577,384	\$ 3,442,749	\$ 8,020,133	\$ 29,727,910
Lease revenue	26,794,377	-	-	26,794,377	-
Tax increment financing revenue	-	-	1,771,262	1,771,262	-
Intergovernmental revenues	-	373,470	952,529	1,325,999	-
Project income	136,978	872,500	-	1,009,478	-
Parking income	-	1,137,644	-	1,137,644	-
Concession sales	-	10,437,618	29,645	10,467,263	-
Commissions income	-	2,699,091	399,201	3,098,292	-
PFMS user fee on ticket sales	-	578,292	-	578,292	-
Miscellaneous	-	418,170	55,330	473,500	9,287
Total operating revenues	26,931,355	21,094,169	6,650,716	54,676,240	29,737,197
OPERATING EXPENSES:					
Cost of goods and services:					
Personal services	-	3,704,370	2,629,626	6,333,996	-
Supplies	-	694,831	508,162	1,202,993	-
Professional services	-	176,323	107,760	284,083	-
Other services/charges	4,500,000	3,492,064	1,653,992	9,646,056	65,291
Insurance	-	546,031	-	546,031	27,025,867
Direct event expense	-	3,558,194	-	3,558,194	-
Cost of goods sold - concession	-	6,907,198	16,105	6,923,303	-
Management expense	-	313,579	-	313,579	-
Bad debt expense	-	-	2,841,075	2,841,075	-
Miscellaneous	1,699,440	-	754,873	2,454,313	-
Amortization of discount (premium)	-	(44,642)	(48,534)	(93,176)	-
Depreciation	8,824,982	9,829,068	2,597,834	21,251,884	-
Total operating expenses	15,024,422	29,177,016	11,060,893	55,262,331	27,091,158
OPERATING INCOME (LOSS)	11,906,933	(8,082,847)	(4,410,177)	(586,091)	2,646,039
NONOPERATING REVENUES (EXPENSES):					
Interest revenue	3,754,091	577,694	1,856,645	6,188,430	764,251
County share of arena profit	-	2,186,687	-	2,186,687	-
Loss on disposal of capital assets	-	(1,313,058)	-	(1,313,058)	-
Interest expense	-	(295,692)	(316,388)	(612,080)	-
Total nonoperating revenues (expenses)	3,754,091	1,155,631	1,540,257	6,449,979	764,251
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	15,661,024	(6,927,216)	(2,869,920)	5,863,888	3,410,290
CAPITAL CONTRIBUTIONS AND TRANSFERS:					
Capital contributions from other funds	-	-	3,024,536	3,024,536	-
Capital contributions from others	-	32,000	1,212,566	1,244,566	-
Transfers in	-	15,792,044	3,969,607	19,761,651	9,843,114
Transfers out	(24,091,497)	-	-	(24,091,497)	(6,863,114)
Total capital contributions and transfers	(24,091,497)	15,824,044	8,206,709	(60,744)	2,980,000
CHANGE IN NET POSITION	(8,430,473)	8,896,828	5,336,789	5,803,144	6,390,290
NET POSITION - BEGINNING AS PREVIOUSLY REPORTED	155,317,345	121,303,810	66,574,315	343,195,470	18,198,316
Adjustments - Note 30	(1,505,841)	(335,248)	(479,716)	(2,320,805)	(429,205)
FUND BALANCE, BEGINNING AS RESTATED	153,811,504	120,968,562	66,094,599	340,874,665	17,769,111
NET POSITION - ENDING	\$ 145,381,031	\$ 129,865,390	\$ 71,431,388	\$ 346,677,809	\$ 24,159,401

See Notes to Basic Financial Statements

POLK COUNTY, IOWA

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2024

	Business-type Activities-Enterprise Funds	
	Prairie Meadows Racetrack/Casino	Iowa Events Center
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ -	\$ 24,618,484
Cash received from internal customers - other funds	-	-
Cash received from operating grants	-	-
Cash received from racetrack/casino	25,302,726	-
Cash paid to suppliers for goods and services	(3,751,183)	(9,143,697)
Cash paid to employees	-	(3,666,380)
Net cash flows from operating activities	<u>21,551,543</u>	<u>11,808,407</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from due from other funds	9,051	1,500,000
Repayments on a receivable from component unit	-	(168,311)
Proceeds from advance from other funds	613,000	-
Proceeds from county share of arena profit	-	2,186,687
Repayment on advance from other funds	-	-
Transfers in	-	15,792,044
Transfers out	(24,091,497)	-
Net cash flows from noncapital financing activities	<u>(23,469,446)</u>	<u>19,310,420</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal paid on long-term debt	-	(12,000,000)
Interest paid on long-term debt	-	(937,946)
Capital contributions from others	-	32,000
Purchase of capital assets	-	(6,993,179)
Repayments on capital note receivable	-	-
Net cash flows from capital and related financing activities	<u>-</u>	<u>(19,899,125)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	3,640,344	346,951
Net cash flows from investing activities	<u>3,640,344</u>	<u>346,951</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,722,441	11,566,653
CASH AND CASH EQUIVALENTS, BEGINNING AS PREVIOUSLY REPORTED	14,804,604	11,381,813
ADJUSTMENTS - NOTE 30	(395,841)	(335,248)
CASH AND CASH EQUIVALENTS, BEGINNING AS RESTATED	14,408,763	11,046,565
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 16,131,204	\$ 22,613,218

Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds	
\$ 5,740,561	\$ 30,359,045	\$ -	
-	-	30,109,470	
930,286	930,286	-	
-	25,302,726	-	
(7,392,058)	(20,286,938)	(27,611,778)	
(2,666,785)	(6,333,165)	13,593	
(3,387,996)	29,971,954	2,511,285	
250,000	1,759,051	-	
-	(168,311)	-	
-	613,000	-	
-	2,186,687	-	
(275,069)	(275,069)	-	
3,969,607	19,761,651	9,843,114	
-	(24,091,497)	(6,863,114)	
3,944,538	(214,488)	2,980,000	
(682,000)	(12,682,000)	-	
(318,226)	(1,256,172)	-	
-	32,000	-	
(2,053,901)	(9,047,080)	-	
3,300,194	3,300,194	-	
246,067	(19,653,058)	-	
1,803,817	5,791,112	711,164	
1,803,817	5,791,112	711,164	
2,606,426	15,895,520	6,202,449	
15,842,337	42,028,754	19,596,286	
(479,716)	(1,210,805)	(429,205)	
15,362,621	40,817,949	19,167,081	
\$ 17,969,047	\$ 56,713,469	\$ 25,369,530	

(continued)

POLK COUNTY, IOWA

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2024

	Business-type Activities-Enterprise Funds	
	Prairie Meadows Racetrack/Casino	Iowa Events Center
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income (loss)	\$ 11,906,933	\$ (8,082,847)
Components of operating income (loss) not included in operating activities:		
Depreciation	8,824,982	9,829,068
Amortization	-	(44,642)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
(Increase) decrease in special assessments receivable	-	-
(Increase) decrease in accounts receivable	-	3,553,907
(Increase) decrease in lease receivable	14,515,515	2,973,680
(Increase) decrease in due from other governments	(1,503,448)	-
(Increase) decrease in inventories	-	15,454
(Increase) decrease in prepaid items	-	(297,161)
(Increase) decrease in deferred outflows of resources	-	(12,662)
Increase (decrease) in accounts payable	-	6,826,230
Increase (decrease) in wages payable	-	29,655
Increase (decrease) in payroll taxes payable	-	2,284
Increase (decrease) in due to other governments	2,448,257	-
Increase (decrease) in advance deposits and ticket sales	-	150,779
Increase (decrease) in unearned revenue	-	(264,881)
Increase (decrease) in compensated absences payable	-	6,323
Increase (decrease) in estimated liability for claims and judgments	-	-
Increase (decrease) in net pension liability	-	12,390
Increase (decrease) in deferred inflows of resources	(14,640,696)	(2,889,170)
Net cash flows from operating activities	<u>\$ 21,551,543</u>	<u>\$ 11,808,407</u>

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:

Disposal of fully depreciated capital assets	\$ -	\$ (199,030)
Acquisition of capital assets through accounts payable	-	1,088,134
Acquisition of capital assets through contract/retainage payable	-	1,812
Disposal of capital assets - net of accumulated depreciation	-	(1,313,058)
Acquisition of notes receivable through disposal of capital assets	-	-
Capital contributions - capital assets	-	-
Acquisition of capital assets through governmental funds transfer	-	-

See Notes to Basic Financial Statements

		Governmental	
		Activities-	
Nonmajor		Internal	
Enterprise		Service	
Funds	Total	Funds	
\$ (4,410,177)	\$ (586,091)	\$	2,646,039
2,597,834	21,251,884	-	
(48,534)	(93,176)	-	
(1,372)	(1,372)	-	
7,371	3,561,278	372,273	
-	17,489,195	-	
14,132	(1,489,316)	-	
-	15,454	-	
(1,569,777)	(1,866,938)	(122,339)	
(273,659)	(286,321)	-	
59,686	6,885,916	(158,781)	
26,356	56,011	-	
3,638	5,922	13,593	
-	2,448,257	-	
-	150,779	-	
-	(264,881)	-	
58,892	65,215	-	
-	-	(239,500)	
235,393	247,783	-	
(87,779)	(17,617,645)	-	
\$ (3,387,996)	\$ 29,971,954	\$	2,511,285

\$ (42,708)	\$ (241,738)	\$	-
-	1,088,134	-	
-	1,812	-	
-	(1,313,058)	-	
(407,196)	(407,196)	-	
1,212,566	1,212,566	-	
3,024,536	3,024,536	-	

(concluded)

POLK COUNTY, IOWA

Statement of Fiduciary Net Position

Custodial Funds

June 30, 2024

	Total Custodial Funds
ASSETS	
Cash and pooled investments	\$ 29,731,682
Receivables (net):	
Taxes	4,553,814
Succeeding year property taxes	1,288,816,977
Special assessments	9,323,101
Accounts	247,431
Accrued interest	17,868
Due from other funds	44,127
Due from other governments	852,007
Prepays	415,578
TOTAL ASSETS	1,334,002,585
LIABILITIES	
Accounts payable	1,151,512
Wages payable	172,466
Payroll taxes payable	28,673
Due to other funds	63,572
Due to other governments	34,540,477
Compensated absences payable	1,450,573
Stamped warrants payable	83,859
Total OPEB liability	394,000
TOTAL LIABILITIES	37,885,132
DEFERRED INFLOWS OF RESOURCES	1,288,816,977
NET POSITION	
Restricted for individuals, organizations, and other governments	\$ 7,300,476

POLK COUNTY, IOWA

Statement of Changes in Fiduciary Net Position Custodial Funds For the Year Ended June 30, 2024

	Total Custodial Funds
ADDITIONS:	
Property and other county tax	\$ 1,018,542,975
State tax credits	32,096,371
Registration fee to Department of Transportation	108,700,926
Use tax to Department of Revenue	80,087,959
Special assessments	2,481,963
911 surcharge	2,838,259
Intergovernmental revenues	1,107,876
Charges for services	19,929
Fines and forfeitures	421,846
Interest income	413,231
Miscellaneous	41,685
TOTAL ADDITIONS	1,246,753,020
DEDUCTIONS:	
Agency remittances:	
Treasurer disbursement to other governments	1,235,230,634
Trusts paid out	1,391
Personal services	6,076,095
Supplies	65,988
Professional services	1,880,973
Other services/charges	3,288,549
Capital outlay	369,165
TOTAL DEDUCTIONS	1,246,912,795
CHANGES IN NET POSITION	(159,775)
TOTAL NET POSITION - BEGINNING AS PREVIOUSLY REPORTED	7,641,747
Adjustments - Note 30	(181,496)
FUND BALANCE, BEGINNING AS RESTATED	7,460,251
TOTAL NET POSITION - ENDING	\$ 7,300,476

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POLK COUNTY, IOWA

Notes to the Financial Statements For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Polk County (“County”) was formed in 1846 and operates under a Board of Supervisors form of government. The County provides a broad scope of services to its citizens, operating through various organizational entities ranging from elected departments to administrative departments to appointed commissions.

The governing body is composed of a five-member Board of Supervisors elected on a partisan basis and has both legislative and administrative powers. The basic functions of the Board are to investigate matters relating to the County's administrative departments, oversee the budget process for the entire County and respond to

Other elected officials operate independently and equally with the Board. These officials are the Auditor, Treasurer, Recorder, Sheriff and County Attorney.

A) Financial Reporting Entity

As required by accounting principles generally accepted in the United States of America (“GAAP”), the financial statements present the government and its component units, legally separate entities for which the County is financially accountable.

Discretely Presented Component Unit - The financial data of the County's component unit is discretely presented in a separate column in the County's government-wide financial statements to emphasize that the component unit is legally separate from the County.

Iowa Events Center Hotel Corporation - On February 23, 2015, the County approved the creation of the Iowa Event Center Hotel Corporation referred to as “IEC Hotel Corp”. The nonprofit IEC Hotel Corp will develop, own and manage a convention center hotel adjacent to the Iowa Events Center. The County appoints a voting majority with five members and the City of Des Moines appoints two members to the IEC Hotel Corp Board. The County is responsible for some of the IEC Hotel Corp debt. Although IEC Hotel Corp is a separate legal entity and has a separate board, it is fiscally dependent on the County. The IEC Hotel Corp has a calendar year-end. Additional information can be found in Note 20.

Complete financial statements of IEC Hotel Corp can be obtained from the County at 111 Court Avenue, Des Moines, IA 50309 or telephone (515) 286-3895.

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 appoints representatives to the following boards and commissions: Polk County Assessor's Conference Board, Polk County Emergency Management Commission and Polk County 911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Custodial Funds of the County.

B) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

The County's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the County that are governmental activities and those that are considered business-type activities. Governmental activities are those that are normally supported by taxes and intergovernmental revenues. Business-type activities rely to a significant extent on fees and charges for support.

The statement of net position presents the financial condition of the governmental and business-type activities for the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Net position is reported in three 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 imposed by law through constitutional provisions or enabling legislation.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's proprietary functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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 taxes are recognized as revenues in the year for which they are levied/budgeted. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In the governmental fund financial statements, differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

Fund Financial Statements

The County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and demonstrate legal compliance. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major governmental fund and each major enterprise fund are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The County uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most general governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources.

Basis of Accounting: Governmental fund financial statements are reported using the “current financial resources measurement focus” and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 75 days of the end of the current fiscal period (except for property taxes which is 60 days). Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions, and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenues (shared revenues, grants, and reimbursements from other governments) and interest associated with the current fiscal period are all 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.

The following are the County’s major governmental funds:

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. Sub funds of the General Fund include the General Supplemental, Risk Management, Community Betterment, Economic Development, Conservation Special Projects, GIMS Implementation, and Grants.

Mental Health Special Revenue Fund - Accounts for property taxes levied and other state revenues for mental health services as mandated by the Iowa Code Section 331.424A. This fund is presented as a major fund for public interest purposes.

Debt Service - Accounts for debt service for general obligation debt issues supported by County-wide tax levies. This fund is restricted in accordance with the Iowa Code Section 331.430.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service funds.

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises: (a) where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The County has two internal service funds that account for employee insurance and risk management financing activities.

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 enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation (including the amortization of intangible assets) on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County reports the following major proprietary funds:

Prairie Meadows Racetrack/Casino - Accounts for activity of Prairie Meadows Racetrack and Casino. It is operated and managed by a third party who has the ability to modify services and rates. See Note 18 for further information.

Iowa Events Center - Accounts for activity of the Veterans Memorial Community Choice Credit Union Convention Center, Hy-Vee Hall, and Wells Fargo Arena. It is operated and managed by a third party who has the ability to modify services and rates. See Note 19 for further information.

Fiduciary Funds

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 externally managed drainage districts, county assessor, emergency management services, narcotics task force, etc. Custodial funds are excluded from the government-wide financial statements.

C) Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position

Cash and Pooled Investments: For the purposes of the statement of cash flows, the proprietary funds consider all highly-liquid investments with a maturity of three months or less when purchased to be cash equivalents. Restricted cash is also included in cash and cash equivalents for purposes of the statement of cash flows.

The County maintains a cash and investment pool that is available for use by all funds. Monies that are not required for immediate obligations are invested under the management of the County Treasurer. Income earned from the investment of pooled cash is recorded in the General Fund, except for interest income allocated to proprietary funds and where specifically required by law to be recorded in other funds.

Property Taxes: The County proposed property tax levy was approved during the Board of Supervisors' session held in March of 2023 on the assessed valuation of property located in the County as of January 1, 2022, which was the assessment date. Assessed values are established annually for the various types of property by the County and are reduced by certain percentages based on the type of property to determine the taxable value. Taxes levied on property then became liens as of July 1, 2023. Taxes were receivable in two installments on September 30, 2023, and March 31, 2024. The County bills and collects property taxes for all taxing units in the County. Tax monies remitted to the County and subsequently disbursed to other taxing units are accounted for in the fiduciary funds.

The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is reported as a deferred inflow of resources and will not be recognized as revenue until the year for which it is levied/budgeted.

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.

Allowances for Uncollectibles: An allowance for uncollectible accounts, which offsets the total gross receivables, is calculated based upon historical collection data, specific account analysis and management's judgment.

Interfund Balances: Activity between funds that represents unpaid interfund services or cash overdrafts and lending/borrowing arrangements outstanding at the end of the year are referred to as "Due to/from other funds" or "Advances to/from other funds."

Interfund receivable and payables within governmental activities and within business-type activities have been eliminated in the government-wide statement of net position; any residual outstanding balances between the governmental activities and business-type activities are reported as "Internal Balances."

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

Inventories and Prepaid Items: All inventories are stated at cost using the first-in, first-out consumption method. Expenditures are recognized in the funds when inventories are consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both governmental-wide and fund financial statements. The cost of prepaid items is reported as expenditures when consumed, rather than when purchased.

Inventories and prepaid items are offset by nonspendable constraint of fund balance except for Supplemental Foods Program commodities. Supplemental Foods Program commodities are reported as unearned revenues which indicates that they are not available to liquidate current obligations.

Capital Assets: Capital assets, which include land, buildings, improvements other than buildings, leasehold improvements, equipment, vehicles, intangibles, and infrastructure assets (roads, bridges, sewers, etc.), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All capital assets are recorded at historical cost (except for intangible right-to-use lease/subscription assets, the measurement of which is discussed under "Leases/SBITA" below) or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. 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 repairs that do not add to the fair value of the asset or materially extend assets lives are not capitalized.

The County's capitalization thresholds are as follows:

	Governmental Capital Assets	Business-type Capital Assets
Land	\$ 20,000	\$ 20,000
Buildings	150,000	100,000
Improvements other than buildings	50,000	15,000
Equipment	15,000	10,000
Vehicles	15,000	15,000
Right-to-use leases	100,000	75,000
Right-to-use subscription assets	100,000	75,000
Infrastructure	250,000	125,000
Intangibles	300,000	300,000

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

Buildings	20-30 years
Improvements other than buildings	10-30 years
Leasehold improvements	25 years
Equipment	7 years
Equipment - conservation/secondary roads	10 years
Vehicles	7 years
Right-to-use leases	2-25 years
Right-to-use subscription assets	2-10 years
Infrastructure other than roads	40-50 years
Infrastructure - roads/trails:	
Developer projects/trails	20 years
Full depth	16 years
Intangibles - computer software	15 years

Leases - County as Lessee: The County is the lessee for a noncancellable lease of office space and equipment. The County has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$100,000 or more.

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

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

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

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

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

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

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

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

Key estimates and judgments include how the County determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts. The County uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable 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.

Subscription-Based Information Technology Arrangements (SBITA): The County has entered into several contracts that convey control of the right to use information technology software. The County has recognized a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. The County recognizes subscription liabilities with an initial, individual value of \$100,000 or more.

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

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

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

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

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

Deferred Outflows of Resources: Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The County has one type of item that qualifies for reporting in this category in the proprietary funds and the government-wide statements of net position. The deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the employer after the measurement date but before the end of the County's reporting period. See Note 23 for further information.

Due to Other Governments: Due to other governments represents taxes and other revenues collected by the County that will be remitted to other governments.

Advance Deposits: Advance deposits represents rent deposits paid by customers for future events.

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.

Unearned Revenues: Unearned revenues occur when resources are received before they have been earned, as when state/grant monies are received prior to the incurrence of qualifying expenditures and undistributed food commodities. Unearned revenue for the American Rescue Plan Act represents federal grant monies received but have not be spent. Unearned revenues for the Iowa Events Center enterprise fund consists of advertising, ticket sales and fees, and miscellaneous other event revenues and liabilities which are recognized when the related event occurs or over the life of the agreement.

Pensions: For purposes of measuring the net pension liability (asset), 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, Mental Health, Rural Services and Secondary Roads Funds.

Total OPEB Liability: For purposes of measuring the total OPEB liability, deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on Polk County's actuary report. 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.

Deferred Inflows of Resources: Deferred inflows of resources represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from four sources: property taxes, intergovernmental grants, opioid settlement, and other receivables. Accordingly, these unavailable revenues are reported only in the governmental funds financial statements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental funds also include a deferred inflow of resources for succeeding year property taxes as described below.

The County has six types of items that qualify for reporting in this category in the proprietary funds and the government-wide statements of net position. Succeeding year property tax deferred revenue represents taxes certified by the Board of Supervisors in March of each year to be collected in the next fiscal year. Since these property taxes will not be recognized as revenue until the year for which it is levied, they are neither received nor earned during the current year.

A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This gain is deferred and amortized over the shorter of the life of the old debt or the life of the new debt.

Deferred amounts related to leases represent the amount of the initial measurement of the lease receivable at the inception of the lease. A deferred inflow of resources is recognized as revenue over the life of the lease term.

The unamortized portion of pension-related amounts and OPEB-related amounts such as the impact of changes in assumptions and other inputs are shown as a deferred inflow of resources on the Statement of Net Position. See Notes 22 and 23 for further information.

In addition, the County's portion of the opioid settlement is recorded as a receivable and a deferred inflow of resources. The County will recognize opioid settlement revenue as it is collected over the next 15 years. See Note 26 for further information.

Bond Premiums (Discounts): In the government-wide financial statements and proprietary fund type fund financial statements, bond premiums (discounts) are deferred and amortized by a method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts as other financing sources (uses) during the current period. The face amount and related premium of the debt issued are reported as other financing sources. Discounts on debt issuances are reported as other financing uses.

Bond Issuance Costs: Bond issuance costs are reported as expenditures during the period they are incurred.

Compensated Absences: County employees accumulate vacation and sick leave days for subsequent use, which are not forfeited on retirement, death, or termination of employment. Accumulation of vacation hours is limited to 240 hours. Employees may accumulate sick leave to a maximum of 2,000 hours.

Payment of sick leave for any other reason than a bona-fide retirement is maximized at \$2,000 and subject to a years of service schedule that includes payout percentages ranging from 20% - 40%. Upon termination, for other than election of a bona-fide retirement by the employee, an employee must have at least four years of service in order to be paid for sick leave.

Payment of sick leave upon bona-fide retirement with IPERS is maximized at \$4,000. The remainder of any accrual available is converted to a bank for the purposes of purchasing health and dental insurance after retirement. The sick leave balance is converted according to the following schedule:

0 up to and including 749 hours:	0% of value
750 up to and including 1,000 hours:	75% of value
Over 1,000 hours up to 2,000 hours:	100% of value

The compensated absences liability has been computed based on rates of pay in effect at June 30, 2024. A liability is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. The retired employees' health insurance bank is also recorded as compensated absences in the governmental fund statements.

Net Position: Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation (including the amortization of intangible assets), reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance is available.

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 resolution (which is the highest level of action) approved prior to year end. Committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same action it employed to commit those amounts.

Unassigned - All amounts not included in other classifications. Residual deficit amounts of other governmental funds would also be reported as unassigned. When committed and unassigned amounts are available for use, it is the County's policy to use committed resources first, then unassigned resources as they are needed.

Budgetary Policy: The County presents a budgetary comparison schedule on the cash basis as Required Supplementary Information based on the program structure of 10 program service areas as required by State statute for its legally adopted budget.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

2. FUND BALANCE DEFICITS

Individual fund balance deficits for the year ended June 30, 2024 are as follows:

Major Governmental	
Mental Health	\$ (143,373)
Nonmajor Governmental	
Drainage/Water Districts	\$ (4,323)

The deficits of the above funds are expected to be eliminated through future transfers from other funds, grant revenues or bond proceeds.

3. CASH AND POOLED INVESTMENTS

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

The County maintains a cash and investment pool that is available for use by all funds. These monies are considered to be cash on hand, cash held by elected officials, demand deposits, cash equivalents (maturities of three months or less from the date of acquisition), short-term investments (maturities less than one year from the date of acquisition), and long-term investments (maturities of one year or greater from the date of acquisition). Short-term investments are shown at cost which approximates fair value. Long-term investments are shown at fair value.

As of June 30, 2024, the cash and pooled investments of the County consist of:

Cash and cash items in vault	\$ 150,118
Cash on hand not yet deposited	116,436
Bank account deposits	17,067,642
Money market mutual funds	116,391,349
Money market mutual funds - restricted	39,420,097
U.S. government securities	210,131,146
Commercial paper	9,662,137
Other - stamped warrants	<u>83,859</u>
Total cash and pooled investments	<u>\$ 393,022,784</u>
Cash and pooled investments, statement of net position	\$ 323,871,005
Cash and pooled investments, fiduciary funds	29,731,682
Restricted assets - Note 4	<u>39,420,097</u>
Total cash and pooled investments	<u>\$ 393,022,784</u>

Interest rate risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Operating funds may only be invested with maturities of 397 days or less. Non-operating funds may be invested with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the County. The County's investment policy focuses on the preservation of principal, liquidity, and obtaining a reasonable rate of return. All of the County's investments in commercial paper mature in less than one year. Of the U.S. government securities, \$31,933,025 matures in less than one year from the date of acquisition and the remaining balance matures in one to four years.

Credit risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper or other short-term corporate debt to issues rated within the two highest prime classifications by at least one of the standard rating services. However, the County's investment policy further restricts investments in these investment types to the top rating. As of June 30, 2024, the County's investments in commercial paper were rated A-1 or A-1+ by Standard & Poor's and P-1 by Moody's Investors Service. The County's investments in the money market mutual funds are rated AAAM by Standard & Poor's. The County's investment in U.S. government securities consist of FHLB, FFCB, FNMA, and FHLMC and are rated Aaa by Moody's Investors Service and AA+ by Standard & Poor's.

Concentration of credit risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's policy, as set by state law, limits them from investing in corporate debt of more than 10% of the investment portfolio and more than 5% of the investment portfolio with a single issuer. In addition, investments in unit investment trusts are limited to those rated within the two highest prime classifications by at least one of the standard rating services.

When applying the state law, certificates of deposits, bank account deposits, and cash are included as part of the investment portfolio. The County did not exceed the 10% and 5% limitations as set by the State of Iowa at June 30, 2024.

The County's U.S. government securities and commercial paper are subject to concentration of credit risk disclosures. More than 5% of the County's investments are in Federal Home Loan Bank and Federal Farm Credit Bank, which represent 28.67% and 15.52%, respectively, of total investments.

Custodial credit risk - For deposits, this is the risk that in the event of bank failure, the County's deposits may not be returned to it. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Chapter 12C of the Code of Iowa requires all County funds be deposited into an approved depository and be either insured or collateralized. The County's bank account deposits at June 30, 2024, were entirely covered by Federal depository insurance, or by a collateral pool in accordance with Chapter 12C of the Code of Iowa. Investment securities are held by a third party custodian in the County's name. As of June 30, 2024, the County had no deposits or investments exposed to custodial credit risk.

Fair value measurements - The County 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. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Investments of the County in money market mutual funds, commercial paper and \$31,933,025 of U.S. government securities are shown at fair value because their maturity date was less than a year from the date of acquisition. As of June 30, 2024, the County held \$178,198,121 of investments in U.S. government securities, which are reported at fair value based on quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability and are classified as Level 2 inputs.

The County has no assets reported at fair value on a nonrecurring basis and no other investments meeting the fair value disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 72.

4. RESTRICTED ASSETS

The County has the following restricted cash and pooled investments as of June 30, 2024:

	PFMS User Fee	Concession Upkeep	Unspent Bond Proceeds	Total
General Fund	\$ -	\$ -	\$ 17,483,619	\$ 17,483,619
Debt Service	-	-	1,242,655	1,242,655
Iowa Events Center	884,005	399,801	-	1,283,806
Nonmajor Governmental Activities				
Conservation Water & Land Improvements	-	-	15,705,943	15,705,943
Capital Improvements	-	-	3,704,074	3,704,074
Total	<u>\$ 884,005</u>	<u>\$ 399,801</u>	<u>\$ 38,136,291</u>	<u>\$ 39,420,097</u>

In accordance with the Master Lease Agreement, the operator of the Iowa Events Center will assess a PFMS surcharge of \$1.00 per ticket sold for amateur sporting events and a \$2.00 surcharge for non-team events. Approximately 50% of the surcharges on tickets sold for Wells Fargo Arena (WFA) shall be held by the County. PFMS User Fee (Renewal and Replacement) funds are maintained in a segregated bank account to fund future capital repairs at the Iowa Events Center.

In addition, 3% of the gross Concession Revenues earned by Ovation Food Service at WFA shall be held by the County. Concessions Upkeep funds are maintained in a segregated bank account to fund future replacement, repair, updating, upgrading and installing of equipment and improvements related to food and beverage operations at the WFA.

5. INTERNAL BALANCES

Due From/To Other Funds

Amounts due from/to other funds at June 30, 2024, are as follows:

Due from	Due To								
	General Fund	Prairie Meadows Racetrack & Casino	Iowa Events Center	Debt Service	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	Fiduciary	Total
General Fund	\$ -	\$ 77,622	\$ 173,042	\$ 62,374	\$ 9,290	\$ 26,934	\$ 37,596	\$ 44,127	\$ 430,985
Debt Service	-	-	6,632	-	-	1,101	-	-	7,733
Prairie Meadows Racetrack/Casino	355,112	-	-	297,052	-	-	-	-	652,164
Iowa Events Center	-	-	-	1,506,632	-	-	-	-	1,506,632
Nonmajor Enterprise	-	-	-	251,101	-	-	-	-	251,101
Fiduciary	-	-	-	-	63,572	-	-	-	63,572
Total	<u>\$ 355,112</u>	<u>\$ 77,622</u>	<u>\$ 179,674</u>	<u>\$ 2,117,159</u>	<u>\$ 72,862</u>	<u>\$ 28,035</u>	<u>\$ 37,596</u>	<u>\$ 44,127</u>	<u>\$ 2,912,187</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. In general, interfund balances will be repaid within one year from year-end.

Amounts due from/due to other funds primarily relates to:

Bond proceeds due to Debt Service from Iowa Events Center and Conservation Enterprises	\$ 1,757,733
Property taxes owed to various funds from Prairie Meadows: Racetrack/Casino Enterprise Fund	\$ 652,164
Interest revenue from General Fund due to other funds	\$ 430,644

Advances To/From Other Funds

The following loans between funds are long-term in nature and are classified as advances. The Conservation Enterprise Fund's advance from the General Fund relates to a loan made to make improvements to the golf course. This agreement has a term beginning June 2019 with annual payments of \$214,000 to \$300,000 for 15 years with an interest rate of 1%. During the year ended June 30, 2024, principal and interest received were approximately \$275,069 and \$24,931, respectively. The advance at June 30, 2024 is as follows:

Advance From	Advance To	
	Nonmajor Enterprise	Conservation Enterprises
General Fund	\$	2,218,050

6. LEASE RECEIVABLE

Governmental Activities

The County rents out various offices spaces of buildings owned. This agreement has a term beginning December 2019 with quarterly payments of \$6,000 for 80 quarters. During the year ended June 30, 2024, principal and interest received were approximately \$7,356 and \$4,644, respectively.

Governmental activities future principal and interest lease payments as of June 30, 2024 are as follows:

	Principal	Interest	Total
Governmental activities:			
During the year ending June 30:			
2025	\$ 22,738	\$ 13,262	\$ 36,000
2026	15,735	8,265	24,000
2027	16,213	7,787	24,000
2028	16,705	7,295	24,000
2029	17,212	6,788	24,000
2030-2034	94,216	25,784	120,000
2035-2039	109,402	10,598	120,000
2040-2044	11,865	135	12,000
Total	\$ <u>304,086</u>	\$ <u>79,914</u>	\$ <u>384,000</u>

Business-type Activities

Prairie Meadows Racetrack/Casino

The County leases real estate that is currently improved with a horse racing and gaming facility to Prairie Meadows Racetrack and Casino, Inc. ("Prairie Meadows"). This agreement has an inception date of January 2019, monthly payments of \$1,325,000 million per year and has a term of 8 years. During the year ended June 30, 2024, principal and interest received were approximately \$14,515,515 and \$1,384,485, respectively. Additional annual payments equal to 5% of Prairie Meadows' adjusted gross receipts. During the year ended June 30, 2024 additional payments in the amount of \$12,153,681 were received. In the event adjusted gross receipts exceed \$225 million, an additional 1% of adjusted gross receipts will be paid on the increment above \$225 million. Adjusted gross receipts were paid out during the year ending June 30, 2024. See Note 18 for further information on leased facility.

Business-type activities future principal and interest lease payments as of June 30, 2024 are as follows:

	Principal	Interest	Total
Business-type activities			
During the year ending June 30:			
2025	\$ 14,957,011	\$ 942,989	\$ 15,900,000
2026	15,411,944	488,056	15,900,000
2027	<u>7,881,002</u>	<u>68,998</u>	<u>7,950,000</u>
Total	<u>\$ 38,249,957</u>	<u>\$ 1,500,043</u>	<u>\$ 39,750,000</u>

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, is as follows:

	Restated Balance 7/1/2023	Additions	Disposals	Balance 6/30/2024
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 34,165,100	\$ 12,123,859	\$ -	\$ 46,288,959
Construction in progress	20,700,901	25,878,295	(25,112,076)	21,467,120
Subscription Asset-Software in progress	145,038	-	(145,038)	-
Total capital assets, not being depreciated/amortized	<u>55,011,039</u>	<u>38,002,154</u>	<u>(25,257,114)</u>	<u>67,756,079</u>
Capital assets, being depreciated/amortized:				
Buildings	288,391,189	1,388,181	-	289,779,370
Improvements other than buildings	21,230,180	8,903,907	-	30,134,087
Equipment	20,038,601	3,776,832	(1,617,816)	22,197,617
Vehicles	16,648,717	2,573,102	(1,046,122)	18,175,697
Right-to-use leased building	188,247	-	-	188,247
Right-to-use leased equipment	170,133	317,535	(170,133)	317,535
Right-to-use subscription asset	4,692,514	2,234,253	(70,336)	6,856,431
Infrastructure	157,300,587	3,792,927	-	161,093,514
Intangibles-computer software	<u>2,598,063</u>	<u>-</u>	<u>-</u>	<u>2,598,063</u>
Total capital assets being depreciated/amortized	<u>511,258,231</u>	<u>22,986,737</u>	<u>(2,904,407)</u>	<u>531,340,561</u>
Less accumulated depreciation/amortization for:				
Buildings	(113,617,769)	(8,655,138)	-	(122,272,907)
Improvements other than buildings	(5,712,608)	(1,482,856)	-	(7,195,464)
Equipment	(14,382,582)	(1,730,369)	1,515,759	(14,597,192)
Vehicles	(11,610,381)	(1,569,374)	1,046,122	(12,133,633)
Right-to-use leased building	(25,104)	(12,552)	-	(37,656)
Right-to-use leased equipment	(161,122)	(63,504)	161,122	(63,504)
Right-to-use subscription asset	(711,837)	(1,101,197)	70,336	(1,742,698)
Infrastructure	(100,121,282)	(3,303,739)	-	(103,425,021)
Intangibles-computer software	<u>(928,004)</u>	<u>(173,204)</u>	<u>-</u>	<u>(1,101,208)</u>
Total accumulated depreciation/amortization	<u>(247,270,689)</u>	<u>(18,091,933)</u>	<u>2,793,339</u>	<u>(262,569,283)</u>
Total capital assets being depreciated/amortized, net	<u>263,987,542</u>	<u>4,894,804</u>	<u>(111,068)</u>	<u>268,771,278</u>
Governmental activities capital assets, net	<u>\$ 318,998,581</u>	<u>\$ 42,896,958</u>	<u>\$ (25,368,182)</u>	<u>\$ 336,527,357</u>

Governmental Activities

The Polk County Conservation Board purchased several parcels of land for \$2.5 million and completed the Trails End Mitigation Bank and Dykstra Wetland Restoration for the Polk County Water and Land Legacy project for \$9.6 million. In addition, Polk County Conservation completed work on the Easter Lake North Shore Improvement Project for \$8.2 million. At the end of the year, the County transferred \$3 million of equipment related to Sleepy Hollow Sports Park from governmental activities to the Conservation Enterprises Fund. See Note 15 for further information.

The County continued to work on the following projects included in construction in progress: 1) Water and Land Legacy improvements for \$16.6 million, 2) NE Broadway Ave Phase 1 for \$4.3 million, 3) Bridge replacement projects for \$1.8 million and 4) Sobering Center for \$3.2 million. The County also had several right-to-use subscription asset additions consisting primarily of new software for a Public Works licensing and permitting system, a new time management system, new records management indexing system, an evidence management system, and a taser system.

Equipment additions primarily consist of new sheriff's dispatch equipment, secondary roads, and jail equipment. Equipment disposals primarily consist of the disposal of secondary roads and telephone equipment. Vehicle additions consist primarily of the purchase of 57 vehicles for various county departments. Vehicle disposals consist of the disposal of 42 vehicles for various county departments.

	Balance 7/1/2023	Additions	Disposals	Balance 6/30/2024
Business-type activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 23,442,083	\$ -	\$ -	\$ 23,442,083
Construction in progress	3,838,851	9,000,008	(5,721,461)	7,117,398
Intangibles-permanent easements	3,322,580	-	-	3,322,580
Total capital assets, not being depreciated/amortized	30,603,514	9,000,008	(5,721,461)	33,882,061
Capital assets, being depreciated/amortized:				
Buildings	346,118,508	6,154,062	(3,282,644)	348,989,926
Improvements other than buildings	11,571,591	-	-	11,571,591
Leasehold improvements	191,536,328	-	-	191,536,328
Equipment	7,076,287	4,316,838	(241,738)	11,151,387
Vehicles	240,038	74,673	-	314,711
Infrastructure	41,720,303	550,008	-	42,270,311
Total capital assets being depreciated/amortized	598,263,055	11,095,581	(3,524,382)	605,834,254
Less accumulated depreciation/amortization for:				
Buildings	(203,846,309)	(11,466,577)	1,969,586	(213,343,300)
Improvements other than buildings	(9,212,989)	(114,354)	-	(9,327,343)
Leasehold improvements	(82,711,015)	(7,661,454)	-	(90,372,469)
Equipment	(4,931,318)	(933,387)	241,738	(5,622,967)
Vehicles	(175,774)	(28,835)	-	(204,609)
Infrastructure	(17,182,643)	(1,047,277)	-	(18,229,920)
Total accumulated depreciation/amortization	(318,060,048)	(21,251,884)	2,211,324	(337,100,608)
Total capital assets being depreciated/amortized, net	280,203,007	(10,156,303)	(1,313,058)	268,733,646
Business-type activities capital assets, net	\$ 310,806,521	\$ (1,156,295)	\$ (7,034,519)	\$ 302,615,707

Business-type Activities

Building additions consisted of the Wells Fargo Arena roof and lighting replacement project in the amounts of \$4.4 and \$1.3 million, respectively. Building disposals consisted of the removal of the roof and lighting at Wells Fargo Arena. Equipment additions consisted of a \$3 million transfer to Conservation Enterprises Fund to record equipment capital assets from governmental activities for Sleepy Hollow Sports Park, and \$1.3 million for IEC, and Sleepy Hollow equipment. Construction in progress consisted of \$4.9 million for the Iowa Hall of Pride renovation, \$1.3 million for the Wells Fargo Arena lighting, \$1.8 million for Sanitary Sewer projects, and \$.9 million for the Wells Fargo Arena roof replacement.

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Government activities:

Public safety and legal services	\$ 8,576,671
Physical health and social services	1,386,989
County environment and education	3,711,997
Roads and transportation	2,896,117
Government services to residents	62,971
Administration	<u>1,457,188</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 18,091,933</u>

Business-type activities:

Group Homes	\$ 814,575
Air Quality	70,634
Sanitary Sewer	685,600
Prairie Meadows Racetrack/Casino	8,824,982
Conservation Enterprises	661,724
Hamilton Urban Drainage District	365,301
Iowa Events Center	<u>9,829,068</u>
Total depreciation/amortization expense - business-type activities	<u>\$ 21,251,884</u>

8. DEFERRED OUTFLOWS OF RESOURCES

The following is a summary of deferred outflows of resources activity for the year ended June 30, 2024:

	Pension Related Amounts	OPEB Related Amounts	Total
Governmental activities	\$ 28,329,359	\$ 4,625,053	\$ 32,954,412
Business-type activities:			
Group Homes	\$ 15,220	\$ -	\$ 15,220
Air Quality	349,199	-	349,199
Sanitary Sewer	22,828	-	22,828
Iowa Events Center	37,895	-	37,895
Jester Park Golf Course	179,745	-	179,745
Iowa Tax & Tags	126,477	-	126,477
Total business-type activities	\$ 731,364	\$ -	\$ 731,364

9. LONG-TERM LIABILITIES

The following is a summary of long-term liability activity for the year ended June 30, 2024:

	Restated Balance 7/1/2023	Additions	Deletions	Balance 6/30/2024	Due Within One Year
Governmental activities:					
General obligation bonds payable	\$ 129,835,000	\$ 164,755,000	\$ (23,080,000)	\$ 271,510,000	\$ 62,800,000
Add: unamortized premium (discount)	9,286,396	10,108,895	(1,646,110)	17,749,181	1,788,883
Lease agreements	173,924	317,535	(64,573)	426,886	81,765
Subscription Arrangements	2,810,506	2,234,253	(815,928)	4,228,831	1,250,846
Financed Purchases	1,092,191	1,740,263	(353,911)	2,478,543	458,570
Accrued compensated absences	19,933,898	13,550,984	(12,867,384)	20,617,498	2,857,861
Total OPEB liability	19,686,000	2,385,000	-	22,071,000	-
Estimated liability for claims and judgments	12,441,000	22,562,000	(29,204,000)	5,799,000	3,989,000
Net pension liability	22,773,755	12,141,384	-	34,915,139	-
Total	\$ 218,032,670	\$ 229,795,314	\$ (68,031,906)	\$ 379,796,078	\$ 73,226,925
Business-type activities:					
General obligation bonds payable	\$ 35,085,000	\$ -	\$ (12,345,000)	\$ 22,740,000	\$ 12,920,000
Add: unamortized premium (discount)	289,404	-	(93,176)	196,228	98,115
G.O. notes payable (direct borrowing)	13,974,000	-	(337,000)	13,637,000	348,000
Accrued compensated absences	297,346	255,669	(190,454)	362,561	74,311
Net pension liability (asset)	426,909	247,783	-	674,692	-
Total	\$ 50,072,659	\$ 503,452	\$ (12,965,630)	\$ 37,610,481	\$ 13,440,426

For the governmental activities, the estimated liability for claims and judgments is primarily liquidated by the General Fund. The total OPEB liability, accrued compensated absences, and net pension liability is primarily liquidated by the General Fund and Special Revenue funds of Mental Health, Rural Services, and Secondary Roads.

Lease Agreements

The County has various equipment and building lease agreements. These agreements have varying terms, including inception dates from January 2012 through August 2018, payments of \$1,300 to \$5,967, and have terms from 60 months to 24 years with an implicit interest rate of 3.00-5.00%. During the year ended June 30, 2024, principal and interest paid were \$64,573 and \$13,221, respectively.

Future principal and interest lease payments as of June 30, 2024 are as follows:

	Principal	Interest	Total
Governmental activities:			
During the year ending June 30:			
2025	\$ 81,765	\$ 21,039	\$ 102,804
2026	74,455	12,749	87,204
2027	78,030	9,174	87,204
2028	81,804	5,426	87,230
2029	12,445	3,155	15,600
2030-2034	68,138	9,862	78,000
2035-2039	<u>30,249</u>	<u>951</u>	<u>31,200</u>
Total	\$ <u>426,886</u>	\$ <u>62,356</u>	\$ <u>489,242</u>

Subscription Liability

The County has various subscription agreements. These agreements have varying terms, including inception dates from November 2018 through June 2024, payments of \$4,490 to \$218,400, and have terms of from 36 months to 10 years with an implicit interest rate of 3.00-5.00%. During the year ended June 30, 2024, principal and interest paid were \$815,928 and \$103,244, respectively.

Future principal and interest subscription payments as of June 30, 2024 are as follows:

	Principal	Interest	Total
Governmental activities:			
During the year ending June 30:			
2025	\$ 1,250,846	\$ 117,412	\$ 1,368,258
2026	521,173	130,382	651,555
2027	538,860	107,992	646,852
2028	358,647	85,074	443,721
2029	377,109	70,503	447,612
2030-2034	<u>1,182,196</u>	<u>162,463</u>	<u>1,344,659</u>
Total	\$ <u>4,228,831</u>	\$ <u>673,826</u>	\$ <u>4,902,657</u>

Financed Purchases

The County has a financed purchase agreement with a five-year term at 0% interest, with an inception date of October 2022, payments of \$219,716 to \$521,277. During the year ended June 30, 2024, principal paid was \$353,911.

Future principal for financed purchases as of June 30, 2024 are as follows:

	Principal
Governmental activities:	
During the year ending June 30:	
2025	\$ 458,570
2026	456,144
2027	521,276
2028	521,276
2029	<u>521,277</u>
Total	\$ <u>2,478,543</u>

General Obligation Bonds Payable

	Original Amount	Date Issued	Interest Rates	Due Date	Amount Outstanding
Governmental activities:					
Housing/Capital Improvements	\$ 10,682,560	6/1/2015	2%-2.25%	6/1/2025	\$ 1,060,000
Land & Water Legacy II	24,940,000	5/17/2022	3%-3.1%	6/1/2033	17,245,000
Land & Water Legacy II/Refunding	6,406,866	5/17/2022	3%	6/1/2025	2,110,000
Refunding	48,165,000	6/7/2017	5%	6/1/2026	10,705,000
Refunding	12,235,000	5/23/2018	3%	6/1/2031	3,925,000
Land & Water Legacy/Courts	33,925,000	5/30/2019	4%-5%	6/1/2029	14,210,000
Refunding/MWA Loan	70,420,000	6/4/2020	3%-5%	6/1/2040	57,500,000
DM Airport Authority	112,170,000	6/4/2024	5%	6/1/2044	112,170,000
Housing/Capital Improvements/Conservation	52,585,000	6/27/2024	5%	6/1/2031	<u>52,585,000</u>
Total					\$ <u><u>271,510,000</u></u>

	Original Amount	Date Issued	Interest Rates	Due Date	Amount Outstanding
Business-type activities:					
Iowa Events Center	\$ 35,323,134	5/17/2022	3.00%	6/1/2026	\$ 22,110,000
Urban Sewer	2,700,000	6/7/2017	5%	6/1/2026	<u>630,000</u>
Total					\$ <u><u>22,740,000</u></u>

Notes Payable

	Original Amount	Date Issued	Interest Rates	Due Date	Amount Outstanding
Business-type activities:					
Sanitary Sewer (direct borrowing)	\$ 5,000,000	7/30/2008	3%	6/1/2028	\$ 1,130,000
Sanitary Sewer (direct borrowing)	5,000,000	6/1/2011	3%	6/1/2031	4,634,000
Sanitary Sewer (direct borrowing)	367,000	10/19/2012	1.75%	6/1/2032	310,000
Sanitary Sewer (direct borrowing)	9,633,000	10/19/2012	1.75%	6/1/2032	<u>7,563,000</u>
Total					<u>\$ 13,637,000</u>

The General Obligation Loan Notes are direct borrowings. The loan agreement is executed pursuant to the provisions of sections 331.402 and 331.443 of the Code of Iowa.

The annual requirements to pay principal and interest on all outstanding debt are as follows:

	Bonds Payable		
	Principal	Interest	Total
Governmental activities:			
During the year ending June 30:			
2025	\$ 62,800,000	\$ 11,063,843	\$ 73,863,843
2026	17,935,000	9,086,970	27,021,970
2027	12,490,000	8,248,870	20,738,870
2028	12,270,000	7,688,670	19,958,670
2029	10,640,000	7,215,070	17,855,070
2030-2034	50,560,000	30,194,680	80,754,680
2035-2039	34,540,000	22,670,450	57,210,450
2040-2044	<u>70,275,000</u>	<u>10,685,800</u>	<u>80,960,800</u>
Total	271,510,000	106,854,353	378,364,353
Add: unamortized premium	<u>17,749,181</u>	-	<u>17,749,181</u>
Total	<u>\$ 289,259,181</u>	<u>\$ 106,854,353</u>	<u>\$ 396,113,534</u>

	Bonds Payable		Notes Payable (Direct Borrowing)		Total Principal and Interest
	Principal	Interest	Principal	Interest	
Business-type activities					
During the year ending June 30:					
2025	\$ 12,920,000	\$ 694,800	\$ 348,000	\$ 238,648	\$ 14,201,448
2026	9,820,000	300,200	359,000	232,558	10,711,758
2027	-	-	370,000	226,275	596,275
2028	-	-	377,000	219,799	596,799
2029	-	-	382,000	213,203	595,203
2030-2034	<u>-</u>	<u>-</u>	<u>11,801,000</u>	<u>499,903</u>	<u>12,300,903</u>
Total	22,740,000	995,000	13,637,000	1,630,386	39,002,386
Add: unamortized premium	<u>196,228</u>	-	-	-	<u>196,228</u>
Total	<u>\$ 22,936,228</u>	<u>\$ 995,000</u>	<u>\$ 13,637,000</u>	<u>\$ 1,630,386</u>	<u>\$ 39,198,614</u>

There were no due and unredeemed bonds/notes or special assessment debt outstanding at June 30, 2024. Management does not believe an arbitrage liability exists at June 30, 2024.

Drainage Warrants

Drainage warrants are warrants which are legally drawn on drainage district funds but are not paid for lack of funds, in accordance with Chapter 74 of the Code of Iowa. The warrants bear interest at rates in effect at the time the warrants are first presented. Warrants will be paid as funds are available.

Drainage warrants are paid from the Custodial Fund, Trust & Agency Trust Fund solely from drainage assessments against benefited properties.

10. INDUSTRIAL DEVELOPMENT REVENUE BONDS – CONDUIT DEBT OBLIGATIONS

The County actively encourages industrial and commercial enterprises to locate and remain in the County by, among other things, the issuance of industrial development revenue bonds pursuant to the Code of Iowa Chapter 419, Municipal Support of Projects. All issues are prepared under the direction of Polk County. The bonds are secured by the property financed and payable solely from the private-sector entity. These bonds do not constitute an indebtedness of, or a charge against, the general credit or taxing powers of the County. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2024, industrial revenue bonds outstanding had an original issue amount of \$30 million. The outstanding balance at June 30, 2024 was \$22.1 million.

11. DEVELOPER AGREEMENTS

The County has entered into various development agreements for urban renewal projects. The payments are payable solely from the incremental property tax received by the County which are attributable to property located within the Urban Renewal Area and are only made to the extent the County determines tax increment revenues are annually available.

Currently, it is estimated that outstanding commitments totaling about \$11.9 million exist, of which \$3.1 million is estimated to be paid in the next fiscal year. No liability is recognized due to the fact that the agreements are conditional and the payments are to be funded by property taxes collected on the project each fiscal year. These agreements are not a general obligation of the County.

12. 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.

County Tax Abatements

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

For the year ended June 30, 2024, the County abated \$1,409,421 of property tax under the urban renewal and economic development projects.

Tax Abatements of Other Entities

Other entities within the County also provided tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. Additionally, the City of Ankeny and City of Elkhart both offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

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

Entity	Tax Abatement Program	Amount of Tax Abated
City of Des Moines	Urban renewal and economic development projects	\$ 2,256,906
City of Ankeny	Urban renewal and economic development projects	589,287
City of Grimes	Urban renewal and economic development projects	664,639
City of Granger	Urban renewal and economic development projects	27,538
City of Altoona	Urban renewal and economic development projects	233,644
City of Johnston	Urban renewal and economic development projects	577,304
City of Clive	Urban renewal and economic development projects	74,719
City of Urbandale	Urban renewal and economic development projects	256,649
City of West Des Moines	Urban renewal and economic development projects	80,240
City of Polk City	Urban renewal and economic development projects	101,471
City of Carlisle	Urban renewal and economic development projects	145,192
City of Ankeny	Urban revitalization and economic development projects	16,088
City of Elkhart	Urban revitalization and economic development projects	68,405
		<u>\$ 5,092,082</u>

13. DEFERRED INFLOWS OF RESOURCES

The following is a summary of deferred inflows of resources activity for the year ended June 30, 2024:

	Succeeding Year Property Taxes Receivable	Pension and OPEB Related Amounts	Unavailable Intergovernmental and Other	Lease Related Amounts	Opioid Settlement	Gain on Current Refunding	Total
Governmental Funds	<u>\$ 237,289,157</u>	<u>\$ -</u>	<u>\$ 6,419,896</u>	<u>\$ 278,967</u>	<u>\$ 22,351,268</u>	<u>\$ -</u>	<u>\$ 266,339,288</u>
Governmental Activities	<u>\$ 237,289,157</u>	<u>\$ 4,482,673</u>	<u>\$ -</u>	<u>\$ 278,967</u>	<u>\$ 22,351,268</u>	<u>\$ 1,354,472</u>	<u>\$ 265,756,537</u>
Business-type Activities:							
Air Quality	\$ -	\$ 118,680	\$ -	\$ -	\$ -	\$ -	\$ 118,680
Prairie Meadows	-	-	-	36,601,708	-	-	36,601,708
Iowa Events Center	-	15,522	-	-	-	1,200,167	1,215,689
Iowa Tax & Tags	-	71,525	-	-	-	-	71,525
Total Business-type Activities	<u>\$ -</u>	<u>\$ 205,727</u>	<u>\$ -</u>	<u>\$ 36,601,708</u>	<u>\$ -</u>	<u>\$ 1,200,167</u>	<u>\$ 38,007,602</u>

14. DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, as amended. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation assets are held in trust for the exclusive benefit of participants (or their beneficiaries in the event of the participant's death) upon termination, retirement, death, or an unforeseeable emergency. The County provides neither administrative service to the plan nor investment advice for the plan.

15. TRANSFER RECONCILIATION

The following is a schedule of the transfers of Polk County:

Transfer from	Transfer to					Total
	General Fund	Iowa Event Center	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	
General Fund	\$ 9,423,223	\$ -	\$ 11,925,471	\$ 3,969,607	\$ 9,843,114	\$ 35,161,415
Prairie Meadows Racetrack/Casino	8,299,453	15,792,044	-	-	-	24,091,497
Nonmajor Governmental	700,929	-	7,565,587	-	-	8,266,516
Internal Service	6,863,114	-	-	-	-	6,863,114
Total	<u>\$ 25,286,719</u>	<u>\$ 15,792,044</u>	<u>\$ 19,491,058</u>	<u>\$ 3,969,607</u>	<u>\$ 9,843,114</u>	<u>\$ 74,382,542</u>

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget required to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

In addition to the transfers noted above, there was also a governmental-type activities transfer of capital assets relating to Sleepy Hollow Sports Park costs from the Conservation Water & Land Improvements Capital Projects Fund to business-type activities in the amount of \$3,024,536. This amount is recorded as capital contribution from other funds in the Conservation Enterprises Fund.

In the year ending June 30, 2024, the County made the following significant transfers:

Prairie Meadows Racetrack/Casino Enterprise fund made transfers to various governmental/enterprise funds. These transfers provided economic development or provided funding to assist in the repayment of the respective fund's debt. \$ 24,091,497

General Supplemental fund made transfers to Risk Management Internal Service funds for funding of current year activities and subsequent transfer from Risk Management Internal Service to General Self Insurance Reserve Fund. 9,843,114

General fund and Rural Services fund made transfers to Secondary Roads fund in accordance with state statutes. 7,365,587

16. RISK MANAGEMENT

The Polk County Risk Management Program includes the following functions: insurance procurement, loss control, employee safety training, OSHA compliance, building security and claims management. Additional responsibilities include hazardous waste management and underground fuel storage tank monitoring.

Self-Insurance Fund

The County's Risk Management Program blends self-insurance coverage with selected conventional insurance coverage. The County has established a sub-fund within the General Fund to account for the County's exposures to loss from property/casualty, workers' compensation, unemployment compensation, and long-term disability self-insurance programs.

The County self-insures its general liability, property, fleet, law enforcement professionals, public officials' errors and omissions, contractor's pollution, fidelity, and workers' compensation exposures with a self-insured retention limit. The self-insured retention varies with each policy.

The following tables display the self-insurance exposure, conventionally insured exposure, policy limits and self-insured retention (SIR) levels.

Self-Insurance Exposure	Self-Insured Retention	Policy Limits
Excess liability	\$ 2,000,000	\$ 10,000,000
Property, fleet, law enforcement, public officials	100,000	1,162,491,061
Fidelity bond	50,000	5,000,000
Workers' compensation	1,000,000	Unlimited

Conventional Insurance Exposure	Policy Limits
General liability - Iowa Events Center (OLT)	\$ 1,000,000/2,000,000
Contractor Pollution - Weatherization/Public Works	2,000,000/2,000,000
Fine Arts	1,000/236,500
Medical Malpractice	1,000,000/3,000,000
Equestrian Center - Jester Park	1,000,000/2,000,000

In addition, the County purchases conventional flood insurance for the Administrative Office Building, River Place, and buildings at the Chichaqua Bottoms Greenbelt Park.

There have been no significant reductions in insurance coverage during the year ended June 30, 2024. There have been no claims in excess of the insurance coverage in the last three fiscal years.

Liabilities are reported in the government-wide financial statements when it is probable that a loss will occur and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering recent claims settlement trends, including frequency, amount of payouts and other economic/social factors. All insurance losses are paid from the General Supplemental Self-Insurance Fund (a sub-fund within the General Fund).

Governmental Activities (prior to Internal Service Allocation)

Outstanding and IBNR claims are determined based on a combination of case-by-case reviews and application of historical experience. Changes in the estimated claims liability for governmental activities (prior to the internal service fund allocation) for the years ended June 30, 2024 and 2023 are as follows:

	Year Ended	
	6/30/2024	6/30/2023
Beginning balance	\$ 9,774,500	\$ 12,854,000
Current year claims and changes in estimates	(4,321,500)	45,500
Claim payments	<u>(2,081,000)</u>	<u>(3,125,000)</u>
Ending balance	\$ <u>3,372,000</u>	\$ <u>9,774,500</u>

Employee Insurance Fund

The County is self-insured for medical and dental insurance provided to employees. Plan benefits are accounted for through the Employee Insurance Internal Service Fund and are funded by both employee and County contributions. The payment of health and dental insurance claims are processed by third-party administrators, Wellmark and Delta Dental of Iowa, respectively. Interfund charges within the County are recorded as revenue in the Employee Insurance Fund and as expenditure/expense to the benefiting department.

The County's contribution to the Employee Insurance Internal Service Fund for the year ended June 30, 2024 was \$22,676,376 for medical and \$1,052,072 for dental while employees contributed \$3,038,122 and \$155,859 respectively. The total premium charged is the amount needed to pay expected claim and administrative costs. The County paid \$2,130,385 in administrative costs for the year ended June 30, 2024.

Excess insurance is purchased to cover individual health claims that exceed \$200,000 per plan year. Aggregate stop loss insurance coverage equals 125% of a projected amount. Settled claims have exceeded individual limits of excess insurance during the past three fiscal years but not the aggregate limit.

The estimated claims liability as of June 30, 2024, includes incurred but not reported (IBNR) claims. Changes in the estimated liability for claims and judgments recorded in the Employee Insurance Fund for the years ended June 30, 2024 and 2023 are as follows:

	Year Ended	
	6/30/2024	6/30/2023
Beginning balance	\$ 2,666,500	\$ 1,970,800
Current year claims and changes in estimates	26,883,500	24,899,700
Claim payments	<u>(27,123,000)</u>	<u>(24,204,000)</u>
Ending balance	\$ <u>2,427,000</u>	\$ <u>2,666,500</u>

17. COMMITMENTS AND CONTINGENCIES

Commitments

The County has made the following commitments of current and future resources. It is anticipated that necessary future resources will be provided by transfers from the Prairie Meadows Racetrack/Casino Enterprise Fund, general obligation bond proceeds and other sources:

General Fund:

Des Moines City Gaming Payments	\$ 34,414,788
Invest Des Moines	15,000,000
Pro Iowa Soccer	7,000,000
Neighborhood Finance Corporation-Polk County Large Renovation Program	5,000,000
Neighborhood Finance Corporation	3,000,000
Housing Trust Fund	3,000,000
Elder Corporation - NE Rising Sun Drive	2,161,274
Rural Library Services	1,300,004
ChildServe	1,000,000
Broadlawns Crisis Observation Ctr: St. Vincent De Paul	638,897
Iowa Legal Aid	550,000
Neighborhood Development Corporation	500,000
Total	<u>\$ 73,564,963</u>

Secondary Road Fund:

InRoads Paving (HMA and Random Patch)	\$ 3,088,106
Dixon Construction - NE 50th Ave Triple Box Culvert	1,000,057
Holzworth Construction - SE 48th Ave Twin Box Culvert	522,375
Total	<u>\$ 4,610,538</u>

Conservation Water & Land Improvements Fund:

Corell Contractor - Lauridsen Skatepark Parking Lot	\$ 1,569,815
Steele and Associates - Fourmile Mountain Bike Park	558,720
TK Concrete - Great Western Trail	517,511
Total	<u>\$ 2,646,046</u>

Sanitary Sewer Fund:

On Track Construction - 2023 Sanitary Sewer Improvements	\$ 509,446
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Iowa Events Center Fund:

Iowa Hall of Pride Renovation	\$ 1,297,304
Iowa Hall of Pride - Elevator	1,078,370
Total	<u>\$ 2,375,674</u>

Contingencies

There are currently numerous lawsuits against the County seeking damages for various reasons. With the exception of the estimated liability for claims and judgments as discussed in Note 16, the outcome and eventual liability of the County, if any, from these lawsuits and from any unasserted claims is not known at this time. County officials believe the outcome of these matters will not have a material effect on the County's financial statements.

The County participates in a number of federally assisted grant programs. The programs are subject to financial and compliance audits. The amount of expenditures, if any, which may be disallowed by the granting agencies, is not determinable at this time; however, County officials do not believe that such amounts would be significant.

18. PRAIRIE MEADOWS RACETRACK/CASINO

The County owns real estate that is currently improved with a horse racing and gaming facility in Altoona, Iowa. The Board of Supervisors leases the real estate and improvements to Prairie Meadows Racetrack and Casino, Inc. ("Prairie Meadows"), which holds a state gaming license and which owns and operates horse racing and gaming at the leased facility, through a contract that covers the period of 2019-2026. This Agreement provides for rental payments to the County of \$15.9 million per year and additional annual payments equal to 5% of Prairie Meadows' adjusted gross receipts. In the event adjusted gross receipts exceed \$225 million, an additional 1% of adjusted gross receipts will be paid on the increment above \$225 million. Additionally, Prairie Meadows will reimburse Polk County for any annual property tax liability in excess of \$4.5 million. See Note 6 for further information on lease receivable.

Under the contract, Prairie Meadows may make leasehold improvements to the property, subject to County approval.

On November 2, 2010, Polk County voters approved a referendum permitting Prairie Meadows to continue operations for another eight year period. The measure was passed with 74% voter approval. During the 2011 legislative session, the state approved an amendment to Iowa gaming law which removed the referendum renewal requirement for casinos that previously received voter approval through at least two consecutive referendums. Prairie Meadows meets the new requirements and will be exempt from future renewal referendums unless the voters petition for a reverse referendum.

19. IOWA EVENTS CENTER

The County owns the Iowa Events Center (IEC). The IEC consists of two managed facilities, Veterans Memorial Community Choice Credit Union Convention Center and the Hy-Vee Hall, and one leased facility, Wells Fargo Arena (WFA).

Managed Facilities

The County has a Management Agreement with Global Spectrum, L.P. (Global), to manage and operate the Managed Facilities. The original contract dated October 1, 2004 was amended on April 24, 2012 to extend the term to September 30, 2016. On October 7, 2014 the contract was amended again to extend the term to expire on September 30, 2026. Under this agreement the County pays Global a fixed management fee. For the fiscal year ending June 30, 2024 the amount of the fixed management fee was \$301,579.

In addition to the fixed management fee, Global is entitled to earn a productivity fee for each full, completed operating year of the term. The County paid Global \$15,833 for the productivity fee for the fiscal year ending June 30, 2024.

The County has a Concessions Management Agreement with Ovations Food Services, L.P. (Ovations) for the management of the food and beverage service operations at the Managed Facilities. The original contract dated October 1, 2004 was renewed for an additional three years beginning October 1, 2009. On October 7, 2014 the contract was amended to extend the term to September 30, 2026. Under these agreements the County pays Ovations a fixed management fee. For the fiscal year ending June 30, 2024 the amount of the fixed management fee was \$240,000.

In addition to the fixed management fee, Ovations is entitled to earn an incentive fee for each operating year of the term. The County paid Ovations \$12,000 for the incentive fee for the fiscal year ending June 30, 2024.

Leased Facility

The County has a Master Lease agreement with Global to manage and operate WFA. The agreement is a ten-year contract beginning July 1, 2005, with the option to extend for two five-year periods thereafter. On April 24, 2012 the contract was amended to extend the term to September 30, 2016. On October 7, 2014 the contract was amended again to extend the term to expire on September 30, 2026.

Under this agreement, the County's share is calculated based on 80% of the first one million dollars of net operating income for such fiscal year in excess of the operator's initial share (\$500,000), plus 70% of all net operating income in excess of the operator's share (\$500,000) plus one million dollars for such year. The remaining funds are considered the operator's share. The County earned \$2,186,687 and Global earned \$1,294,294 of WFA's net operating income for the fiscal year ending June 30, 2024.

Global is responsible for the payment of all WFA operating expenses regardless of the amount or timing of WFA revenues. In the event that the operating fund does not contain sufficient funds to pay any such WFA operating expenses as they become due and payable, Global shall fund the amount of such insufficiency. In no event shall the County have any responsibility or liability with respect to any operating losses or the failure of Global to realize any net operating income from its leasing of WFA.

A Public Facility Maintenance Surcharge (PFMS) user fee is assessed on certain ticket sales. The amount of this fee varies from \$1.00 to \$2.00 depending upon the nature of the event. Fifty percent of these revenues generated are paid to the County for deposit into a restricted funds PFMS/Renewal and Replacement Account (see Note 4), and the remaining 50% is retained by Global as operating revenues. The County earned \$484,380 for the fiscal year ending June 30, 2024.

Global has an agreement in place with Ovations to provide food and beverage concessions and catering services to WFA. The agreement is a ten-year contract beginning July 1, 2005. The term of this agreement may be extended by Ovations, at its sole option, for an additional one year period. On October 7, 2014 the contract was amended to extend the term to expire on September 30, 2026.

Under the Master Lease Agreement, the County receives 3% of the gross concessions revenues earned by Ovations for the fiscal year. The County deposits these funds into a restricted fund Concessions Account (see Note 4). The County earned \$217,197 for the fiscal year ending June 30, 2024.

County Non-Operating

The County is responsible for the non-operating costs associated with the IEC. These costs include external professional services, internal audit functions, insurance costs, repair and maintenance costs not included in Global's operating expenses, interest expense, and depreciation expense.

For the fiscal year ending June 30, 2024, the County received the following naming rights revenue:

Hy-Vee Hall	\$	422,500
Wells Fargo Arena		450,000

20. IOWA EVENTS CENTER HOTEL CORPORATION

On February 23, 2015, the County approved the creation of the Iowa Event Center Hotel Corporation ("IEC Hotel Corp") a 501(c)(3) entity. The non-profit IEC Hotel Corp developed, owns and manages a convention center hotel adjacent to the Iowa Events Center. The County appoints five members and the City of Des Moines appoints two members to the IEC Hotel Corp board of directors. However, the County has veto power on the City of Des Moines appointments. The County has determined that the IEC Hotel Corp is a discretely presented component unit. See Note 1 for more information.

The County approved the Management Agreement between IEC Hotel Corp and Hilton Management, LLC (“Manager”) dated March 30, 2016. The operating period commenced on March 21, 2018 and extends to March 21, 2033 unless terminated by criteria set forth in the Management Agreement. The management fee for the year ending December 31, 2023 was \$890,400. The fee for each succeeding operating year will increase by the percentage increase in the Consumer Price Index (CPI) from the prior operating year.

The County approved a 99 year ground lease agreement with Fifth & Park LLC commencing March 30, 2016 and terminating March 30, 2115 to allow for the building of the hotel.

The County will pay the legal and administrative fees of the IEC Hotel Corp until there are enough funds in the IEC Hotel Corp’s administrative fund to cover the costs on an ongoing basis. Reimbursement for these fees are requested quarterly from the IEC Hotel Corp. The County is reporting a \$503,336 due from component unit from IEC Hotel Corp for current administrative fees.

As a result of the coronavirus outbreak (COVID-19), hotel operations were greatly impacted. The hotel did not generate enough revenue from operations to make necessary debt payments without drawing on debt reserves. In order to maintain debt reserve balances the County has advanced funds to cover the debt payments. For the fiscal year ending June 30, 2024 the County did not advance any additional funding for operating expenses during the year. The total amount advanced to the IEC Hotel Corp as of June 30, 2024 was \$9,502,733. These payments are expected to be repaid by the IEC Hotel Corp in the future.

Since, IEC Hotel Corp operates on a calendar year end, the amount reported by the IEC Hotel Corp as due to the primary government and the County’s due from and advances to component unit do not agree by \$75,114.

The County approved a lease purchase agreement dated March 30, 2016 with Fifth and Park and IEC Hotel Corp in order to finance the acquisition of the improvements from DSM, fund certain reserve funds for various series of the certificates, pay certain costs of issuance of the certificates, reimburse the County, and provide working capital for operation of the hotel. The term of the lease begins upon hotel completion and will end 40 year later. Lease payments are calculated in the Trust Indenture.

Upon completion of the hotel, IEC Hotel Corp and the Indenture Trustee (Banker’s Trust) implemented the provisions of the Trust Indentures on March 21, 2018. The funds from debt issuances by IEC Hotel Corp were deposited with the Indenture Trustee. The IEC Hotel Corp will lease the hotel from Fifth & Park until the obligations are paid in full.

The County has guaranteed the \$8.1 million of the IRA Series E secured by a subordinate lien on the IRA Sales Tax. The County has also guaranteed an estimated \$4.795 million secured by the Facility Fee Lease Guaranty.

The County purchased Series B certificates of participation issued by the IEC Hotel Corp on March 21, 2018 from the Prairie Meadows Enterprise Fund in the amount of \$27,750,000. Repayment of the certificates are due annually for 30 years at 4% interest due semiannually. The funds for the certificates of participation came from surplus gaming revenue that was created as a result of the County’s refinancing (and the extension of) of previously issued IEC debt.

On April 9, 2019 the County approved applying the interest and principal earned on the Series B certificates on an ongoing basis to other debt held by the IEC Hotel Corp. During the fiscal year ending June 30, 2024 the County earned interest and principal in the amount of \$1,086,440, and \$613,000, respectively. The County contributed the net principal and interest payment received during the fiscal year June 30, 2024 of \$1,699,440 to the IEC Hotel Corp.

21. RELATED PARTY TRANSACTIONS

The Iowa Events Center is managed by Global Spectrum, L.P. which is a subsidiary of Philadelphia-based Comcast-Spectacor. The Comcast-Spectacor Group includes Ovations Food Services and New Era Tickets. The following is a summary of transactions and balances with affiliates as of and for the year ended June 30, 2024:

Concessions and catering revenue from Ovations	\$ 6,025,611
Ticket revenue and fees received from New Era	32,587
Ticket fees paid to New Era	10,744
Management fee paid to Ovations	12,000

22. PENSION AND RETIREMENT BENEFITS

Plan Description – Iowa Public Employees’ Retirement System 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 IPERS. IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules there under. 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 age 55. Sheriffs, deputies and protection occupation members may retire any time after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate sheriffs, deputies and protection occupation member’s monthly IPERS benefit includes:

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

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is .25% for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is .50% for each month that the member receives benefits before age 65.

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

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

Contributions - Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1% 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 payrolls based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2024, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriff deputies 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, 2024 were \$11,898,433.

Net Pension Liability (Asset), Pension Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the County reported a liability of \$35,589,831 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2023, the County's collective proportion was .788%, which was an increase of .174% from its collective proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense of \$5,264,549. At June 30, 2024, 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	\$ 9,271,162	\$ 176,500
Changes of assumptions	19,627	1,649,016
Net difference between projected and actual earnings on pension plan investments	6,485,028	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,386,473	953,406
County contributions subsequent to the measurement date	<u>11,898,433</u>	<u>-</u>
	<u>\$ 29,060,723</u>	<u>\$ 2,778,922</u>

The \$11,898,433 is reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

During the year ending June 30:

2025	\$ (688,554)
2026	(4,147,685)
2027	15,466,962
2028	3,160,866
2029	<u>591,779</u>
Total	<u>\$ 14,383,368</u>

There were no non-employer contributing entities at IPERS.

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

Rate of inflation (effective June 30, 2017)	2.6% per annum.
Rates of salary increase (effective June 30, 2017)	3.25-16.25%, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7%, compounded annually, net of investment expense including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.6% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2023 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 2023 valuation were based on the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	21%	4.56%
International Equity	16.5%	6.22%
Global Smart Beta Equity	5%	5.22%
Core plus fixed income	23%	2.69%
Public Credit	3%	4.38%
Cash	1%	1.59%
Private Equity	17%	10.44%
Private Real Assets	9%	3.88%
Private Credit	4.5%	4.60%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability (asset) was 7%. 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 of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6%) or 1% higher (8%) than the current rate.

	1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
County's proportionate share of the net pension liability (asset)	\$ 107,171,973	\$ 35,589,831	\$ (24,416,788)

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

Payables to IPERS - At June 30, 2024, the County did not have any payables to IPERS because the required contributions for the employer and employee for the month of June were remitted to IPERS in June.

23. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

The County sponsors a single-employer defined post-employment benefit plan that provides a continuation option to retirees to purchase health benefits under the County’s group health plan. Group insurance benefits are established under Iowa Code Chapter 509A.13. Retirees have the option to purchase health coverage for themselves and their eligible dependents. Eligible retirees receive health care coverage through a self-funded medical plan, administered through Wellmark.

The Sheriff and Deputies may retire with the election to continue health coverage at age 50 with 22 or more years of service or at age 55 if they have less than 22 years of service. All other full-time employees may retire with the election to continue health coverage after age 55. Retirees under age 65 pay the same premium for the medical benefit as active employees, which results in an implicit subsidy and an OPEB liability. Health coverage under the County’s plan ends at age 65. The health plan contributions on behalf of employees are established and amended through negotiation by management and the union and governed by the County’s union contracts. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75. The plan does not issue a stand-alone financial report.

Contributions

All retirees are required to contribute 102% of the retiree rates (COBRA) to continue coverage through the County’s plan at retirement. The County’s monthly retiree premium rates are \$853 for single health coverage and \$2,134 for family health coverage. The County establishes and amends contribution requirements annually.

Employees Covered by Benefit Terms

At June 30, 2024, the following employees were covered by the benefit terms:

Current retirees, beneficiaries and dependents	83
Current active members, fully eligible for benefits	277
Current active members, not yet fully eligible for benefits	<u>1,110</u>
	<u><u>1,470</u></u>

Total OPEB Liability – The County’s total OPEB liability of \$22,465,000 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date. The County’s portion of the total OPEB liability, \$22,071,000 is reported in the government-wide financial statements and the County Assessor’s office portion, \$394,000 is reported in a Custodial Fund.

Total OPEB Liability by Employee Group

Employee Group	Total OPEB Liability
Polk County	\$ 22,071,000
County Assessor's Office	<u>394,000</u>
Total	<u><u>\$ 22,465,000</u></u>

Actuarial Methods and Assumptions – The total OPEB liability in the June 30, 2024 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	3% per annum.
Rates of salary increase	3.25% per annum.
Discount rate	3.93% per annum.
Healthcare cost trend rates	7.75% initial rate decreasing by 0.30% annually to an ultimate rate of 4%.

Discount rate – The discount rate used to measure the total OPEB liability was 3.93% which reflects the index rate on the Bond Buyer 20-year GO Bond Index, with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates were based on the Pub-2010 mortality table scaled using MP-2021 to reflect the Society of Actuaries' recent mortality study. Annual retirement probabilities and termination rates were based on the IPERS Actuarial Valuation Report as of June 30, 2023. All current and future retirees are assumed to be eligible for Medicare at age 65. The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. The participation assumption was updated from 80% to 60% based on the past 5 years of retiree election experience. All employees are assumed to retire by age 70.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability - July 1, 2023	\$ 19,686,000
Changes for the year:	
Service cost	1,514,000
Interest cost	767,000
Differences between expected and actual experience	(733,000)
Changes in assumptions or other inputs	1,409,000
Benefit payments	(572,000)
Net change in total OPEB liability	<u>2,385,000</u>
Total OPEB liability - June 30, 2024	<u><u>\$ 22,071,000</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.65% in fiscal year ending June 30, 2023 to 3.93% in fiscal year ending June 30, 2024.

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the approximate total OPEB liability of the County using the discount rate of 3.93%, as well as what the County's approximate total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.93%) or 1% higher (4.93%) than the current rate.

	1% Decrease 2.93%	Discount Rate 3.93%	1% Increase 4.93%
Total OPEB liability	\$ 24,301,188	\$ 22,071,000	\$ 20,067,761

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the approximate total OPEB liability of the County using a healthcare cost trend rate of 7.5%, as well as what the County’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6.5%) or 1% higher (8.5%) than the current health care cost trend rates.

	1% Decrease 6.5%	Healthcare Cost Trend 7.5%	1% Increase 8.5%
Total OPEB liability	\$ 19,028,316	\$ 22,071,000	\$ 25,774,880

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended June 30, 2024, the County recognized OPEB expense of \$1,895,626. At June 30, 2024, the County reported deferred outflows and deferred inflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,918,634	\$ 1,265,757
Changes in assumptions or other inputs	<u>2,706,419</u>	<u>643,721</u>
	<u>\$ 4,625,053</u>	<u>\$ 1,909,478</u>

Amounts reported as the deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Deferred Outflows of Resources
During the year ending June 30:	
2025	\$ 198,593
2026	198,593
2027	198,593
2028	198,593
2029	219,782
Thereafter	<u>1,701,421</u>
Total	<u>\$ 2,715,575</u>

24. JOINT VENTURE

The County is a participating community in the Des Moines Metropolitan Wastewater Reclamation Authority (WRA) joint venture. This joint venture provides primary and secondary treatment of the sewer flows of the participating communities.

The WRA Agreement does not provide for the determination of an equity interest for the participating communities. Withdrawing from the joint venture is a forfeit of all reversionary interest and no compensation would be paid. Since there is no specific and measurable equity interest in the WRA no investment in the joint venture is reported by the County. The County does retain a reversionary interest percentage in the net position of the WRA that would only be redeemed in the event the WRA is dissolved.

Although debt of the WRA is to be paid solely and only from WRA revenues, the participating communities in the joint venture cannot withdraw from the joint venture while any of the bonds issued during the time the entity was a participating community are still outstanding. Polk County retains an ongoing financial responsibility to the WRA since it is obligated in some manner for the debts of the joint venture through the annual allocation of wastewater reclamation flows. The allocation to all participating communities is based on operations, maintenance, debt service and reserve requirements. Allocations are based on wastewater reclamation facility flows and adjusted prospectively for differences in budgeted flows and actual flows. As of June 30, 2024, the County has a future commitment for approximately \$6,378,175 for future principal payment requirements payable through the allocation of wastewater reclamation flows.

The WRA issues separate financial statements that may be obtained at 3000 Vandalia Road, Des Moines, Iowa 50317-1346.

25. ELECTED OFFICIALS

The elected officials funds (which are sub-funds of the General Fund) account for the activity of various cash accounts maintained by elected officials and other County departments which have not been remitted to the County Treasurer (who acts as trustee for all pooled cash and investments of the County) or to other individuals and private entities or governments. The elected official's balances at June 30, 2024, are as follows:

	Auditor	Board of Supervisors Other	Conservation Board	Recorder	Sheriff	Total Elected Officials
ASSETS:						
Cash and pooled investments	\$ 59,982	\$ 7,729	\$ 16,890	\$ 542,625	\$ 4,227,755	\$ 4,854,981
Due from other governments	-	-	-	1,924	-	1,924
TOTAL ASSETS	<u>\$ 59,982</u>	<u>\$ 7,729</u>	<u>\$ 16,890</u>	<u>\$ 544,549</u>	<u>\$ 4,227,755</u>	<u>\$ 4,856,905</u>
LIABILITIES:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 236,416	\$ 236,416
Due to other funds	59,982	7,729	16,890	2,077	373,076	459,754
Due to other governments	-	-	-	542,472	3,538,576	4,081,048
Trusts payable	-	-	-	-	79,687	79,687
TOTAL LIABILITIES	<u>\$ 59,982</u>	<u>\$ 7,729</u>	<u>\$ 16,890</u>	<u>\$ 544,549</u>	<u>\$ 4,227,755</u>	<u>\$ 4,856,905</u>

26. OPIOID SETTLEMENT FUNDS

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

In June 2022, the National Opioid Abatement Trust II Agreement was approved to distribute the funds for the Mallinckrodt settlement.

In November and December 2022, Allergan, Teva, Walmart, CVS, and Walgreens, finalized their settlement agreements and are referred to collectively as the "National Opioid Settlements". These settlements allocated an additional \$13.9 million dollars to the County and will be disbursed between a one-time payment and a 14-year period.

In September 2023, McKinsey Holdings finalized a \$207 million dollar nationwide settlement. These funds were disbursed in a one-time payment to each participating political subdivision.

Iowa's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 50% directly to the State ("Iowa Abatement Fund")
- 50% to abatement funds established by Local Governments ("LG Abatement Funds") less fees and costs allocated to the Iowa Backstop Fund.

The County received \$6,143,449 as part of these settlements in year ending June 30, 2024. Funds are restricted until expended. The County spent \$81,685 of abatement funds for the fiscal year ending June 30, 2024. The MOA requires the County 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, treatment, and recovery services.

27. FUND BALANCES

The following is fund balance classifications as of June 30, 2024:

	Major Governmental			Nonmajor Governmental Funds	Total
	General Fund	Mental Health	Debt Service		
Nonspendable:					
Inventory	\$ 539,010	\$ -	\$ -	\$ 1,430,145	\$ 1,969,155
Prepays	5,507,673	497,425	-	378,499	6,383,597
Advances	2,218,050	-	-	-	2,218,050
Restricted for:					
Rural services	-	-	-	4,307,210	4,307,210
Secondary roads	-	-	-	1,234,331	1,234,331
Sheriff seized property	-	-	-	1,096,338	1,096,338
Attorney seized property	-	-	-	125,211	125,211
Recorder records management	-	-	-	357,084	357,084
Township fire protection	-	-	-	4,756	4,756
REAP	-	-	-	387,687	387,687
ARPA	-	-	-	4,488,484	4,488,484
				72,521	72,521
Opioid settlement	-	-	-	10,048,269	10,048,269
Conservation water & land improvements	-	-	-	16,654,856	16,654,856
Justice center	-	-	-	1,625,475	1,625,475
Debt service	-	-	136,463,571	-	136,463,571
Committed to:					
Community betterment & economic development	26,880,801	-	-	-	26,880,801
Conservation special projects	906,385	-	-	-	906,385
Attorney collection incentive	-	-	-	254,343	254,343
Contingency reserve	-	-	-	18,989,246	18,989,246
Mitigation bank - conservation	-	-	-	695,627	695,627
Capital projects	-	-	-	6,335,720	6,335,720
Unassigned:	170,668,122	(640,798)	-	(4,323)	170,023,001
Total Fund Balances	<u>\$ 206,720,041</u>	<u>\$ (143,373)</u>	<u>\$ 136,463,571</u>	<u>\$ 68,481,479</u>	<u>\$ 411,521,718</u>

28. STABILIZATION ARRANGEMENT

The County maintains a Contingency Reserve Special Revenue Fund that was established by board resolution to be used for future contingencies to achieve budget and revenue stabilization. Fund balances have been committed by Board resolution. The fund balance is replenished when it is below the targeted \$8 million plus an accumulated reserve for the 27th payday and an inflation factor. The County annually contributes to a 27th payday reserve in this fund which will cover the extra payday that occurs on a cash basis every 11 years. The next 27th payday will occur in the fiscal year ending 2028. The committed fund balance is to be used for the 27th payday and for the following situations:

- Whenever revenues are at least \$1 million less than needed to maintain current operational levels
- Make loans to another County fund with the expectation that the loan will be repaid within three years
- Settle legal claims that exceed funds available in the County's self-insurance reserve

29. SUBSEQUENT EVENTS

Naming Rights Agreements

The current naming rights agreement for the IEC Arena is set to expire June 30, 2025. In October 2024, the County approved a new naming rights agreement to rebrand the IEC Arena with Casey's Retail Company which will rename the IEC Arena as the "Casey's Center". The County will receive annual payments of \$1.4 million to \$2.2 million over a ten year period for a total of \$18.3 million.

The current naming rights agreement for the IEC Exhibit Hall is set to expire June 30, 2025. In November 2024, the County approved a new naming rights agreement to rebrand the IEC Exhibit Hall with Employers Mutual Casualty Company which will rename the IEC Exhibit Hall as the "EMC Expo Center". The County will receive annual payments of \$.5 million to \$.76 million over a ten year period for a total of \$6.3 million.

Iowa Soccer Development Foundation Commitment

In October 2024, the County approved a \$10 million commitment in addition to a prior \$7 million commitment for the Capital City Reinvestment District construction of Pro Iowa Soccer stadium & Global Plaza. Construction is currently on hold until the balance of the project funding is secured.

Merle Hay Mall Loan

In November 2023, the County along with the City of Urbandale, and the City of Des Moines sent a letter to Merle Hay Mall and Des Moines Buccaneers executives that stated the \$26.5 million of Iowa Reinvestment Act funds allocated for the Merle Hay campus would be relinquished back to the Iowa Economic Development Authority if the team and the mall failed to reach an arena agreement by December 2023. In June 2024, discussions regarding construction of a Buccaneers ice hockey arena within the Merle Hay campus terminated when the holding company for the Des Moines Buccaneers gave formal notice to discontinue negotiations. Subsequently, Merle Hay Mall partnered with Dinks Pickleball to build a 13-court facility in the space previously designated for the Des Moines Buccaneers.

Throughout the evolving scope and timeline of the project, the Iowa Economic Development Authority has continued to partner with Merle Hay Mall and the affected local jurisdictions to assess the ongoing eligibility and viability of the project. Most recently, in April 2025, involved parties submitted to the Iowa Economic Development Authority a request to amend the Merle Hay Iowa Reinvestment Act plan by reallocating the \$26.5 million IEDA award to alternative Merle Hay campus developments. The amendment is still pending final approval from the Iowa Economic Development Authority.

Mental Health Fund

House file 2673 dissolves the Mental Health Disability Services Program and will incorporate it into the Iowa Behavioral Health and Disabilities Services Program. The Iowa Department of Health and Human Services has changed disability service areas (Regions) to seven Districts across the State and also released two Requests for Proposals to administer services in the newly formed Districts, one for a Behavioral Health - Administration Services Organization (BH-ASO) and another for an Aging and Disability Resource Center - Disability Access Point (ADRC-DAP). The BH-ASO was awarded to Iowa Primary Care Association on December 13, 2024 and ADRC-DAP was awarded to four separate bidders, including Polk County Behavioral Health to District 5, on March 25, 2025. Polk County will continue to provide these behavioral health services until June 30, 2025 when Iowa Primary Care Association takes over services. The close out period for the Polk County Mental Health Region is not to exceed 6 months, ending on or before December 31, 2025. The effects of losing the BH-ASO contract is significant and will result in dissolving the Mental Health Fund, a major fund of the county. The Polk County Mental Health Fund has ended the past several fiscal years in a deficit position and Polk County management expect this to be the case at June 30, 2025.

The ADRC-DAP \$3.3 million contract has an effective date of April 1, 2025 through June 30, 2026, with the option of three one-year extensions. Operations for these services will be reported in the general fund for fiscal year end June 30, 2025.

Emergency Rental Assistance Funds

In December 2024, the County approved funding \$1.1 million to Anawim to support the repair and maintenance of their 30 scattered site units. In February 2025, the County approved funding \$1 million to the Goldfinch project to support development of a 10 unit complex and \$.75 million to Starts Right Here project to support development of an 18 unit complex. In April 2025, the County approved funding \$1 million to the Urban Dreams project to support development of a 6 unit complex.

Brenton Slough Phase One

In December 2024, the Polk County Conservation Board approved the land acquisition of 1,114 acres of the Brenton Slough wetlands. The land will be purchased in three phases over three years. The first phase of 735 acres was approved for acquisition in the amount of \$5.2 million.

Issuance of General Obligation Bonds or Capital Loan Notes

In June 2025, the County closed on the following capital loan notes:

- \$180,375,000 General Obligation Capital Loan Notes, Series 2025A (Exempt Facility Bonds - AMT), to be loaned to the Des Moines Airport Authority for the new terminal facility and apron projects.
- \$57,455,000 General Obligation Bonds or Capital Loan Notes, Series 2025B, to be loaned to the Des Moines Airport Authority for the new terminal facility and apron projects.

In March 2025, the County authorized the issuance \$9,670,000 General Obligation Bonds, Series 2025C, and \$3,610,000 General Obligation Bonds, Series 2025D, to pay the costs for jail updates, Iowa Events Center exhibit hall elevators, building improvements, school public safety radios, sanitary sewer upgrades, contributions to Invest Des Moines and housing grants. Both issues are scheduled to close in August 2025.

Medical Examiner Contract

In April 2025, the County approved a 28E Agreement transferring autopsy services to the Iowa Office of the State Medical Examiner for cost savings. The agreement is effective July 1, 2025 and will end June 30, 2027. The County has budgeted \$1 million for autopsy expense for fiscal year end June 30, 2026.

30. ADJUSTMENTS TO AND RESTATEMENT OF BEGINNING BALANCES

Change within the Reporting Entity

During fiscal ending June 30, 2024, there were changes within the financial reporting entity based upon quantitative threshold which resulted in the American Rescue Plan Act fund which was previously reported as a major governmental fund to no longer qualify as a major fund.

In addition, the Debt Service fund previously reported as a nonmajor governmental fund became a major fund. As a result, fund balance of the Debt Service fund of \$462,092 which was previously reported in the nonmajor funds is now reported as a major funds with a beginning fund balance of \$462,092. This resulted in adjustments to and restatements of beginning fund balance to nonmajor funds as noted in the table below.

Correction of Error in Previously Issued Financial Statements

During the fiscal ending June 30, 2024, the County determined that there were errors in amounts previously reported in the June 30, 2023 financial statements primarily due to \$11.5 reduction of fair value of investments, \$5.4 million unrecorded prepaid asset, \$1.1 million reduction of advance to component unit, \$1.1 million long-term financing lease was recorded on the fund statement instead of the government-wide statements, reduction of \$.6 million capital assets that was owned by another government on the government-wide statements, \$.2 million of unrecorded interest revenue and \$.1 million of reclassification of a lease not meeting requirements of GASB 87. In addition, recording of a \$23.255 million notes receivable on the fund statement which was previously recorded only on the government-wide statements.

During fiscal year ending June 30, 2024, changes within the financial reporting entity and error corrections resulted in adjustments to and restatements of beginning net position and net position, as follows:

	June 30, 2023 As Previously Reported	Change Within the Financial Reporting Entity	Error Corrections	July 1, 2023 As Restated
Government-Wide				
Governmental Activities	\$ 388,988,825	\$ -	\$ (5,559,321)	\$ 383,429,504
Business-type Activities	343,195,470	-	(2,320,805)	340,874,665
	<u>732,184,295</u>	<u>-</u>	<u>(7,880,126)</u>	<u>724,304,169</u>
Governmental Funds				
Major Funds:				
General Fund	\$ 178,344,786	\$ -	\$ (2,723,014)	\$ 175,621,772
Mental Health	(1,716,575)	-	-	(1,716,575)
American Rescue Plan Act	4,488,484	(4,488,484)	-	-
Debt Service	-	462,092	23,302,678	23,764,770
Nonmajor Funds	45,490,366	4,026,392	(737,316)	48,779,442
Total Governmental Funds	<u>\$ 226,607,061</u>	<u>\$ -</u>	<u>\$ 19,842,348</u>	<u>\$ 246,449,409</u>
Proprietary Funds				
Major Funds:				
Prairie Meadows	\$ 155,317,345	\$ -	\$ (1,505,841)	\$ 153,811,504
Iowa Events Center	121,303,810	-	(335,248)	120,968,562
Nonmajor Enterprise Funds	66,574,315	-	(479,716)	66,094,599
Nonmajor Internal Service Funds	18,198,316	-	(429,205)	17,769,111
Total Proprietary Funds	<u>361,393,786</u>	<u>-</u>	<u>(2,750,010)</u>	<u>358,643,776</u>
Custodial Funds				
	<u>\$ 7,641,747</u>	<u>\$ -</u>	<u>\$ (181,496)</u>	<u>\$ 7,460,251</u>

The following is a detail summary of the error corrections as noted above:

	Reduction CIP City of DSM	Reclassify Debt Service Notes Receivable	Reclassify Axon Financing Lease	Reclassify Iowa Events Center Arena Lease	Reduction Investment Fair Value	Unrecorded May 23 Interest Revenue	Reclassify Prairie Meadows Advance to Comp Unit	Unrecorded DOT Prepays	Total Error Corrections
Government-Wide									
Governmental Activities	\$ (625,273)	\$ -	\$ -	\$ -	\$ (10,260,450)	\$ (122,408)	\$ -	\$ 5,448,810	\$ (5,559,321)
Business-type Activities	-	-	-	(84,510)	(1,248,703)	122,408	(1,110,000)	-	(2,320,805)
	<u>(625,273)</u>	<u>-</u>	<u>-</u>	<u>(84,510)</u>	<u>(11,509,153)</u>	<u>-</u>	<u>(1,110,000)</u>	<u>5,448,810</u>	<u>(7,880,126)</u>
Governmental Funds									
Major Funds:									
General Fund	\$ -	\$ -	\$ 1,092,191	\$ -	\$ (9,041,637)	\$ (222,378)	\$ -	\$ 5,448,810	\$ (2,723,014)
Mental Health	-	-	-	-	-	-	-	-	-
American Rescue Plan Act	-	-	-	-	-	-	-	-	-
Debt Service	-	23,255,000	-	-	(14,696)	62,374	-	-	23,302,678
Nonmajor Funds	-	-	-	-	(737,316)	-	-	-	(737,316)
Total Governmental Funds	<u>\$ -</u>	<u>\$ 23,255,000</u>	<u>\$ 1,092,191</u>	<u>\$ -</u>	<u>\$ (9,793,649)</u>	<u>\$ (160,004)</u>	<u>\$ -</u>	<u>\$ 5,448,810</u>	<u>\$ 19,842,348</u>
Proprietary Funds									
Major Funds:									
Prairie Meadows	\$ -	\$ -	\$ -	\$ -	\$ (473,463)	\$ 77,622	\$ (1,110,000)	\$ -	\$ (1,505,841)
Iowa Events Center	-	-	-	(84,510)	(268,590)	17,852	-	-	(335,248)
Nonmajor Enterprise Funds	-	-	-	-	(506,650)	26,934	-	-	(479,716)
Nonmajor Internal Service Funds	-	-	-	-	(466,801)	37,596	-	-	(429,205)
Total Proprietary Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (84,510)</u>	<u>\$ (1,715,504)</u>	<u>\$ 160,004</u>	<u>\$ (1,110,000)</u>	<u>\$ -</u>	<u>\$ (2,750,010)</u>
Custodial Funds	\$ -	\$ -	\$ -	\$ -	\$ (181,496)	\$ -	\$ -	\$ -	\$ (181,496)

31. PENDING AND ADOPTED ACCOUNTING PRONOUNCEMENTS

As of June 30, 2024, the County adopted the following Governmental Accounting Standards Board (GASB) statements, which did not have a material effect on the financial statements except for GASB No. 100 as noted below:

- GASB Statement No. 99, Omnibus 2022, addresses a variety of topics and practice issues that have been identified during implementation and application of certain GASB Statements. The new statement clarifies issues related to derivative instruments, leases, PPP and APA arrangements, SBITAs and various other topics. This statement was effective for the County with its year ending June 30, 2024.
- GASB Statement No. 100, Accounting Changes and Error Corrections- Amendment of GASB Statement No. 62, this Statement prescribes the accounting and financial reporting for each type of accounting change and (2) error corrections. This Statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This statement was effective for the County with its year ending June 30, 2024. See Footnote 30 for details.

As of June 30, 2024, the Government Accounting Standards Board (GASB) had issued the following statements not yet implemented by the County. The County has not determined its effect on the financial statements. The statements which might impact the County are as follows:

- GASB Statement No. 101, Compensated Absences, this Statement clarifies the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This statement will be effective for the County with its year ending June 30, 2025.

- GASB Statement No. 102, Certain Risk Disclosures, requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. This statement will be effective for the County with its year ending June 30, 2025.
- GASB Statement No. 103, Financial Reporting Model Improvement, the objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement will be effective for the County with its year ending June 30, 2026.
- GASB Statement No. 104, Disclosure of Certain Capital Assets, the objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement will be effective for the County with its year ending June 30, 2026.

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POLK COUNTY, IOWA

Required Supplementary Information Schedule of Changes in the County's Total OPEB Liability and Related Ratios For the Year Ended June 30, 2024

	Fiscal Year		
	2018	2019	2020
Service cost	\$ 818,000	\$ 849,000	\$ 939,000
Interest cost	469,000	489,000	491,000
Differences between expected and actual experience	-	-	(799,000)
Changes in assumptions or other inputs	(326,000)	446,000	1,546,000
Benefit payments	(359,000)	(526,000)	(494,000)
Net change in total OPEB liability	602,000	1,258,000	1,683,000
Total OPEB liability beginning of year	11,467,000	12,069,000	13,327,000
Total OPEB liability end of year	\$ 12,069,000	\$ 13,327,000	\$ 15,010,000
Covered-employee payroll	\$ 87,759,289	\$ 90,825,000	\$ 95,838,732
Total OPEB liability as a percentage of covered employee-payroll	14%	15%	16%

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

Changes in benefit terms - There were no significant changes in benefit terms.

Changes in assumptions - Changes in assumptions and other inputs reflect the changes in the discount rate each period.

The following are discount rates used in each period.

2018	3.87%
2019	3.50%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.65%
2024	3.93%

GASB Statement No. 75 requires the presentation of 10 years of information. However, until a full 10-year trend is compiled the County will present information for those years which information is available.

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

Fiscal Year			
2021	2022	2023	2024
\$ 1,213,000	\$ 1,250,000	\$ 1,506,000	\$ 1,531,000
351,000	365,000	707,000	777,000
-	2,324,000	-	(746,000)
75,000	(403,000)	(212,000)	1,434,000
(663,000)	(638,000)	(834,000)	(582,000)
976,000	2,898,000	1,167,000	2,414,000
15,010,000	15,986,000	18,884,000	20,051,000
\$ 15,986,000	\$ 18,884,000	\$ 20,051,000	\$ 22,465,000
\$ 99,193,000	107,043,000	110,254,000	123,230,000
16%	18%	18%	18%

POLK COUNTY, IOWA

Required Supplementary Information
Schedule of County's Proportionate Share of the Net Pension Liability (Asset)
Iowa Public Employees' Retirement System
For the Year Ended June 30, 2024

	Fiscal Year		
	2015	2016	2017
County's collective proportion of the net pension liability (asset)	0.772%	0.845%	0.917%
County's collective proportionate share of the net pension liability (asset)	\$ 30,599,492	\$ 41,742,830	\$ 57,706,303
County's covered payroll	\$ 80,989,791	\$ 83,272,164	\$ 85,876,171
County's collective proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.78%	50.13%	67.20%
IPERS net position as a percentage of the total pension liability (asset)	87.61%	85.19%	81.82%

See Notes to Required Supplementary Information.

Fiscal Year						
2018	2019	2020	2021	2022	2023	2024
0.955%	0.874%	0.859%	0.934%	8.590%	0.614%	0.788%
\$ 63,605,131	\$ 55,279,039	\$ 49,746,611	\$ 65,612,952	\$ (29,651,331)	\$ 23,200,664	\$ 35,589,831
\$ 92,676,838	\$ 92,543,147	\$ 96,884,023	\$ 100,714,922	\$ 102,922,972	\$ 106,969,352	\$ 118,191,166
68.63%	59.73%	51.35%	65.15%	(28.81)%	21.69%	30.11%
82.21%	83.62%	85.45%	82.90%	100.81%	91.41%	90.13%

POLK COUNTY, IOWA

Required Supplementary Information Schedule of County Contributions Iowa Public Employees' Retirement System Last Ten Fiscal Years

	Fiscal Year		
	2015	2016	2017
Statutorily required contribution	\$ 7,705,776	\$ 7,897,049	\$ 8,486,841
Contributions in relation to the statutorily required contribution	(7,705,776)	(7,897,049)	(8,486,841)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
County's covered payroll	\$ 83,272,164	\$ 85,876,171	\$ 92,676,838
Contributions as a percentage of covered payroll	9.25%	9.20%	9.16%

N/A - information is not available for this fiscal year.

See Notes to Required Supplementary Information.

Fiscal Year													
2018		2019		2020		2021		2022		2023		2024	
\$	8,457,052	\$	9,303,317	\$	9,579,734	\$	9,710,249	\$	10,007,764	\$	11,019,963	\$	11,898,433
	(8,457,052)		(9,303,317)		(9,579,734)		(9,710,249)		(10,007,764)		(11,019,963)		(11,898,433)
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	92,543,147	\$	96,884,023	\$	100,714,922	\$	102,922,972	\$	106,969,352	\$	118,191,166		128,082,540
	9.14%		9.60%		9.51%		9.43%		9.36%		9.32%		9.29%

POLK COUNTY, IOWA

Notes to the Required Supplementary Information Pension Liability For the Year Ended June 30, 2024

Changes of Benefit Terms:

There are no significant changes in benefit terms.

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%.

POLK COUNTY, IOWA

Required Supplementary Information Budgetary Comparison Schedule All Governmental Funds For the Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Variance
REVENUES:				
Property taxes	\$ 200,997,405	\$ 200,987,402	\$ 204,277,484	\$ 3,290,082
Other County taxes	8,792,369	8,792,369	8,788,240	(4,129)
Interest and penalty on delinquent taxes	1,365,000	1,365,000	1,504,792	139,792
Intergovernmental	70,563,132	92,465,718	87,547,160	(4,918,558)
Licenses and permits	1,196,600	1,196,600	1,199,247	2,647
Charges for services	17,034,243	17,908,187	17,409,196	(498,991)
Use of money and property	12,125,838	12,686,697	19,793,801	7,107,104
Miscellaneous	10,844,471	8,489,176	10,325,649	1,836,473
Total receipts	322,919,058	343,891,149	350,845,569	6,954,420
EXPENDITURES:				
Current:				
Public safety and legal services	109,535,367	112,471,415	109,376,817	3,094,598
Physical health and social services	48,298,954	67,887,746	53,881,319	14,006,427
Mental health	24,734,018	25,830,205	24,151,423	1,678,782
County environment and education	27,664,099	47,169,318	32,670,070	14,499,248
Roads and transportation	13,775,866	14,887,989	14,041,118	846,871
Government services to residents	13,210,351	13,491,944	10,756,047	2,735,897
Administration	53,590,063	124,236,074	88,732,539	35,503,535
Debt service	28,290,582	150,259,349	149,141,057	1,118,292
Capital projects	39,008,052	56,736,810	37,397,344	19,339,466
Total disbursements	358,107,352	612,970,850	520,147,734	92,823,116
OTHER FINANCING SOURCES (USES):				
General long-term debt proceeds	-	175,216,000	173,106,162	(2,109,838)
Proceeds from sale of capital assets	45,500	194,619	239,182	44,563
Transfers in (out)	5,163,915	2,878,382	1,349,846	(1,528,536)
Total other financing sources (uses)	5,209,415	178,289,001	174,695,190	(3,593,811)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES - BUDGETARY BASIS				
	\$ (29,978,879)	\$ (90,790,700)	5,393,025	\$ 96,183,725
RECONCILIATION TO GAAP BASIS:				
Basis differences:				
Increase (decrease) in accrual basis assets/deferred outflows			144,666,436	
(Increase) decrease in accrual basis liabilities/deferred inflows			15,012,848	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses - GAAP basis			165,072,309	
Fund balance at beginning of year as restated - GAAP basis			246,449,409	
Fund balance at end of year - GAAP basis			\$ 411,521,718	

See Notes to Required Supplementary Information.

POLK COUNTY, IOWA

Notes to the Required Supplementary Information Budgetary Reporting For the Year Ended June 30, 2024

The County prepares its budgets on a cash basis. The basic financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

State law mandates that annual budgets for the fiscal year beginning July 1 must be certified to the County Auditor no later than March 15, preceding the beginning of the fiscal year. Amendments to the budget are considered when program activities change. The budgeted amounts presented in the financial statements reflect the original and amended budget.

In accordance with the Code of Iowa and provisions of the Iowa Administrative Code, annual budgets are adopted collectively for the General, Special Revenue, Capital Projects, and Debt Service Funds on the cash basis (budgetary basis) by the Board of Supervisors, following required public notice and hearing. The Board of Supervisors then appropriates by resolution the amounts by program service area deemed necessary for each of the different County offices and departments. Appropriations as adopted or amended lapse at the end of the fiscal year. Thus, no encumbrances exist at year end.

A budget amendment must be prepared and adopted in the same manner as the original budget. The County budget was amended as prescribed and the original and final amended amounts are shown in the budgetary schedules. Supplemental appropriations are provided when unanticipated revenues become available or when unanticipated program expenditures are needed. During the year ended June 30, 2024 there were two supplemental appropriations resulting in an increase in total disbursements of \$254,863,498.

County management may amend detail line-item budgets as long as the total budget for each program service area does not exceed the budgeted level of authorized expenditures.

The legal level of control (the level of which expenditures may not legally exceed appropriations) is program service area for budgeted governmental funds in total, rather than by individual fund type. Formal and legal budgetary control is based on 10 major classes of expenditures known as program service areas. These 10 program service areas are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, government services to residents, administration, non-program services, debt service and capital projects. Legal budgetary control is also based upon the appropriation to each office or department, in accordance with State of Iowa statute.

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 Assessor Conference Board, for the 911 System by the Joint 911 Service Board and for Emergency Management, by the County Emergency Management Commission.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

The Special Revenue Funds account for financial resources that are restricted as to use by the Federal or State governments and special purpose funds established by the County Board of Supervisors.

Rural Services - Accounts for taxes levied to benefit the rural residents of the County. This fund is restricted in accordance with the Iowa Code Section 331.424 and 331.428.

Sheriff Forfeited Property (State) - Accounts for state proceeds of property forfeited through law enforcement activities. This fund is restricted in accordance with the Iowa Code Section 809A.

Sheriff Forfeited Property (Federal) - Accounts for federal proceeds of property forfeited through law enforcement activities. This fund is restricted in accordance with Federal Department of Justice guidelines.

Attorney Forfeited Property - Accounts for property forfeited through law enforcement activities. This fund is restricted in accordance with the Iowa Code Section 809A.

County Attorney Collection Incentive - Accounts for state incentives for participating in the collection of fines in accordance with the Iowa Code Section 602.8107. This fund is committed per Board resolution.

Secondary Roads - Accounts for the road use tax allocation from the State of Iowa, required transfers from the General and Rural Services funds, and other revenues to be used for secondary road construction and maintenance. This fund is restricted in accordance with the Iowa Code Section 331.429.

County Recorder Records Management - Accounts for recording fees which are earmarked for records management. This fund is restricted in accordance with the Iowa Code Section 331.604.2a.

Township Fire Protection - Accounts for the requirement of the County to levy taxes for township fire protection and then disburse money to municipalities or townships for various township fire protection contracts. This fund is restricted in accordance with the Iowa Code Section 331.424C.

REAP - Accounts for monies received under the State Resource Enhancement and Protection Act. This fund is restricted in accordance with the Iowa Code Section 455A.19.

Contingency Reserve - Accounts for transfers from Prairie Meadows Racetrack/Casino Enterprise Fund and wagering tax revenue earmarked for future contingencies. This fund serves as a stabilization arrangement and is committed per Board resolution. See Note 27 for further information.

Mitigation Bank - Conservation - Accounts for mitigation bank where developers can purchase credits to restore and assist in long-term protection of wetlands.

American Rescue Plan Act Special Revenue Fund - Accounts for COVID-19 relief funding such as public health, economic impacts, services to disproportionately impacted communities, infrastructure, and revenue replacement. This fund is restricted in accordance with American Rescue Plan Act of 2021.

Tax Increment Financing - Accounts for urban renewal tax increment financing (TIF) activities. This fund is restricted in accordance with the Iowa Code Section 403.19.

Drainage/Water Districts - Accounts for drainage and water districts activities that are controlled by Polk County in accordance with the Iowa Code Section 468. This fund is restricted due to special assessment tax levies.

(continued)

Opioid Settlement – Accounts for opioid addiction prevention and treatment activities carried out under the Distributor Master Settlement Agreement and J&J Master Settlement Agreement. Also the CVS, Walgreens, Walmart, Allergan, Teva Settlement Agreements, and the NOAT II Trust Agreement.

Capital Projects Funds

The Capital Projects Funds account for resources designated to construct or acquire general capital assets, major improvements, vehicles and equipment. Revenues are derived primarily from the sale of general obligation bonds and notes, intergovernmental revenues, transfers from other funds and earnings on investments.

Conservation Water & Land Improvements - Accounts for the assets held for County conservation in accordance with November 2021 bond referendum to issue \$65 million to fund park and trail improvements, land acquisitions and other conservation measures including the water quality of lakes and rivers.

Justice Center - Accounts for capital projects relating to the remodeling, reconstructing, historically rehabilitating, furnishing and equipping the buildings of the judicial system, including the Courthouse, the criminal Court Annex and the Justice Center. This fund is restricted in accordance with bond covenants.

Capital Improvements Projects - Accounts for various capital improvements projects, building repairs, vehicles and equipment expenditures. This fund is committed per Board resolution.

Debt Service Funds

The Debt Service Funds account for the payment of interest and principal on general obligation bonds and notes. Debt service revenues are principally derived from property taxes, special assessments and other operating revenues. These funds are restricted in accordance with bond covenants.

Hamilton Drain Debt Service - Accounts for debt service for the Hamilton Drain bond issue supported by property taxes and special assessments. This fund is restricted in accordance with the Iowa Code Section 331.430.

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POLK COUNTY, IOWA

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024**

	Rural Services	Sheriff Forfeited Property (State)	Sheriff Forfeited Property (Federal)	Attorney Forfeited Property
ASSETS				
Cash and pooled investments	\$ 4,364,962	\$ 216,482	\$ 879,856	\$ 122,787
Restricted assets - cash and pooled investments	-	-	-	-
Receivables (net):				
Taxes	47,089	-	-	-
Succeeding year property taxes	12,869,766	-	-	-
Special assessments	13,469	-	-	-
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Opioid settlement	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	23,954	-	-	2,424
Advances to component unit	-	-	-	-
Inventories	-	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	\$ 17,319,240	\$ 216,482	\$ 879,856	\$ 125,211
LIABILITIES				
Accounts payable	\$ 43,461	\$ -	\$ -	\$ -
Contract/retainage payable	-	-	-	-
Wages payable	10,360	-	-	-
Payroll taxes payable	35,290	-	-	-
Due to other governments	-	-	-	-
TOTAL LIABILITIES	89,111	-	-	-
DEFERRED INFLOWS OF RESOURCES	12,922,919	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	4,307,210	216,482	879,856	125,211
Committed	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	4,307,210	216,482	879,856	125,211
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 17,319,240	\$ 216,482	\$ 879,856	\$ 125,211

Special Revenue						
County Attorney Collection Incentive	Secondary Roads	County Recorder Records Management	Township Fire Protection	REAP	Contingency Reserve	Mitigation Bank - Conservation
\$ 233,471	\$ 2,428,679	\$ 356,743	\$ 4,371	\$ 419,497	\$ 18,989,246	\$ 676,277
-	-	-	-	-	-	-
-	-	-	2,605	-	-	-
-	-	-	1,285,350	-	-	-
-	-	-	-	-	-	-
-	36,563	-	-	-	-	19,350
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	341	-	-	-	-
20,872	894,822	-	-	-	-	-
-	-	-	-	-	-	-
-	1,430,145	-	-	-	-	-
-	-	29,700	-	-	-	-
\$ 254,343	\$ 4,790,209	\$ 386,784	\$ 1,292,326	\$ 419,497	\$ 18,989,246	\$ 695,627
\$ -	\$ 1,685,434	\$ -	\$ -	\$ 31,810	\$ -	\$ -
-	-	-	-	-	-	-
-	201,073	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,886,507	-	-	31,810	-	-
-	239,226	-	1,287,570	-	-	-
-	1,430,145	29,700	-	-	-	-
-	1,234,331	357,084	4,756	387,687	-	-
254,343	-	-	-	-	18,989,246	695,627
-	-	-	-	-	-	-
254,343	2,664,476	386,784	4,756	387,687	18,989,246	695,627
\$ 254,343	\$ 4,790,209	\$ 386,784	\$ 1,292,326	\$ 419,497	\$ 18,989,246	\$ 695,627

(continued)

POLK COUNTY, IOWA

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024**

	Special Revenue			
	American Rescue Plan Act	Tax Increment Financing	Drainage/ Water Districts	Opioid Settlement
ASSETS				
Cash and pooled investments	\$ -	\$ 351,422	\$ 271,942	\$ 8,265,924
Restricted assets - cash and pooled investments	-	-	-	-
Receivables (net):	-			
Taxes	-	27,238	-	-
Succeeding year property taxes	-	-	-	-
Special assessments	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	-	-	22,425
Opioid settlement	-	-	-	24,116,107
Due from other funds	-	72,521	-	-
Due from other governments	-	-	-	-
Advances to component unit	4,488,484	-	-	-
Inventories	-	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ 4,488,484</u>	<u>\$ 451,181</u>	<u>\$ 271,942</u>	<u>\$ 32,404,456</u>
LIABILITIES				
Accounts payable	\$ -	\$ 351,422	\$ -	\$ -
Contract/retainage payable	-	-	-	-
Wages payable	-	-	-	4,207
Payroll taxes payable	-	-	-	712
Due to other governments	-	27,238	276,265	-
TOTAL LIABILITIES	<u>-</u>	<u>378,660</u>	<u>276,265</u>	<u>4,919</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,351,268</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	4,488,484	72,521	-	10,048,269
Committed	-	-	-	-
Unassigned	-	-	(4,323)	-
TOTAL FUND BALANCES	<u>4,488,484</u>	<u>72,521</u>	<u>(4,323)</u>	<u>10,048,269</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,488,484</u>	<u>\$ 451,181</u>	<u>\$ 271,942</u>	<u>\$ 32,404,456</u>

Capital Projects							Debt Service		Total Nonmajor Governmental Funds
Total Special Revenue	Conservation Water & Land Improvements	Justice Center	Capital Improvements Projects	Total Capital Projects	Hamilton Drain Debt Service				
\$ 37,581,659	\$ 2,129,700	\$ 1,625,475	\$ 3,684,313	\$ 7,439,488	\$ -	\$ 45,021,147			
-	15,705,943	-	3,704,074	19,410,017	-	19,410,017			
76,932	-	-	-	-	-	76,932			
14,155,116	-	-	-	-	-	14,155,116			
13,469	-	-	-	-	2,594	16,063			
55,913	4,231	-	-	4,231	-	60,144			
22,425	-	-	-	-	-	22,425			
24,116,107	-	-	-	-	-	24,116,107			
72,862	-	-	-	-	-	72,862			
942,072	40,052	-	6,873	46,925	-	988,997			
4,488,484	-	-	-	-	-	4,488,484			
1,430,145	-	-	-	-	-	1,430,145			
29,700	-	-	348,799	348,799	-	378,499			
\$ 82,984,884	\$ 17,879,926	\$ 1,625,475	\$ 7,744,059	\$ 27,249,460	\$ 2,594	\$ 110,236,938			
\$ 2,112,127	\$ 961,266	\$ -	\$ 1,059,540	\$ 2,020,806	\$ -	\$ 4,132,933			
-	223,752	-	-	223,752	-	223,752			
215,640	-	-	-	-	-	215,640			
36,002	-	-	-	-	-	36,002			
303,503	-	-	-	-	-	303,503			
2,667,272	1,185,018	-	1,059,540	2,244,558	-	4,911,830			
36,800,983	40,052	-	-	40,052	2,594	36,843,629			
1,459,845	-	-	348,799	348,799	-	1,808,644			
22,121,891	16,654,856	1,625,475	-	18,280,331	-	40,402,222			
19,939,216	-	-	6,335,720	6,335,720	-	26,274,936			
(4,323)	-	-	-	-	-	(4,323)			
43,516,629	16,654,856	1,625,475	6,684,519	24,964,850	-	68,481,479			
\$ 82,984,884	\$ 17,879,926	\$ 1,625,475	\$ 7,744,059	\$ 27,249,460	\$ 2,594	\$ 110,236,938			

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POLK COUNTY, IOWA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2024

	Rural Services	Sheriff Forfeited Property (State)	Sheriff Forfeited Property (Federal)	Attorney Forfeited Property
REVENUES:				
Property taxes	\$ 11,342,155	\$ -	\$ -	\$ -
Other County taxes	321,191	-	-	-
Intergovernmental	610,664	10,000	-	-
Licenses and permits	-	-	-	-
Charges for services	474,247	-	-	-
Use of money and property	-	10,654	19,095	9,817
Miscellaneous	6,265	761	556,677	131,901
TOTAL REVENUES	12,754,522	21,415	575,772	141,718
EXPENDITURES:				
Current:				
Public safety and legal services	536,945	5,500	84,670	115,499
Physical health and social services	-	-	-	-
County environment and education	1,357,218	-	-	-
Roads and transportation	2,225,867	-	-	-
Government services to residents	118,938	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital projects:				
Roadway construction	-	-	-	-
Conservation land acquisition and development	-	-	-	-
Other capital projects	-	-	-	-
TOTAL EXPENDITURES	4,238,968	5,500	84,670	115,499
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,515,554	15,915	491,102	26,219
OTHER FINANCING SOURCES (USES):				
Transfers in	200,000	-	-	-
Transfers out	(7,765,587)	-	-	(58,176)
Issuance of bonds	-	-	-	-
Premium/(discount) on bonds issued	-	-	-	-
Issuance of SBITA agreements	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(7,565,587)	-	-	(58,176)
NET CHANGE IN FUND BALANCES	949,967	15,915	491,102	(31,957)
FUND BALANCE, BEGINNING AS PREVIOUSLY REPORTED	3,357,243	207,193	401,597	162,259
Adjustments - Note 30	-	(6,626)	(12,843)	(5,091)
FUND BALANCE, BEGINNING AS RESTATED	3,357,243	200,567	388,754	157,168
FUND BALANCE, ENDING	\$ 4,307,210	\$ 216,482	\$ 879,856	\$ 125,211

Special Revenue						
County Attorney Collection Incentive	Secondary Roads	County Recorder Records Management	Township Fire Protection	REAP	Contingency Reserve	Mitigation Bank - Conservation
\$ -	\$ -	\$ -	\$ 1,131,895	\$ -	\$ -	\$ -
-	-	-	34,141	-	450,376	-
237,893	9,165,634	-	43,898	134,101	-	-
-	210,589	-	-	-	-	-
-	549,873	65,913	-	-	-	-
-	-	17,720	-	17,387	-	-
-	70,953	-	-	-	-	315,750
237,893	9,997,049	83,633	1,209,934	151,488	450,376	315,750
7,092	-	-	1,209,046	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	76,987
-	10,497,847	-	-	-	-	-
-	-	167,785	-	-	-	-
-	-	52,349	-	-	-	-
-	-	4,331	-	-	-	-
-	5,000,416	-	-	-	-	-
-	-	-	-	76,949	-	-
-	-	-	-	-	-	-
7,092	15,498,263	224,465	1,209,046	76,949	-	76,987
230,801	(5,501,214)	(140,832)	888	74,539	450,376	238,763
-	7,365,587	-	-	-	-	-
(442,753)	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	162,163	-	-	-	-
(442,753)	7,365,587	162,163	-	-	-	-
(211,952)	1,864,373	21,331	888	74,539	450,376	238,763
466,295	800,103	376,270	3,868	323,494	18,538,870	456,864
-	-	(10,817)	-	(10,346)	-	-
466,295	800,103	365,453	3,868	313,148	18,538,870	456,864
\$ 254,343	\$ 2,664,476	\$ 386,784	\$ 4,756	\$ 387,687	\$ 18,989,246	695,627

(continued)

POLK COUNTY, IOWA

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024**

	Special Revenue			
	American Rescue Plan Act	Tax Increment Financing	Drainage/ Water Districts	Opioid Settlement
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other County taxes	-	1,634,791	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	72,521	24,433	204,036
Miscellaneous	-	-	24,184	6,143,449
TOTAL REVENUES	-	1,707,312	48,617	6,347,485
EXPENDITURES:				
Current:				
Public safety and legal services	-	-	-	-
Physical health and social services	-	-	-	81,685
County environment and education	-	1,634,791	44,723	-
Roads and transportation	-	-	-	-
Government services to residents	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital projects:				
Roadway construction	-	-	-	-
Conservation land acquisition and development	-	-	-	-
Other capital projects	-	-	-	-
TOTAL EXPENDITURES	-	1,634,791	44,723	81,685
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	72,521	3,894	6,265,800
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of bonds	-	-	-	-
Premium/(discount) on bonds issued	-	-	-	-
Issuance of SBITA agreements	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	-	72,521	3,894	6,265,800
FUND BALANCE, BEGINNING AS PREVIOUSLY REPORTED	-	-	-	3,907,432
Adjustments - Note 30	4,488,484	-	(8,217)	(124,963)
FUND BALANCE, BEGINNING AS RESTATED	4,488,484	-	(8,217)	3,782,469
FUND BALANCE, ENDING	\$ 4,488,484	\$ 72,521	\$ (4,323)	\$ 10,048,269

Capital Projects					Debt Service		
Total Special Revenues	Conservation Water & Land Improvements	Justice Center	Capital Improvements Projects	Total Capital Projects	Debt Service	Total Nonmajor Governmental Funds	
\$ 12,474,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,474,050	
2,440,499	-	-	-	-	-	2,440,499	
10,202,190	349,526	-	613,472	962,998	-	11,165,188	
210,589	-	-	-	-	-	210,589	
1,090,033	-	-	-	-	-	1,090,033	
375,663	781,856	-	-	781,856	-	1,157,519	
7,249,940	2,601,845	-	182,143	2,783,988	-	10,033,928	
34,042,964	3,733,227	-	795,615	4,528,842	-	38,571,806	
1,958,752	-	-	-	-	-	1,958,752	
81,685	-	-	-	-	-	81,685	
3,113,719	-	-	-	-	-	3,113,719	
12,723,714	-	-	-	-	-	12,723,714	
286,723	-	-	-	-	-	286,723	
52,349	-	-	264,298	264,298	-	316,647	
4,331	-	-	62,076	62,076	-	66,407	
5,000,416	-	-	-	-	-	5,000,416	
76,949	14,303,818	-	-	14,303,818	-	14,380,767	
-	-	-	9,652,983	9,652,983	-	9,652,983	
23,298,638	14,303,818	-	9,979,357	24,283,175	-	47,581,813	
10,744,326	(10,570,591)	-	(9,183,742)	(19,754,333)	-	(9,010,007)	
7,565,587	2,103,681	-	9,821,790	11,925,471		19,491,058	
(8,266,516)	-	-	-	-	-	(8,266,516)	
-	11,145,000	-	4,185,650	15,330,650	-	15,330,650	
-	605,000	-	11,350	616,350	-	616,350	
162,163	-	-	1,378,339	1,378,339	-	1,540,502	
(538,766)	13,853,681	-	15,397,129	29,250,810	-	28,712,044	
10,205,560	3,283,090	-	6,213,387	9,496,477	-	19,702,037	
29,001,488	13,930,179	1,625,475	471,132	16,026,786	462,092	45,490,366	
4,309,581	(558,413)	-	-	(558,413)	(462,092)	3,289,076	
33,311,069	13,371,766	1,625,475	471,132	15,468,373	-	48,779,442	
\$ 43,516,629	\$ 16,654,856	\$ 1,625,475	\$ 6,684,519	\$ 24,964,850	\$ -	\$ 68,481,479	

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NONMAJOR ENTERPRISE FUNDS

The Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the government's body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Group Homes – Accounts for activity of group home residential housing

Air Quality - Accounts for activity of the Air Quality Program in accordance with requirements imposed by the 1990 Federal Clean Air Act. The Air Quality Program is primarily financed through federal/state grant revenues and user charges (air quality control permits).

Sanitary Sewer – Accounts for activity of Sanitary Sewer System established by County Ordinance #15.

Conservation Enterprises - Accounts for the golf course and sports park activity under the conservation department. The golf course is operated by a private golf management company who has the ability to modify services and rates.

Hamilton Urban Drainage District - Accounts for storm water utility user fees and related operations and maintenance expenses of the Hamilton Drain Urban Drainage District.

Urban Sewer - Accounts for activity of the County's urban sewer economic development initiatives in conjunction with various municipalities.

Iowa Tax & Tags - Accounts for activity of the Treasurer's www.iowataxandtags.gov program relating to online property tax and vehicle tag payments.

POLK COUNTY, IOWA

**Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2024**

	Group Homes	Air Quality	Sanitary Sewer	Conservation Enterprises
ASSETS				
Current assets:				
Cash and pooled investments	\$ 1,301,356	\$ 205,740	\$ 14,052,297	\$ 281,815
Receivables (net):				
Accounts	-	-	98,163	149,011
Notes	-	-	415,555	-
Accrued interest	-	-	50,095	-
Due from other funds	-	-	26,934	1,101
Due from other governments	-	203,625	69,180	508
Prepays	-	-	1,569,777	-
Total current assets	1,301,356	409,365	16,282,001	432,435
Noncurrent assets:				
Special assessments	-	-	1,163	-
Notes	-	-	7,164,380	-
Capital assets not being depreciated	3,479,400	-	2,791,417	1,823,717
Capital assets being depreciated, net	15,401,326	270,564	18,041,356	9,172,528
Total noncurrent assets	18,880,726	270,564	27,998,316	10,996,245
TOTAL ASSETS	20,182,082	679,929	44,280,317	11,428,680
DEFERRED OUTFLOWS OF RESOURCES	15,220	349,199	22,828	179,745
LIABILITIES				
Current liabilities:				
Accounts payable	69,925	352	-	32,074
Wages payable	3,418	38,576	4,473	26,644
Payroll taxes payable	580	6,454	738	3,661
Interest payable	-	-	18,961	-
Due to other funds	-	-	-	251,101
General obligation bonds payable	-	-	-	-
Notes payable	-	-	348,000	-
Advances from other funds	-	-	-	277,819
Compensated absences payable	1,198	31,710	3,682	10,114
Total current liabilities	75,121	77,092	375,854	601,413
Noncurrent liabilities:				
General obligation bonds payable	-	-	-	-
Notes payable	-	-	13,289,000	-
Advances from other funds	-	-	-	1,940,231
Compensated absences payable	-	245,582	-	-
Net pension liability	9,911	444,443	14,867	134,779
Total noncurrent liabilities	9,911	690,025	13,303,867	2,075,010
TOTAL LIABILITIES	85,032	767,117	13,679,721	2,676,423
DEFERRED INFLOWS OF RESOURCES	-	118,680	-	-
NET POSITION				
Net investment in capital assets	18,880,726	270,564	7,195,773	10,996,245
Unrestricted (deficit)	1,231,544	(127,233)	23,427,651	(2,064,243)
TOTAL NET POSITION	\$ 20,112,270	\$ 143,331	\$ 30,623,424	\$ 8,932,002

Hamilton Urban Drainage District		Urban Sewer	Iowa Tax & Tags	Total Nonmajor Enterprise Funds
\$	572,732	\$ 356,235	\$ 1,198,872	\$ 17,969,047
	-	-	-	247,174
	-	252,017	-	667,572
	-	-	-	50,095
	-	-	-	28,035
	-	-	-	273,313
	-	-	-	1,569,777
	572,732	608,252	1,198,872	20,805,013
	7,279	-	-	8,442
	-	159,385	-	7,323,765
	3,818,522	-	-	11,913,056
	6,049,763	-	-	48,935,537
	9,875,564	159,385	-	68,180,800
	10,448,296	767,637	1,198,872	88,985,813
	-	-	126,477	693,469
	-	-	-	102,351
	-	-	16,232	89,343
	-	-	2,705	14,138
	-	2,503	-	21,464
	-	-	-	251,101
	-	398,534	-	398,534
	-	-	-	348,000
	-	-	-	277,819
	-	-	5,510	52,214
	-	401,037	24,447	1,554,964
	-	328,533	-	328,533
	-	-	-	13,289,000
	-	-	-	1,940,231
	-	-	42,668	288,250
	-	-	52,711	656,711
	-	328,533	95,379	16,502,725
	-	729,570	119,826	18,057,689
	-	-	71,525	190,205
	9,868,285	-	-	47,211,593
	580,011	38,067	1,133,998	24,219,795
\$	10,448,296	\$ 38,067	\$ 1,133,998	\$ 71,431,388

POLK COUNTY, IOWA

Combining Statement of Revenues, Expenses, and Changes in Net Position Nonmajor Enterprise Funds For the Year Ended June 30, 2024

	Group Homes	Air Quality	Sanitary Sewer	Conservation Enterprises
OPERATING REVENUES:				
Charges for goods and services:				
Charges for services	\$ 915,015	\$ 426,657	\$ 1,334,886	\$ 289,133
Tax increment financing revenue	-	-	1,771,262	-
Intergovernmental revenues	41,412	911,117	-	-
Concession sales	-	-	-	29,645
Commissions income	-	-	-	399,201
Miscellaneous	16,347	9,076	20,971	3,762
Total operating revenues	972,774	1,346,850	3,127,119	721,741
OPERATING EXPENSES:				
Cost of goods and services:				
Personal services	108,839	1,306,024	164,445	479,011
Supplies	135	50,924	-	455,594
Professional services	1,339	-	35,259	68,497
Other services/charges	529,007	114,422	662,543	318,538
Cost of goods sold - concession	-	-	-	16,105
Bad debt expense	-	-	-	-
Miscellaneous	-	-	749,935	-
Amortization of discount (premium)	-	-	-	-
Depreciation	814,575	70,634	685,600	661,724
Total operating expenses	1,453,895	1,542,004	2,297,782	1,999,469
OPERATING INCOME (LOSS)	(481,121)	(195,154)	829,337	(1,277,728)
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	69,466	19,487	757,479	(4,432)
Debt issuance costs	-	-	-	-
Interest expense	-	-	(244,077)	(24,931)
Total nonoperating revenues (expenses)	69,466	19,487	513,402	(29,363)
INCOME (LOSS) BEFORE TRANSFERS	(411,655)	(175,667)	1,342,739	(1,307,091)
TRANSFERS:				
Capital contributions from other funds	-	-	-	3,024,536
Capital contributions from others	-	-	1,212,566	-
Transfers in	-	-	2,604,701	1,364,906
Total transfers	-	-	3,817,267	4,389,442
CHANGE IN NET POSITION	(411,655)	(175,667)	5,160,006	3,082,351
TOTAL NET POSITION - BEGINNING AS PREVIOUSLY REPORTED	20,565,690	330,443	25,837,073	5,849,681
Adjustments - Note 30	(41,765)	(11,445)	(373,655)	(30)
TOTAL NET POSITION - BEGINNING AS RESTATED	20,523,925	318,998	25,463,418	5,849,651
TOTAL NET POSITION - ENDING	\$ 20,112,270	\$ 143,331	\$ 30,623,424	\$ 8,932,002

Hamilton Urban Drainage District		Urban Sewer	Iowa Tax & Tags	Total Nonmajor Enterprise Funds
\$	123,163	\$ -	\$ 353,895	\$ 3,442,749
	-	-	-	1,771,262
	-	-	-	952,529
	-	-	-	29,645
	-	-	-	399,201
	5,174	-	-	55,330
	128,337	-	353,895	6,650,716
	6,777	-	564,530	2,629,626
	-	-	1,509	508,162
	2,665	-	-	107,760
	18,898	-	10,584	1,653,992
	-	-	-	16,105
	-	2,841,075	-	2,841,075
	4,938	-	-	754,873
	-	(48,534)	-	(48,534)
	365,301	-	-	2,597,834
	398,579	2,792,541	576,623	11,060,893
	(270,242)	(2,792,541)	(222,728)	(4,410,177)
	24,846	40,579	949,220	1,856,645
	-	-	-	-
	-	(47,380)	-	(316,388)
	24,846	(6,801)	949,220	1,540,257
	(245,396)	(2,799,342)	726,492	(2,869,920)
	-	-	-	3,024,536
	-	-	-	1,212,566
	-	-	-	3,969,607
	-	-	-	8,206,709
	(245,396)	(2,799,342)	726,492	5,336,789
	10,708,660	2,859,130	423,638	66,574,315
	(14,968)	(21,721)	(16,132)	(479,716)
	10,693,692	2,837,409	407,506	66,094,599
\$	10,448,296	\$ 38,067	\$ 1,133,998	\$ 71,431,388

POLK COUNTY, IOWA

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024**

	Group Homes	Air Quality	Sanitary Sewer
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 977,019	\$ 435,733	\$ 3,125,612
Cash received from operating grants	-	930,286	-
Cash paid to suppliers for goods and services	(467,756)	(164,994)	(3,028,362)
Cash paid to employees	(108,952)	(1,330,274)	(167,813)
Net cash flows from operating activities	<u>400,311</u>	<u>(129,249)</u>	<u>(70,563)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Proceeds from due from other funds	-	-	-
Repayment on advance from other funds	-	-	-
Transfers in	-	-	2,604,701
Net cash flows from noncapital financing activities	<u>-</u>	<u>-</u>	<u>2,604,701</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal paid on long-term debt	-	-	(337,000)
Interest paid on long-term debt	-	-	(244,545)
Purchase of capital assets	(432,601)	(30,913)	(1,164,406)
Repayments on capital note receivable	-	-	407,196
Net cash flows from capital and related financing activities	<u>(432,601)</u>	<u>(30,913)</u>	<u>(1,338,755)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	69,466	19,487	704,651
Net cash flows from investing activities	<u>69,466</u>	<u>19,487</u>	<u>704,651</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>37,176</u>	<u>(140,675)</u>	<u>1,900,034</u>
CASH AND CASH EQUIVALENTS, BEGINNING AS PREVIOUSLY REPORTED	<u>1,305,945</u>	<u>357,860</u>	<u>12,525,918</u>
ADJUSTMENTS - NOTE 30	<u>(41,765)</u>	<u>(11,445)</u>	<u>(373,655)</u>
CASH AND CASH EQUIVALENTS, BEGINNING AS RESTATED	<u>1,264,180</u>	<u>346,415</u>	<u>12,152,263</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 1,301,356</u></u>	<u><u>\$ 205,740</u></u>	<u><u>\$ 14,052,297</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (loss)	\$ (481,121)	\$ (195,154)	\$ 829,337
Components of operating income (loss) not included in operating activities			
Depreciation	814,575	70,634	685,600
Amortization	-	-	-
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
(Increase) decrease in special assessments receivable	-	-	(1,126)
(Increase) decrease in accounts receivable	4,245	-	4,148
(Increase) decrease in due from other governments	-	19,169	(4,529)
(Increase) decrease in prepaid items	-	-	(1,569,777)
(Increase) decrease in deferred outflows of resources	(15,220)	(121,557)	(22,828)
Increase (decrease) in accounts payable	62,725	352	(10,848)
Increase (decrease) in wages payable	3,418	2,445	773
Increase (decrease) in payroll taxes payable	580	388	138
Increase (decrease) in compensated absences payable	1,198	36,601	3,682
Increase (decrease) in net pension liability	9,911	118,936	14,867
Increase (decrease) in deferred inflows of resources	-	(61,063)	-
Net cash flows from operating activities	<u><u>\$ 400,311</u></u>	<u><u>\$ (129,249)</u></u>	<u><u>\$ (70,563)</u></u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Disposal of fully depreciated capital assets	\$ -	\$ (42,708)	\$ -
Capital contributions - capital assets	-	-	1,212,566
Acquisition of capital assets through governmental funds transfer	-	-	-
Acquisition of notes receivable through disposal of capital assets	-	-	(407,196)

Conservation Enterprises		Hamilton Urban Drainage District		Urban Sewer		Iowa Tax & Tags		Total Nonmajor Enterprise Funds	
\$	720,211	\$	128,091	\$	-	\$	353,895	\$	5,740,561
	-		-		-		-		930,286
	(851,277)		(26,501)		(2,841,075)		(12,093)		(7,392,058)
	(472,530)		(6,777)		-		(580,439)		(2,666,785)
	(603,596)		94,813		(2,841,075)		(238,637)		(3,387,996)
	250,000		-		-		-		250,000
	(275,069)		-		-		-		(275,069)
	1,364,906		-		-		-		3,969,607
	1,339,837		-		-		-		3,944,538
	-		-		(345,000)		-		(682,000)
	(24,931)		-		(48,750)		-		(318,226)
	(425,981)		-		-		-		(2,053,901)
	-		-		2,892,998		-		3,300,194
	(450,912)		-		2,499,248		-		246,067
	(4,432)		24,846		40,579		949,220		1,803,817
	(4,432)		24,846		40,579		949,220		1,803,817
	280,897		119,659		(301,248)		710,583		2,606,426
	948		468,041		679,204		504,421		15,842,337
	(30)		(14,968)		(21,721)		(16,132)		(479,716)
	918		453,073		657,483		488,289		15,362,621
\$	281,815	\$	572,732	\$	356,235	\$	1,198,872	\$	17,969,047
\$	(1,277,728)	\$	(270,242)	\$	(2,792,541)	\$	(222,728)	\$	(4,410,177)
	661,724		365,301		-		-		2,597,834
	-		-		(48,534)		-		(48,534)
	-		(246)		-		-		(1,372)
	(1,022)		-		-		-		7,371
	(508)		-		-		-		14,132
	-		-		-		-		(1,569,777)
	(60,874)		-		-		(53,180)		(273,659)
	7,457		-		-		-		59,686
	18,971		-		-		749		26,356
	2,403		-		-		129		3,638
	6,336		-		-		11,075		58,892
	39,645		-		-		52,034		235,393
	-		-		-		(26,716)		(87,779)
\$	(603,596)	\$	94,813	\$	(2,841,075)	\$	(238,637)	\$	(3,387,996)
\$	-	\$	-	\$	-	\$	-	\$	(42,708)
	-		-		-		-		1,212,566
	3,024,536		-		-		-		3,024,536
	-		-		-		-		(407,196)

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INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments of the County and to other governmental units on a cost reimbursement basis.

Employee Insurance - This fund is used to account for all self-insured health insurance claim payments and stop-loss premiums.

Risk Management - This fund is used to account for the financing of all insurance premiums and claim payments other than health benefits. The County's self-insured workers' compensation insurance is accounted for in this fund.

POLK COUNTY, IOWA

Combining Statement of Net Position Internal Service Funds June 30, 2024

	Employee Insurance	Risk Management	Total
ASSETS:			
Current assets:			
Cash and pooled investments	\$ 17,369,530	\$ 8,000,000	\$ 25,369,530
Accounts receivables	1,458,494	-	1,458,494
Accrued interest	49,138	-	49,138
Due from other funds	37,596	-	37,596
Prepaid items	134,951	-	134,951
TOTAL ASSETS	19,049,709	8,000,000	27,049,709
LIABILITIES:			
Current liabilities:			
Accounts payable	278,188	-	278,188
Payroll taxes payable	185,120	-	185,120
Estimated liability for claims and judgments	2,427,000	-	2,427,000
Total current liabilities	2,890,308	-	2,890,308
TOTAL LIABILITIES	2,890,308	-	2,890,308
NET POSITION			
Unrestricted	\$ 16,159,401	\$ 8,000,000	\$ 24,159,401

POLK COUNTY, IOWA

**Combining Statement of Revenues, Expenses, and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024**

	Employee Insurance	Risk Management	Total
OPERATING REVENUES:			
Charges for services	\$ 29,727,910	\$ -	\$ 29,727,910
Miscellaneous	9,287	-	9,287
Total operating revenues	29,737,197	-	29,737,197
OPERATING EXPENSES:			
Other services/charges	65,291	-	65,291
Insurance	27,025,867	-	27,025,867
Total operating expenses	27,091,158	-	27,091,158
OPERATING INCOME (LOSS)	2,646,039	-	2,646,039
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	764,251	-	764,251
Total nonoperating revenues (expenses)	764,251	-	764,251
INCOME (LOSS) BEFORE TRANSFERS	3,410,290	-	3,410,290
TRANSFERS:			
Transfers in	-	9,843,114	9,843,114
Transfers out	(20,000)	(6,843,114)	(6,863,114)
Total transfers	(20,000)	3,000,000	2,980,000
CHANGE IN NET POSITION	3,390,290	3,000,000	6,390,290
TOTAL NET POSITION - BEGINNING AS PREVIOUSLY REPORTED	13,198,316	5,000,000	18,198,316
Adjustments - Note 30	(429,205)	-	(429,205)
TOTAL NET POSITION - BEGINNING AS RESTATED	12,769,111	5,000,000	17,769,111
NET POSITION, ENDING	\$ 16,159,401	\$ 8,000,000	\$ 24,159,401

POLK COUNTY, IOWA

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024**

	Employee Insurance	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from internal customers - other funds	\$ 30,109,470	\$ -	\$ 30,109,470
Cash paid to suppliers for goods and services	(27,611,778)	-	(27,611,778)
Cash paid to employees	13,593	-	13,593
Net cash flows from operating activities	<u>2,511,285</u>	<u>-</u>	<u>2,511,285</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	-	9,843,114	9,843,114
Transfers out	(20,000)	(6,843,114)	(6,863,114)
Net cash flows from noncapital financing activities	<u>(20,000)</u>	<u>3,000,000</u>	<u>2,980,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	711,164	-	711,164
Net cash flows from investing activities	<u>711,164</u>	<u>-</u>	<u>711,164</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,202,449	3,000,000	6,202,449
CASH AND CASH EQUIVALENTS, BEGINNING AS PREVIOUSLY REPORTED	14,596,286	5,000,000	19,596,286
ADJUSTMENTS - NOTE 30	(429,205)	-	(429,205)
CASH AND CASH EQUIVALENTS, BEGINNING AS RESTATED	14,167,081	5,000,000	19,167,081
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 17,369,530</u>	<u>\$ 8,000,000</u>	<u>\$ 25,369,530</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (loss)	\$ 2,646,039	\$ -	\$ 2,646,039
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
(Increase) decrease in accounts receivable	372,273	-	372,273
(Increase) decrease in prepaid items	(122,339)	-	(122,339)
Increase (decrease) in accounts payable	(158,781)	-	(158,781)
Increase (decrease) in payroll taxes payable	13,593	-	13,593
Increase (decrease) in estimated liability for claims and judgments	(239,500)	-	(239,500)
Net cash flows from operating activities	<u>\$ 2,511,285</u>	<u>\$ -</u>	<u>\$ 2,511,285</u>

CUSTODIAL FUNDS

Custodial Funds are clearing accounts that account for funds collected by the County on the behalf of individuals and other governmental entities.

Trust & Agency Treasurer - Represents a clearing fund for partial property tax payments, tax sale redemptions and other taxing entities' tax collections and disbursements

Trust & Agency Trust Funds Held - Accounts for activity of drainage districts governed by external trustees and the Houseman Bequest.

County Assessor Expense - Accounts for general activity of County Assessor's Office as outlined in Chapter 441 of the Code of Iowa.

911 Service - Accounts for the activity of the Polk County 911 Service Board as outlined in Chapter 34A of the Code of Iowa.

Emergency Management - Accounts for the operations of Polk County Emergency Management Commission as outlined in Chapter 29C of the Code of Iowa.

Seized Funds Unforfeited - Represents a clearing fund for money seized by the Polk County Sheriff's office but not yet forfeited by court order. Monies are owed to various governments.

Mine Task Force - Accounts for activities of the Mid-Iowa Narcotics Enforcement Task Force for which the County Sheriff's office serves as fiscal agent.

POLK COUNTY, IOWA

Combining Statement of Fiduciary Net Position Custodial Funds June 30, 2024

	Trust & Agency Treasurer	Trust & Agency Trust Funds Held	County Assessor Expense	911 Service
ASSETS:				
Cash and pooled investments	\$ 19,989,190	\$ 117,282	\$ 2,215,312	\$ 6,225,602
Receivables (net):				
Taxes	4,525,423	-	28,391	-
Succeeding year property taxes	1,280,618,770	-	8,198,207	-
Special assessments	9,218,835	104,266	-	-
Accounts	-	-	3,803	243,628
Accrued interest	-	-	-	17,868
Due from other funds	-	-	-	-
Due from other governments	-	-	403,870	448,137
Inventories	-	-	-	-
Prepays	-	-	-	-
TOTAL ASSETS	1,314,352,218	221,548	10,849,583	6,935,235
LIABILITIES:				
Accounts payable	-	-	739,632	137,449
Wages payable	-	-	150,226	-
Payroll taxes payable	-	-	24,912	-
Due to other funds	-	-	-	-
Due to other governments	33,733,448	137,689	-	-
Compensated absences payable	-	-	1,342,606	-
Stamped warrants payable	-	83,859	-	-
Total OPEB liability	-	-	394,000	-
TOTAL LIABILITIES	33,733,448	221,548	2,651,376	137,449
DEFERRED INFLOWS OF RESOURCES	1,280,618,770	-	8,198,207	-
NET POSITION				
Restricted for individuals, organizations, and other governments	\$ -	\$ -	\$ -	\$ 6,797,786

Emergency Management	Seized Funds Unforfeited	Mine Task Force	Total Custodial Funds
\$ 495,511	\$ 356,871	\$ 331,914	\$ 29,731,682
-	-	-	4,553,814
-	-	-	1,288,816,977
-	-	-	9,323,101
-	-	-	247,431
-	-	-	17,868
-	-	44,127	44,127
-	-	-	852,007
-	-	-	-
415,578	-	-	415,578
911,089	356,871	376,041	1,334,002,585
274,431	-	-	1,151,512
22,240	-	-	172,466
3,761	-	-	28,673
-	-	63,572	63,572
-	356,871	312,469	34,540,477
107,967	-	-	1,450,573
-	-	-	83,859
-	-	-	394,000
408,399	356,871	376,041	37,885,132
-	-	-	1,288,816,977
\$ 502,690	\$ -	\$ -	\$ 7,300,476

POLK COUNTY, IOWA

Combining Schedule of Changes in Fiduciary Net Position Custodial Funds June 30, 2024

	Trust & Agency Treasurer	Trust & Agency Trust Funds Held	County Assessor Expense
ADDITIONS:			
Property and other county tax	\$ 1,012,204,016	\$ -	\$ 6,338,959
State tax credits	31,751,544	-	344,827
Registration fee to Department of Transportation	108,700,926	-	-
Use tax to Department of Revenue	80,087,959	-	-
Special assessments	2,481,963	-	-
911 surcharge	-	-	-
Intergovernmental revenues	1,165	-	11
Charges for services	-	-	2,565
Fines and forfeitures	-	-	-
Interest income	-	4,452	-
Miscellaneous	-	-	125
TOTAL ADDITIONS	1,235,227,573	4,452	6,686,487
DEDUCTIONS:			
Agency remittances:			
Treasurer disbursement to other governments	1,235,227,573	3,061	-
Trusts paid out	-	1,391	-
Personal services	-	-	5,362,087
Supplies	-	-	37,032
Professional services	-	-	1,516,110
Other services/charges	-	-	223,879
Capital outlay	-	-	61,847
TOTAL DEDUCTIONS	1,235,227,573	4,452	7,200,955
CHANGES IN NET POSITION	-	-	(514,468)
TOTAL NET POSITION - BEGINNING AS PREVIOUSLY REPORTED	-	-	514,468
Adjustments - Note 30	-	-	-
TOTAL NET POSITION - BEGINNING AS RESTATED	-	-	514,468
TOTAL NET POSITION - ENDING	\$ -	\$ -	\$ -

911 Service	Emergency Management	Seized Funds Unforfeited	Mine Task Force	Total Custodial Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,018,542,975
-	-	-	-	32,096,371
-	-	-	-	108,700,926
-	-	-	-	80,087,959
-	-	-	-	2,481,963
2,838,259	-	-	-	2,838,259
64,687	1,042,013	-	-	1,107,876
-	17,364	-	-	19,929
-	-	321,954	99,892	421,846
377,515	-	-	31,264	413,231
-	400	-	41,160	41,685
3,280,461	1,059,777	321,954	172,316	1,246,753,020
-	-	-	-	1,235,230,634
-	-	-	-	1,391
-	714,008	-	-	6,076,095
-	8,462	-	20,494	65,988
-	363,058	-	1,805	1,880,973
2,235,752	378,782	321,954	128,182	3,288,549
-	297,143	-	10,175	369,165
2,235,752	1,761,453	321,954	160,656	1,246,912,795
1,044,709	(701,676)	-	11,660	(159,775)
5,922,913	1,204,366	-	-	7,641,747
(169,836)	-	-	(11,660)	(181,496)
5,753,077	1,204,366	-	(11,660)	7,460,251
\$ 6,797,786	\$ 502,690	\$ -	\$ -	\$ 7,300,476

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STATISTICAL SECTION

The statistical section of the County's annual comprehensive financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the County's overall financial health.

Financial Trends - These schedules contain trend information to show how the County's financial performance and well being have changed over time.

Revenue Capacity - These schedules contain information to assess the County's most significant local revenue sources, the property tax.

Debt Capacity - These schedules present information to assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information - These schedules offer demographic and economic indicators to show the environment within which the County's financial activities take place.

Operating Information - These schedules contain service and infrastructure data to show how the information in the County's financial report relates to the services the County provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

POLK COUNTY, IOWA

Net Position by Component Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities:				
Net investment in capital assets	\$ 79,649,467	\$ 95,782,354	\$ 112,687,170	\$ 126,040,376
Restricted	13,961,534	6,856,842	6,845,261	5,186,531
Unrestricted	(11,863,296)	(6,663,345)	6,624,617	19,475,079
Total governmental activities net position	\$ 81,747,705	\$ 95,975,851	\$ 126,157,048	\$ 150,701,986
Business-type activities:				
Net investment in capital assets	\$ 227,920,658	\$ 210,891,115	\$ 195,501,228	\$ 187,999,398
Restricted	683,568	892,818	862,445	895,917
Unrestricted	23,032,612	29,905,022	40,943,677	45,181,140
Total business-type activities net position	\$ 251,636,838	\$ 241,688,955	\$ 237,307,350	\$ 234,076,455
Primary government:				
Net investment in capital assets	\$ 307,570,125	\$ 306,673,469	\$ 308,188,398	\$ 314,039,774
Restricted	14,645,102	7,749,660	7,707,706	6,082,448
Unrestricted	11,169,316	23,241,677	47,568,294	64,656,219
Total primary government net position	\$ 333,384,543	\$ 337,664,806	\$ 363,464,398	\$ 384,778,441

Note: Net position was affected due to the implementation of GASB Statement 68 in fiscal year 2015.

Note: Net position was affected due to the implementation of GASB Statement 75 in fiscal year 2018.

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 141,619,244	\$ 153,716,269	\$ 178,840,583	\$ 199,148,310	\$ 217,787,362	\$ 235,350,935
8,649,668	7,881,994	16,158,117	9,472,452	20,210,910	158,585,462
31,904,684	50,714,327	48,954,091	108,260,555	150,990,553	36,679,837
<u>\$ 182,173,596</u>	<u>\$ 212,312,590</u>	<u>\$ 243,952,791</u>	<u>\$ 316,881,317</u>	<u>\$ 388,988,825</u>	<u>\$ 430,616,234</u>
\$ 261,586,814	\$ 255,720,433	\$ 250,962,456	\$ 245,395,416	\$ 268,234,416	\$ 264,093,542
619,985	637,860	373,389	915,341	1,184,609	1,283,806
48,925,819	46,018,192	51,048,987	63,459,905	73,776,445	81,300,461
<u>\$ 311,132,618</u>	<u>\$ 302,376,485</u>	<u>\$ 302,384,832</u>	<u>\$ 309,770,662</u>	<u>\$ 343,195,470</u>	<u>\$ 346,677,809</u>
\$ 403,206,058	\$ 409,436,702	\$ 429,803,039	\$ 444,543,726	\$ 486,021,778	\$ 499,444,477
9,269,653	8,519,854	16,531,506	10,387,793	21,395,519	159,869,268
80,830,503	96,732,519	100,003,078	171,720,460	224,766,998	117,980,298
<u>\$ 493,306,214</u>	<u>\$ 514,689,075</u>	<u>\$ 546,337,623</u>	<u>\$ 626,651,979</u>	<u>\$ 732,184,295</u>	<u>\$ 777,294,043</u>

POLK COUNTY, IOWA

Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Expenses:				
Governmental activities:				
Public safety and legal services	\$ 69,683,428	\$ 72,778,579	\$ 73,081,038	\$ 78,520,169
Physical health and social services	35,364,307	37,352,964	38,587,870	40,425,914
Mental health	28,533,670	25,906,010	20,756,146	21,978,560
County environment and education	13,510,577	14,719,318	15,252,013	16,879,257
Roads and transportation	18,860,843	21,057,936	17,130,748	19,694,797
Governmental services to residents	7,344,942	7,974,904	8,053,559	8,411,110
Administration	32,774,134	32,949,752	37,599,287	38,473,412
Interest on long-term debt	3,882,745	5,286,682	5,192,766	5,760,430
Total governmental activities expenses	209,954,646	218,026,145	215,653,427	230,143,649
Business-type activities:				
Group Homes	-	-	-	-
Air Quality	1,219,921	1,180,789	1,275,213	1,345,230
Sanitary Sewer	1,365,289	6,450,974	1,609,984	1,772,545
Prairie Meadows Racetrack/Casino	11,602,938	10,602,938	10,602,938	10,602,938
Conservation Enterprises	170,279	191,492	98,970	488,317
Hamilton Urban Drainage District	294,484	400,587	598,185	496,291
Iowa Events Center	25,689,294	29,382,506	27,350,775	27,469,180
Urban Sewer	94,523	88,586	68,475	85,705
Community Based Case Management	-	1,592,258	6,759,608	3,994,485
Iowa Tax & Tags	350,977	349,629	389,877	453,119
Total business-type activities expenses	40,787,705	50,239,759	48,754,025	46,707,810
Total government expenses	\$ 250,742,351	\$ 268,265,904	\$ 264,407,452	\$ 276,851,459
Program revenues:				
Governmental activities:				
Charges for services:				
Public safety and legal services	\$ 13,176,295	\$ 14,045,975	\$ 16,245,042	\$ 18,787,052
Physical health and social services	1,036,902	1,078,182	1,272,939	1,216,522
Mental health	7,029,275	4,113,979	2,249,219	5,957,472
County environment and education	1,879,130	2,057,031	2,299,210	2,148,206
Roads and transportation	941,450	552,046	566,585	630,431
Governmental services to residents	7,273,173	8,058,455	8,381,909	8,636,445
Administration	1,794,169	1,748,225	1,678,242	2,527,924
Interest on long-term debt	51,062	49,385	38,474	53,444
Operating grants and contributions	26,488,420	21,941,825	22,040,570	21,811,485
Capital grants and contributions	2,919,497	6,129,377	10,987,863	9,969,031
Total governmental activities program revenues	62,589,373	59,774,480	65,760,053	71,738,012
Business-type activities:				
Charges for services:				
Group Homes	-	-	-	-
Air Quality	346,417	367,062	376,783	380,689
Sanitary Sewer	966,901	787,032	1,051,006	984,610
Prairie Meadows Racetrack/Casino	26,000,000	24,729,652	24,947,712	25,334,064
Conservation Enterprises	195,157	203,609	196,126	205,482
Hamilton Urban Drainage District	144,566	125,580	115,451	118,447
Iowa Events Center	15,072,784	16,167,111	15,192,487	15,581,819
Iowa Tax & Tags	386,463	414,508	440,354	468,029
Operating grants and contributions	5,505,719	2,592,193	8,076,897	5,108,887
Capital grants and contributions	128,250	1,644,344	498,250	928,250
Total business-type activities program revenues	48,746,257	47,031,091	50,895,066	49,110,277
Total government program revenues	\$ 111,335,630	\$ 106,805,571	\$ 116,655,119	\$ 120,848,289

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 83,348,793	\$ 90,042,251	\$ 98,320,747	\$ 91,517,994	\$ 104,322,142	\$ 114,312,510
42,640,579	42,236,354	43,090,352	39,360,602	43,673,290	56,567,473
24,067,294	23,791,649	26,413,988	29,121,148	22,520,961	24,135,125
18,610,621	21,273,906	22,687,489	28,681,708	45,130,214	39,083,707
18,066,871	20,012,591	20,399,665	19,904,738	21,629,360	18,699,637
8,489,741	9,753,363	10,604,040	8,482,345	9,252,028	10,431,648
44,075,188	38,746,860	60,486,836	139,026,689	72,909,625	75,758,886
5,053,602	7,631,720	6,165,281	5,500,496	5,221,659	14,256,031
244,352,689	253,488,694	288,168,398	361,595,720	324,659,279	353,245,017
-	-	-	-	7,200	1,453,895
1,222,773	1,516,296	1,193,109	1,067,562	1,289,443	1,542,004
1,712,523	2,470,020	1,663,793	1,789,710	1,786,982	2,541,859
12,154,762	15,679,920	13,706,637	14,957,183	13,896,727	15,024,422
460,606	446,968	355,316	253,298	799,847	2,024,400
481,026	696,238	426,611	425,199	419,597	398,579
28,041,271	25,818,408	17,238,103	24,362,991	27,249,215	30,785,766
72,663	59,374	45,544	30,734	15,175	2,839,921
-	-	-	-	-	-
464,909	537,065	581,598	466,283	499,564	576,623
44,610,533	47,224,289	35,210,711	43,352,960	45,963,750	57,187,469
\$ 288,963,222	\$ 300,712,983	\$ 323,379,109	\$ 404,948,680	370,623,029	\$ 410,432,486
\$ 20,313,908	\$ 21,157,832	\$ 21,615,174	\$ 21,266,708	\$ 20,105,055	\$ 20,816,099
1,427,520	1,277,481	990,085	1,619,371	969,812	1,152,384
5,692,061	5,470,234	5,042,859	15,807	1,116,298	17,388
2,009,876	2,674,304	2,830,595	2,784,438	3,053,405	4,117,136
796,889	820,541	816,196	853,244	937,135	846,970
8,488,177	9,399,389	10,541,549	10,331,781	8,745,624	9,100,545
1,746,943	1,784,795	2,414,003	26,438,164	1,767,107	1,667,847
54,503	55,509	37	18	21	38
21,242,714	21,302,676	50,357,676	135,748,723	118,161,226	96,853,375
12,493,459	8,072,602	4,758,778	6,276,248	11,368,657	14,382,983
74,266,050	72,015,363	99,366,952	205,334,502	166,224,340	148,954,765
-	-	-	-	1,303,067	956,427
392,685	409,362	431,545	452,468	406,330	426,657
1,252,629	995,879	1,172,263	1,265,659	1,458,259	3,106,148
26,077,019	26,314,372	23,385,086	25,987,677	26,526,527	26,931,355
287,451	287,731	348,871	370,172	453,683	717,979
118,114	113,905	113,071	192,297	121,822	123,163
17,133,251	12,949,284	5,621,085	17,119,475	19,066,237	22,489,216
248,045	259,920	282,030	276,763	342,898	353,895
1,000,639	869,298	839,664	2,482,400	1,017,443	1,284,587
77,719,463	231,682	32,000	32,000	20,041,430	1,244,566
124,229,296	42,431,433	32,225,615	48,178,911	70,737,696	57,633,993
\$ 198,495,346	\$ 114,446,796	\$ 131,592,567	\$ 253,513,413	\$ 236,962,036	\$ 206,588,758

(continued)

POLK COUNTY, IOWA

Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Net (expense)/revenue:				
Governmental activities	\$ (147,365,273)	\$ (158,251,665)	\$ (149,893,374)	\$ (158,405,637)
Business-type activities	7,958,552	(3,208,668)	2,141,041	2,402,467
Total government net expense	\$ (139,406,721)	\$ (161,460,333)	\$ (147,752,333)	\$ (156,003,170)
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes	\$ 136,363,181	\$ 140,709,005	\$ 149,208,819	\$ 154,947,225
Other county taxes	5,705,541	5,735,911	5,768,801	5,726,777
Interest on property taxes	1,412,664	1,174,445	1,199,698	1,131,465
State replacements	8,034,434	12,873,398	13,342,460	13,456,415
Use of money and property	309,077	709,823	1,233,182	3,231,716
Miscellaneous	1,734,376	3,082,645	1,227,068	1,097,395
Gain on sale of capital assets	-	-	259,350	-
Transfers	7,429,240	8,194,584	7,835,193	7,403,582
Total governmental activities	160,988,513	172,479,811	180,074,571	186,994,575
Business-type activities:				
Use of money and property	74,169	637,627	725,529	992,382
Miscellaneous	572,344	817,742	587,018	777,838
Transfers	(7,429,240)	(8,194,584)	(7,835,193)	(7,403,582)
Total business-type activities	(6,782,727)	(6,739,215)	(6,522,646)	(5,633,362)
Total government	\$ 154,205,786	\$ 165,740,596	\$ 173,551,925	\$ 181,361,213
Change in net position:				
Governmental activities	\$ 13,623,240	\$ 14,228,146	\$ 30,181,197	\$ 28,588,938
Business-type activities	1,175,825	(9,947,883)	(4,381,605)	(3,230,895)
Total primary government	\$ 14,799,065	\$ 4,280,263	\$ 25,799,592	\$ 25,358,043

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ (170,086,639)	\$ (181,473,331)	\$ (188,801,446)	\$ (156,261,218)	\$ (158,434,939)	\$ (204,290,252)
79,618,763	(4,792,856)	(2,985,096)	4,825,951	24,773,946	446,524
\$ (90,467,876)	\$ (186,266,187)	\$ (191,786,542)	\$ (151,435,267)	\$ (133,660,993)	\$ (203,843,728)

\$ 170,244,856	\$ 178,520,086	\$ 192,812,266	\$ 195,064,719	\$ 197,807,818	\$ 204,320,367
5,831,727	6,177,617	6,268,316	8,041,247	8,357,702	8,796,716
1,258,286	638,379	2,173,963	1,392,693	1,531,234	1,497,596
13,744,982	13,859,458	14,056,107	13,969,069	12,343,394	11,079,224
4,597,174	3,957,120	1,719,432	2,637,236	8,019,611	19,666,221
777,263	2,105,056	3,848,416	5,419,525	4,368,676	4,811,548
-	-	-	-	-	-
5,103,961	6,354,609	(436,853)	2,665,255	(1,885,988)	1,305,310
201,558,249	211,612,325	220,441,647	229,189,744	230,542,447	251,476,982

1,946,088	1,969,165	1,608,950	3,925,045	4,799,325	6,188,430
595,273	422,167	947,640	1,300,089	1,965,549	473,500
(5,103,961)	(6,354,609)	436,853	(2,665,255)	1,885,988	(1,305,310)
(2,562,600)	(3,963,277)	2,993,443	2,559,879	8,650,862	5,356,620
\$ 198,995,649	\$ 207,649,048	\$ 223,435,090	\$ 231,749,623	\$ 239,193,309	\$ 256,833,602

\$ 31,471,610	\$ 30,138,994	\$ 31,640,201	\$ 72,928,526	\$ 72,107,508	\$ 47,186,730
77,056,163	(8,756,133)	8,347	7,385,830	33,424,808	5,803,144
\$ 108,527,773	\$ 21,382,861	\$ 31,648,548	\$ 80,314,356	\$ 105,532,316	\$ 52,989,874

(concluded)

POLK COUNTY, IOWA

Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Revenues:				
Property taxes	\$ 136,555,746	\$ 140,654,190	\$ 149,192,233	\$ 154,907,645
Other County taxes	5,705,541	5,735,911	5,768,801	5,726,777
Interest and penalties on delinquent taxes	1,412,664	1,174,445	1,199,698	1,131,465
Intergovernmental	52,671,977	48,896,981	53,391,833	54,684,871
Licenses and permits	1,073,810	1,308,798	1,342,246	1,412,582
Charges for service	13,753,759	14,232,809	15,457,944	16,532,428
Use of money and property	2,880,975	3,246,337	4,175,894	5,819,127
Miscellaneous	2,787,165	3,112,327	3,565,298	3,244,957
Total revenues	216,841,637	218,361,798	234,093,947	243,459,852
Expenditures:				
Public safety and legal services	67,742,641	70,630,110	71,194,297	73,982,865
Physical health and social services	33,988,406	35,624,786	36,130,845	37,924,736
Mental health	28,533,670	25,906,010	20,756,146	21,978,560
County environment and education	12,320,129	12,318,325	13,533,835	14,049,618
Roads and transportation	10,217,643	10,207,439	13,251,960	10,458,021
Governmental services to residents	7,086,477	7,508,917	7,586,381	7,760,563
Administration	31,075,332	32,415,833	33,015,233	34,397,839
Debt service:				
Principal	14,249,647	17,185,384	14,309,378	13,181,000
Interest and fiscal charges	3,718,837	5,320,313	5,152,889	5,689,646
Capital Projects:				
Roadway construction	5,650,385	8,744,120	5,451,872	6,530,818
Conservation land acquisition and development	6,895,682	5,260,650	7,807,817	12,949,544
Other capital projects	11,171,287	19,118,230	13,743,491	29,300,855
Total expenditures	232,650,136	250,240,117	241,934,144	268,204,065
Excess of revenues over expenditures	(15,808,499)	(31,878,319)	(7,840,197)	(24,744,213)
Other financing sources (uses):				
Transfers in	20,447,563	23,753,588	34,201,466	24,562,657
Transfers out	(12,998,323)	(15,539,004)	(26,346,273)	(17,340,379)
Payment to refunded bond escrow agent	(640,000)	-	(64,819,767)	(14,630,000)
Issuance of notes receivable	-	-	-	-
Issuance of leases	-	-	2,326,428	-
Issuance of bonds	84,207,560	-	-	-
Issuance of refunding bonds	-	-	56,730,000	12,235,000
Issuance of SBITA agreements	-	-	-	-
Issuance of financed purchases	-	-	-	-
Premium (discount) on bonds issued	2,003,138	-	8,351,001	248,178
Proceeds from sale of capital assets	59,100	50,000	359,350	50,000
Total other financing sources (uses)	93,079,038	8,264,584	10,802,205	5,125,456
Net change in fund balances	\$ 77,270,539	\$ (23,613,735)	\$ 2,962,008	\$ (19,618,757)
Total expenditures	\$ 232,650,136	\$ 250,240,117	\$ 241,934,144	\$ 268,204,065
Less: capital expenditures	(17,279,105)	(22,908,037)	(23,033,094)	(38,092,157)
Total non capital expenditures	\$ 215,371,031	\$ 227,332,080	\$ 218,901,050	\$ 230,111,908
Debt service as % of noncapital expenditures	8.34%	9.90%	8.89%	8.20%

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 170,236,493	\$ 177,466,490	\$ 193,547,018	\$ 195,043,379	\$ 197,741,450	\$ 204,350,096
5,831,727	6,177,617	6,268,316	8,041,247	8,357,702	8,796,716
1,258,286	638,379	2,173,963	1,392,693	1,531,234	1,497,596
60,047,045	55,918,397	86,279,080	189,660,462	143,789,003	124,082,590
1,184,341	1,494,380	1,849,167	1,241,014	1,231,517	1,197,806
17,204,963	17,357,972	18,731,765	20,120,983	17,377,740	17,568,072
7,714,424	7,554,364	7,371,014	7,998,768	15,162,582	22,125,607
2,341,663	2,748,881	4,522,855	5,132,257	6,534,060	12,334,314
265,818,942	269,356,480	320,743,178	428,630,803	391,725,288	391,952,797
79,376,445	85,122,459	88,555,413	90,166,716	101,717,579	109,656,188
40,193,882	39,468,371	40,858,478	40,171,093	43,864,748	55,824,328
24,067,294	23,791,649	26,413,988	28,940,071	22,599,078	24,134,746
15,779,209	18,168,176	18,365,693	25,385,599	39,946,451	34,673,792
12,198,866	14,047,438	12,944,865	12,744,293	14,327,136	13,954,752
7,970,669	9,104,059	10,121,448	9,364,233	9,533,990	10,869,357
39,245,415	37,650,125	53,174,305	143,442,441	77,784,818	82,640,194
14,223,000	15,095,000	17,345,000	17,478,232	24,120,127	24,314,412
5,088,006	6,350,862	6,326,279	5,799,928	5,596,028	14,192,246
4,147,518	3,811,751	5,503,688	6,172,048	7,113,951	5,000,416
14,754,893	5,107,993	3,234,675	6,328,960	18,282,769	22,472,866
21,253,993	18,596,029	32,173,552	15,606,473	9,162,447	9,652,983
278,299,190	276,313,912	315,017,384	401,600,087	374,049,122	407,386,280
(12,480,248)	(6,957,432)	5,725,794	27,030,716	17,676,166	(15,433,483)
27,188,510	33,093,904	40,453,740	49,050,075	85,589,351	44,777,777
(22,664,549)	(26,719,295)	(40,870,593)	(46,364,820)	(83,282,747)	(43,427,931)
-	(52,745,000)	-	(3,405,000)	-	-
-	(30,515,000)	-	-	-	-
161,127	1,200,808	-	-	-	317,535
33,925,000	30,515,000	-	27,935,000	-	164,755,000
-	48,070,000	-	3,411,866	-	-
-	-	-	-	2,621,113	2,234,253
-	-	-	-	-	1,740,263
3,813,421	5,090,112	-	272,456	-	10,108,895
-	-	-	-	-	-
42,423,509	7,990,529	(416,853)	30,899,577	4,927,717	180,505,792
\$ 29,943,261	\$ 1,033,097	\$ 5,308,941	\$ 57,930,293	\$ 22,603,883	\$ 165,072,309
\$ 278,299,190	\$ 276,313,912	\$ 315,017,384	\$ 401,600,087	\$ 374,049,122	\$ 407,386,280
(34,439,663)	(22,356,535)	(31,467,003)	(20,381,119)	(25,939,242)	(34,313,944)
\$ 243,859,527	\$ 253,957,377	\$ 283,550,381	\$ 381,218,968	\$ 348,109,880	\$ 373,072,336
7.92%	8.44%	8.35%	6.11%	8.54%	10.32%

POLK COUNTY, IOWA

Fund Balances, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
General Fund:				
Nonspendable	\$ 1,199,934	\$ 970,787	\$ 1,057,617	\$ 1,166,044
Restricted	-	-	-	-
Committed	3,265,208	3,764,477	4,053,969	3,878,749
Unassigned	43,089,740	47,725,904	48,872,607	64,151,132
Total General Fund	\$ 47,554,882	\$ 52,461,168	\$ 53,984,193	\$ 69,195,925
Mental Health Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	7,867,880	2,657,177	1,874,559	1,182,742
Unassigned	-	-	-	-
Total Mental Health Fund	\$ 7,867,880	\$ 2,657,177	\$ 1,874,559	\$ 1,182,742
American Rescue Plan Act Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Total American Rescue Plan Act Fund	\$ -	\$ -	\$ -	\$ -
Justice Center Fund:				
Restricted	\$ 59,277,232	\$ 47,204,845	\$ 49,375,218	\$ **
Total Justice Center Fund	\$ 59,277,232	\$ 47,204,845	\$ 49,375,218	\$ -
Debt Service Fund:				
Restricted	\$ 2,892,100	\$ 986,277	\$ 1,641,237	\$ **
Total Debt Service Fund	\$ 2,892,100	\$ 986,277	\$ 1,641,237	\$ -
All other governmental funds:				
Nonspendable	\$ 1,202,909	\$ 1,304,996	\$ 1,351,278	\$ 1,271,431
Restricted	18,971,785	14,736,599	11,853,501	30,005,817
Committed	13,979,456	11,826,022	12,353,201	13,063,392
Unassigned	(1,503,644)	(4,459,848)	(2,707,165)	(4,721,524)
Total all other governmental funds	\$ 32,650,506	\$ 23,407,769	\$ 22,850,815	\$ 39,619,116

Note: Only major funds are identified on this schedule

** - Fund is a nonmajor fund during the respective year

Fiscal Year											
2019		2020		2021		2022		2023		2024	
\$	4,646,907	\$	4,642,422	\$	5,049,581	\$	4,163,553	\$	3,897,075	\$	8,264,733
	-		-		-		-		6,558,778		-
	3,602,523		5,539,649		5,584,052		14,759,793		16,351,461		27,787,186
	73,735,438		83,543,134		94,707,468		126,387,600		151,537,472		170,668,122
\$	81,984,868	\$	93,725,205	\$	105,341,101	\$	145,310,946	\$	178,344,786	\$	206,720,041
\$	-	\$	754,803	\$	580,390	\$	576,943	\$	212,175	\$	497,425
	3,484,129		3,053,968		8,872,530		114,364		-		-
	-		-		-		-		(1,928,750)		(640,798)
\$	3,484,129	\$	3,808,771	\$	9,452,920	\$	691,307	\$	(1,716,575)	\$	(143,373)
\$	-	\$	-	\$	-	\$	3,903,296	\$	-	\$	-
	-		-		-		-		4,884,484		**
\$	-	\$	-	\$	-	\$	3,903,296	\$	4,884,484	\$	-
\$	**	\$	**	\$	**	\$	**	\$	**	\$	**
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	**	\$	370,404	\$	**	\$	**	\$	**	\$	136,463,571
\$	-	\$	370,404	\$	-	\$	-	\$	-	\$	136,463,571
\$	1,094,583	\$	1,241,346	\$	1,265,589	\$	1,542,784	\$	1,802,928	\$	1,808,644
	41,904,349		28,626,348		18,747,919		39,722,010		24,719,302		40,402,222
	12,874,590		13,217,277		12,478,961		13,256,926		19,682,932		26,274,936
	(1,611,672)		(225,407)		(1,213,605)		(424,091)		(714,796)		(4,323)
\$	54,261,850	\$	42,859,564	\$	31,278,864	\$	54,097,629	\$	45,490,366	\$	68,481,479

POLK COUNTY, IOWA

Assessed Value and Actual Value of Taxable Property (a) Last Ten Fiscal Years

<u>Assessed Value and Actual Value of Taxable Property</u>						
Assessment Date Jan 1	Payable Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Multiresidential Property (e)	Agricultural Property & Building
2015	2017	23,746,691,193	6,157,667,562	451,341,637	932,100,555	300,971,073
2016	2018	24,322,053,157	6,338,462,185	454,639,393	932,877,464	300,394,143
2017	2019	26,923,930,435	7,137,508,819	516,044,590	1,088,460,290	293,446,680
2018	2020	27,624,292,685	7,385,180,659	662,507,721	1,103,803,326	290,425,534
2019	2021	30,557,110,589	8,035,519,062	758,215,891	1,296,164,889	218,057,759
2020	2022	31,076,819,642	8,308,707,596	814,160,995	1,324,100,770	216,486,738
2021	2023	34,120,044,691	8,710,642,064	967,530,434	1,629,955,271	223,171,186
2022	(b) 2024	36,735,855,628	9,077,717,455	1,005,416,204	N/A (f)	220,916,595
2023	2025	45,758,451,071	10,641,955,918	1,278,301,802	N/A (f)	287,344,846
2024	(c) 2026	46,434,662,173	10,845,958,132	1,521,419,360	N/A (f)	285,492,802

<u>Taxable Value of Property</u>						
Assessment Date Jan 1	Payable Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Multiresidential Property (e)	Agricultural Property & Building
2015	2017	13,072,250,512	5,388,736,228	398,144,578	798,919,924	138,768,116
2016	2018	13,723,787,145	5,543,619,646	400,517,196	763,372,351	142,685,357
2017	2019	14,849,468,988	6,250,543,409	455,319,188	843,354,092	159,775,841
2018	2020	15,575,011,629	6,467,455,250	585,834,269	807,466,429	163,022,719
2019	2021	16,642,728,085	7,043,706,468	670,538,672	895,886,436	177,679,878
2020	2022	17,312,920,860	7,286,536,896	719,819,884	860,149,161	181,914,773
2021	2023	18,214,406,039	7,624,855,735	853,505,345	996,208,831	198,714,219
2022	(b) 2024	19,765,274,692	7,641,214,706	868,859,034	N/A (f)	202,454,679
2023	2025	20,758,394,136	8,913,888,390	1,103,659,616	N/A (f)	206,419,898
2024	(c) 2026	21,559,028,542	9,109,182,475	1,310,654,722	N/A (f)	210,857,251

Source: Valuation workpaper from Polk County Tax/GIS Department.

- Notes:**
- (a) Property is assessed at actual value; therefore, the assessed values are equal to the actual value.
 - (b) 2022 Calendar Year Assessment is for taxes due in fiscal year 2023/2024.
 - (c) 2024 Calendar Year Assessment is for taxes due in fiscal year 2025/2026.
 - (d) Tax rates are per \$1,000 of assessed value.
 - (e) 2013 Iowa Acts Senate File 295 created a new property classification, multiresidential, for property valuations established on or after January 1, 2015.
 - (f) 2021 House File 418 discontinued the multiresidential property classification effective on January 1, 2022. Multiresidential is now part of residential property classification

Reimb / Non-Reimb M&E/Comp & Railroads	Utilities W/O Gas & Electric	Less: Military & Homestead Tax-Exempt Property	Net Assessed Value	TIF Valuation	Utility Replacement
53,959,901	173,036,987	(30,796,208)	31,784,972,700	2,106,561,274	1,272,568,430
61,679,562	162,919,014	(29,872,540)	32,543,152,378	2,277,491,788	1,322,586,401
60,232,520	172,830,293	(28,980,600)	36,163,473,027	2,544,088,337	1,346,759,771
65,649,402	198,658,025	(27,970,192)	37,302,547,160	2,734,218,622	1,476,971,218
71,510,126	197,843,928	(27,010,912)	41,107,411,332	2,984,894,420	1,576,799,223
75,012,603	203,878,444	(25,862,794)	41,993,303,994	3,139,336,916	1,773,200,118
78,983,945	193,494,461	(24,554,617)	45,899,267,435	3,655,055,601	1,917,936,293
84,406,657	163,701,199	(23,266,676)	47,264,747,062	3,546,630,532	2,626,629,518
87,640,887	167,214,353	(155,217,899)	58,065,690,978	4,479,984,574	2,901,741,571
88,488,475	166,500,857	(257,587,522)	59,084,934,277	4,497,667,373	3,102,424,437

Reimb / Non-Reimb M&E/Comp & Railroads	Utilities W/O Gas & Electric	Less: Military & Homestead Tax-Exempt Property	Net Taxable Value	TIF Valuation	Utility Replacement	Total Direct Tax Rate (d)
48,563,913	173,036,987	(30,796,208)	19,987,624,050	2,084,735,683	590,176,273	7.17
55,511,609	162,919,014	(29,872,540)	20,762,539,778	2,220,033,645	562,166,621	7.30
54,209,267	172,830,293	(28,980,600)	22,756,520,478	2,461,599,439	577,543,642	7.30
59,084,469	198,658,025	(27,970,192)	23,828,562,598	2,651,628,679	629,248,254	7.30
64,359,115	197,843,928	(27,010,912)	25,665,731,670	2,876,215,176	605,017,719	7.30
67,511,343	200,919,967	(25,862,794)	26,603,910,090	3,026,321,248	652,670,268	7.30
71,085,552	193,494,461	(24,554,617)	28,127,715,565	3,473,194,604	721,923,763	7.30
75,753,888	163,701,199	(23,266,676)	28,693,991,522	3,378,571,695	740,600,686	7.13
78,614,855	167,214,353	(155,217,899)	31,072,973,349	4,211,227,315	737,546,273	6.77
79,384,218	166,500,857	(257,587,522)	32,178,020,543	4,233,368,031	748,885,361	-

POLK COUNTY , IOWA

Principal Property Taxpayers Current Year and Nine Years Ago

Taxpayer	2024			2015		
	2022 Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	2013 Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Mid American Energy	\$ 727,393,337	1	2.5%	\$ 572,075,516	1	3.0%
Microsoft Corporation	220,153,244	2	0.8%	-		-
Prairie Meadows	195,558,015	3	0.7%	114,106,378	3	0.6%
Principal Life Insurance Co	135,875,658	4	0.5%	87,933,159	7	0.5%
CS1031 Zero Coupon Fulfillment Center	125,610,514	5	0.4%	-		-
Nationwide Mutual Insurance Co	115,784,058	6	0.4%	150,581,536	2	0.8%
Wells Fargo Financial Inc	112,103,878	7	0.4%	90,792,165	6	0.5%
Wellmark Inc	109,219,031	8	0.4%	100,889,050	4	0.5%
Deere and Company	101,821,203	9	0.4%	49,514,000	10	0.3%
Magellan Pipeline Co	91,879,112	10	0.3%	-		-
Principal Mutual Life Insurance Co	-		-	96,323,065	5	0.5%
Qwest	-		-	74,640,833	8	0.4%
Valley West Mall	-		-	64,267,500	9	0.3%
Total	\$ 1,935,398,050		6.7%	\$ 1,401,123,202		7.5%

Source: Polk County Tax/GIS Department

POLK COUNTY, IOWA

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year Ended June 30	Property Taxes Levied for the Fiscal Year	Property Taxes Collected Within the Fiscal Year of the Levy (a)		Property Tax Collections In Subsequent Years (b)	Property Tax Total Collections to Date	
		Percentage			Percentage	
		Amount	of Levy		Amount	of Levy
2015	\$ 141,955,798	\$ 141,520,930	99.7%	\$ (60,732) (c)	141,460,198	99.7%
2016	147,131,853	146,902,505	99.8%	147,089	147,049,594	99.9%
2017	156,347,407	156,198,568	99.9%	83,612	156,282,180	100.0%
2018	162,436,919	162,120,968	99.8%	18,862	162,139,830	99.8%
2019	177,823,246	177,494,432	99.8%	35,360	177,529,792	99.8%
2020	186,270,558	183,547,007	98.5%	(6,385) (c)	183,540,622	98.5%
2021	200,572,804	200,037,273	99.7%	2,183,427 (d)	202,220,700	100.8%
2022	203,264,228	202,695,118	99.7%	(251,592) (c)	202,443,526	99.6%
2023	205,511,613	204,920,417	99.7%	(101,032) (c)	204,819,385	99.7%
2024	209,588,306	209,050,208	99.7%	(132,988) (c)	208,917,220	99.7%

Source: County Property Tax Rates per Iowa Department of Management and Cash Receipt Status Report

Notes: (a) Property taxes collected within the fiscal year of levy include current tax collections and state replacements of credits against property taxes/levied tax credits (Homestead, Elderly & Disabled Homestead, Agricultural Land, Business Property, Mobile Home, and Family Farm). Effective June 30, 2023 business property is not included.

(b) Property tax collections in subsequent years include delinquent tax collections and TIF reimbursements. All collections are on cash basis.

(c) Negative property taxes resulted from large repayments due to revaluation settlements

(d) Due to COVID-19, FY19-20 property taxes payments could be late without interest through July 2020. In addition, no tax sale was held in June 2020

POLK COUNTY, IOWA

Direct and Overlapping Property Tax Rates Last Ten Years (rate per \$1,000 of assessed value)

	Year Taxes are Payable				
	2015	2016	2017	2018	2019
Countywide service rates:					
General Basic	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50
General Supplemental	2.00	2.18	2.28	2.34	2.44
MH/DD Service	0.75	0.71	0.70	0.67	0.63
Debt Service	0.92	0.91	0.82	0.79	0.73
Total Countywide Rate	7.17	7.30	7.30	7.30	7.30
Rural service rates	4.55	4.55	4.55	4.55	4.55
Total Rural Rate	11.72	11.85	11.85	11.85	11.85
City rates:					
Alleman	11.03	10.79	9.69	9.63	9.54
Altoona	9.94	9.94	9.94	9.94	9.94
Ankeny	11.90	11.85	11.75	11.65	10.75
Bondurant	13.99	13.94	13.88	13.83	13.78
Carlisle	14.14	14.64	14.65	14.89	14.89
Clive	9.99	9.99	10.14	10.14	10.14
Des Moines	16.92	16.92	16.92	17.04	17.24
Elkhart	8.78	8.98	8.37	10.09	10.10
Granger	14.91	14.62	15.87	16.87	15.80
Grimes	12.91	12.91	12.91	12.91	12.91
Johnston	11.34	11.50	11.40	11.38	11.52
Mitchellville	14.00	14.00	13.88	13.85	13.83
Norwalk	15.69	15.69	15.69	15.42	15.40
Pleasant Hill	11.65	11.65	11.65	11.65	11.65
Polk City	7.90	7.90	7.90	7.90	9.91
Runnells	11.16	11.26	11.77	11.78	11.77
Sheldahl	2.82	2.82	2.81	2.99	6.07
Urbandale	9.72	9.82	9.92	10.02	10.02
Windsor Heights	15.35	15.08	15.66	16.96	16.58
West Des Moines	12.05	12.00	12.00	12.00	11.79
School District Rates:					
North Polk	19.99	19.94	19.30	19.16	19.07
Southeast Polk	21.66	20.66	20.31	19.48	16.50
Bondurant-Farrar	18.49	18.33	19.10	19.10	19.10
Ankeny	20.18	19.77	19.36	18.51	17.95
Carlisle	17.91	17.91	17.91	17.85	17.85
West Des Moines	13.27	13.24	13.26	13.26	13.27
Des Moines Independent	18.15	18.43	18.50	18.56	18.60
Saydel	12.88	12.76	12.76	12.89	12.89
Johnston	18.36	18.35	11.40	18.32	18.35
Woodward-Granger	19.07	19.06	18.97	18.97	18.97
Dallas	17.85	17.95	12.91	19.99	19.97
Urbandale	18.15	18.43	18.50	18.56	18.60
Urbandale	17.55	17.75	17.74	17.75	17.99
Other:					
Area XI Community College	0.66	0.68	0.72	0.67	0.69
Broadlawns County Hospital	3.12	3.21	2.77	2.77	2.77
Ag. Extension	0.04	0.04	0.04	0.04	0.04
Assessor	0.28	0.28	0.27	0.27	0.25
State	0.0033	0.0033	0.0033	0.0031	0.0029

Source: 2023/2024 Tax Rates Payable Fiscal Year Ended June 30, 2024 obtained from Polk County Tax/GIS Department

Year Taxes are Payable									
2020		2021		2022		2023		2024	
\$	3.50	\$	3.50	\$	3.50	\$	3.50	\$	3.50
	2.50		2.54		2.56		2.57		2.53
	0.60		0.57		0.38		-		-
	0.70		0.69		0.69		0.70		0.74
	7.30		7.30		7.13		6.77		6.77
	4.55		4.55		4.55		4.55		4.55
	11.85		11.85		11.68		11.32		11.32
	9.49		9.33		9.40		9.18		8.96
	9.94		10.75		10.75		10.75		10.75
	10.35		10.00		9.95		9.90		9.90
	13.73		11.78		11.62		11.27		11.26
	14.89		14.89		14.89		14.89		14.98
	10.14		10.14		10.14		10.14		10.14
	16.64		16.61		16.61		16.61		16.61
	10.10		10.10		10.50		11.25		11.60
	15.42		15.33		15.59		15.17		15.57
	12.81		11.71		11.41		11.18		11.07
	11.64		10.63		10.63		10.67		10.85
	9.45		9.53		9.50		9.89		9.87
	15.40		15.20		15.14		15.11		14.88
	11.50		11.50		11.50		11.50		11.50
	9.91		10.39		10.39		11.00		11.00
	11.72		10.48		10.49		10.62		10.62
	6.27		6.27		6.27		6.32		8.10
	10.52		10.16		10.11		10.01		10.01
	16.52		14.47		14.47		13.76		13.76
	10.99		10.99		10.95		10.95		10.90
	18.99		18.54		18.58		18.74		18.77
	15.58		15.44		15.44		15.44		15.44
	19.00		19.00		18.90		17.27		17.00
	17.52		17.41		17.31		17.05		16.99
	17.85		17.81		17.81		17.99		17.98
	13.16		13.15		13.15		13.15		13.16
	18.60		18.61		16.05		15.34		15.15
	12.89		12.89		12.89		12.89		12.99
	18.35		17.75		17.76		17.75		13.00
	18.95		18.50		18.03		17.96		17.94
	17.68		17.60		17.86		18.76		18.12
	18.60		18.61		16.05		15.34		15.15
	17.98		17.94		17.98		17.99		17.99
	0.65		0.63		0.67		0.69		0.74
	2.77		2.67		2.57		2.57		2.63
	0.04		0.03		0.03		0.03		0.03
	0.25		0.24		0.19		0.22		0.22
	0.0028		0.0027		0.0026		0.0024		0.0018

POLK COUNTY, IOWA

**Direct and Overlapping Property Tax Rates
Last Ten Years
(rate per \$1,000 of assessed value)**

	Year Taxes are Payable				
	2015	2016	2017	2018	2019
Other:					
City transit rates:					
Alleman	0.52	0.59	0.60	0.60	0.60
Altoona	0.60	0.66	0.68	0.68	0.68
Ankeny	0.55	0.61	0.63	0.63	0.63
Bondurant	0.51	0.58	0.60	0.60	0.60
Carlisle	0.52	0.59	0.61	0.61	0.37
Clive	0.54	0.61	0.63	0.63	0.63
Des Moines	0.73	0.80	0.82	0.82	0.91
Elkhart	0.44	0.50	0.52	0.52	0.33
Granger	0.51	0.58	0.60	0.60	0.60
Grimes	0.51	0.58	0.60	0.60	0.60
Johnston	0.54	0.61	0.63	0.63	0.63
Mitchellville	0.53	0.59	0.61	0.61	0.39
Pleasant Hill	0.52	0.58	0.60	0.60	0.60
Polk City	0.49	0.55	0.57	0.57	0.35
Runnells	0.44	0.51	0.53	0.53	-
Urbandale	0.59	0.66	0.68	0.68	0.68
Windsor Heights	0.87	0.93	0.95	0.95	0.95
West Des Moines	0.69	0.76	0.78	0.78	0.78

Source: 2023/2024 Tax Rates Payable Fiscal Year Ended June 30, 2024 obtained from Polk County Tax/GIS Department

Year Taxes are Payable				
2020	2021	2022	2023	2024
0.29	-	-	-	-
0.71	0.71	0.72	0.71	0.72
0.66	0.66	0.65	0.63	0.62
0.60	0.60	0.60	0.60	0.60
-	-	-	-	-
0.65	0.66	0.62	0.60	0.58
0.93	0.94	0.95	0.95	0.95
-	-	-	-	-
0.28	-	-	-	-
0.60	0.60	0.58	0.57	0.55
0.65	0.66	0.63	0.62	0.61
-	-	-	-	-
0.63	0.63	0.62	0.60	0.58
-	-	-	-	-
-	-	-	-	-
0.70	0.71	0.68	0.65	0.63
0.95	0.95	0.93	0.93	0.93
0.80	0.81	0.82	0.83	0.86

POLK COUNTY, IOWA

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities				Total Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds Payable	Notes Payable	Lease Agreements	Subscription Liability	Financed Purchases	General Obligation Bonds Payable		Notes Payable (Direct Borrowing)			
2015	\$ 185,801,079	\$ 2,450,000	\$ 436,964	\$ -	\$ -	\$ 100,774,185	\$ 27,130,825	\$ 316,593,053	1.42%	\$ 688.45	
2016	168,758,562	2,068,000	298,916	-	-	100,409,970	26,357,000	297,892,448	1.32%	636.92	
2017	154,057,954	1,679,000	1,883,804	-	-	97,958,000	25,495,000	281,073,758	1.20%	592.93	
2018	137,869,387	1,273,000	1,179,580	-	-	97,059,319	24,605,000	261,986,286	1.06%	543.73	
2019	160,757,203	835,000	729,268	-	-	85,950,638	23,686,000	271,958,109	1.06%	558.20	
2020	174,203,773	395,000	1,056,235	-	-	74,416,957	22,736,000	272,807,965	0.97%	556.57	
2021	155,550,040	-	708,673	-	-	62,453,276	21,756,000	240,467,989	0.80%	490.59	
2022	164,344,372	-	218,473	-	-	47,795,717	20,744,000	233,102,562	0.74%	469.17	
2023	139,121,396	-	173,924	2,810,506	-	35,374,404	13,974,000	191,454,230	0.61%	382.08	
2024	289,259,181	-	426,886	4,228,831	2,478,543	22,936,228	13,637,000	332,966,669	1.06%	659.01	

* Calculation made using population and personal income figures from Demographics and Economic Statistics Table.

Note: 2023 and 2024 percentages calculated using 2022 personal income data, which is the most recent available.

Per GASB 44, paragraph 23, page 8: Governments should present each type of outstanding debt individually - i.e. general obligation bonds, revenue-backed bonds, loans, certificates of participation, leases, subscriptions - and divided between debt related to governmental activities and debt related to business-type activities.

Note: Per GASB 87 effective July 1, 2021, lease payable and lease agreements were restated for the fiscal year ending June 30, 2022.

POLK COUNTY, IOWA

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage Actual Taxable Value of Property	Per Capita*
	General Obligation Bonds	Less Amounts Restricted to Repaying Principal	Total		
2015	286,575,264	2,892,100	283,683,164	1.42%	616.89
2016	269,168,532	1,001,353	268,167,179	1.29%	573.36
2017	252,015,954	1,642,484	250,373,470	1.10%	528.16
2018	234,928,706	428,943	234,499,763	0.98%	486.69
2019	246,707,841	1,407,860	245,299,981	0.96%	503.49
2020	248,620,730	371,651	248,249,079	0.93%	506.46
2021	218,003,316	1,194,450	216,808,866	0.77%	442.32
2022	212,140,089	2,657,392	209,482,697	0.73%	421.63
2023	174,495,800	462,092	174,033,708	0.56%	347.31
2024	312,195,409	136,463,571	175,731,838	0.55%	347.81

* Calculated using population figure from Demographics and Economic Statistics Table.

Note: (a) 2024 Calendar Year Assessment is for taxes due in fiscal year 2025/2026 and is not yet available.

POLK COUNTY, IOWA

Direct and Overlapping Governmental Activities Debt As of June 30, 2024

Governmental Unit	Taxable Valuation	Debt Outstanding	Totals
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Note: Per GASB 44, Counties are encouraged but not required to present this schedule. The County has chosen not to present the overlapping debt of the various cities, schools, sewers, etc. as this requires the collection and combination of tax bases and debt amounts from outside of the county, which is not necessarily required, making the assessment of debt affordability burdensome and less meaningful.

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POLK COUNTY, IOWA

Legal Debt Margin Information Last Ten Fiscal Years

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt limit	\$ 1,454,997,573	\$ 1,490,620,215	\$ 1,589,248,635	\$ 1,627,157,619	\$ 1,808,173,651
Less: Total net debt applicable to limit	(316,593,053)	(297,892,448)	(281,073,758)	(261,986,286)	(271,958,109)
Legal debt margin	\$ 1,138,404,520	\$ 1,192,727,767	\$ 1,308,174,877	\$ 1,365,171,333	\$ 1,536,215,542
Total net debt applicable to the limit as a percentage of debt limit	21.76%	19.98%	17.69%	16.10%	15.04%

Notes: (a) Calendar year 2022 assessed value is paid in fiscal year 2024

(b) Represents general obligation bonds payable, notes payable, leases, and subscription liabilities

Legal debt margin Calculation for Calendar Year 2022 Assessed Value (a)	\$ 47,264,747,062
Debt limit (5% of assessed value)	2,363,237,353
Less: Debt applicable to debt limit (b)	<u>(191,454,230)</u>
Legal debt margin	<u><u>\$ 2,171,783,123</u></u>

Fiscal Year				
2020	2021	2022	2023	2024
\$ 1,865,127,358	\$ 2,055,370,567	\$ 2,099,665,200	\$ 2,294,963,372	\$ 2,363,237,353
(272,807,965)	(240,467,989)	(233,102,562)	\$ (191,454,230)	(191,454,230)
<u>\$ 1,592,319,393</u>	<u>\$ 1,814,902,578</u>	<u>\$ 1,866,562,638</u>	<u>2,103,509,142</u>	<u>\$ 2,171,783,123</u>
14.63%	11.70%	11.10%	8.34%	8.10%

POLK COUNTY, IOWA

Demographic and Economic Statistics Last Ten Calendar Years

Year	(a) Estimated Population	(b) Personal Income (000's)	(b) Per Capita Personal Income	Unemployment Statistics (c)		
				Polk County		State of Iowa
				Labor Force	Rate	
2015	459,862	22,593,398	48,306	259,600	3.5%	3.7%
2016	467,711	23,501,624	49,577	261,100	4.0%	4.0%
2017	474,045	24,639,696	51,138	266,500	3.2%	3.2%
2018	481,830	25,637,394	52,770	271,700	2.5%	2.7%
2019	487,204	26,399,366	53,859	279,900	2.7%	2.4%
2020	490,161	28,213,575	57,080	263,100	10.0%	8.4%
2021	490,161	30,207,862	60,799	271,400	5.1%	4.0%
2022	496,844	31,394,821	62,653	277,100	2.7%	2.6%
2023	501,089	*	*	285,000	3.0%	2.7%
2024	505,255	*	*	276,500	3.0%	2.8%

Source: (a) U.S. Census Bureau
(b) U.S. Bureau of Economic Analysis
(c) Iowa Workforce Development LMI Division website

POLK COUNTY, IOWA

Principal Employers Current Year and Nine Years Ago

Employer	2024			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Hy-Vee Food Corp.	11,782	1	4.08%	7,500	2	2.65%
Wells Fargo & Co.	11,000	2	3.81%	14,500	1	5.12%
Mercy Hospital Medical Center	5,641	3	1.96%	7,055	3	2.49%
Principal Financial Group	5,595	4	1.94%	6,184	5	2.18%
Unity Point Health (Iowa Health Des Moines)	5,147	5	1.78%	6,435	4	2.27%
Amazon	4,100	6	1.42%	-	-	-
John Deere	3,800	7	1.32%	3,089	7	1.09%
Vermeer Corporation	3,600	8	1.25%	-	-	-
Nationwide/Allied Insurance	3,300	9	1.14%	4,282	6	1.51%
JBS USA	2,300	10	0.80%	-	-	-
Pioneer Hi-Bred International Inc.	-	-	-	3,000	8	1.06%
Kum & Go	-	-	-	1,820	9	0.64%
UPS	-	-	-	1,600	10	0.57%
Total	56,265		19.50%	55,465		19.59%

Source: The Greater Des Moines Partnership

POLK COUNTY, IOWA

Full-Time Equivalent County Government Employees by Function /Program Last Ten Fiscal Years

Function / Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public safety	476	482	507	507	523	527	647	660	664	668
Human services	154	154	158	159	161	162	201	228	230	235
Roads and engineering	61	62	61	62	63	62	62	62	63	63
Administration	148	147	149	152	157	159	160	169	204	210
Other	377	384	395	399	408	408	245	253	230	240
Total	1,216	1,229	1,270	1,279	1,312	1,318	1,315	1,372	1,391	1,416

Source: County Budget Office

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POLK COUNTY, IOWA

**Operating Indicators by Function/Program
Last Ten Fiscal Years**

Function / Program	Fiscal Year			
	2015	2016	2017	2018
Public safety and legal services:				
Sheriff:				
# of E911 calls	50,392	49,146	45,943	58,324
# of civil papers served	52,211	48,747	40,328	47,538
# of average daily jail population	925	919	987	978
# of bookings	17,678	17,765	17,912	18,858
Medical Examiner:				
# of death investigations	1,285	1,287	1,470	1,560
# of autopsies	275	286	305	244
Physical health and social services:				
Health Department:				
# of patient visits to STD clinic	2,969	3,056	3,010	3,344
Public Works:				
# of septic/well permits	69	71	153	81
Veteran Affairs:				
# of clients interviewed	6,344	6,351	5,261	4,395
# of vouchers issued	1,105	765	870	864
Mental Health:				
# of individuals served	7,895	7,163	5,146	4,551
# of individuals receiving ongoing/intensive svc	3,901	4,010	3,855	3,761
County environment and education:				
Public Works:				
# of requests of service for weed eradication	1,940	1,956	1,863	1,576
# of lots cleaned up	11	13	12	6
Roads and transportation:				
Public Works:				
# of gravel miles maintained	169	167	163	163
# of paved miles maintained	540	543	539	539
Governmental services to residents:				
Treasurer:				
# of titles	172,535	174,398	178,259	180,222
# of registrations	699,249	709,083	723,098	732,917
Auditor / Elections:				
# of registered voters	286,793	300,054	300,545	306,599

Source: County records

Fiscal Year					
2019	2020	2021	2022	2023	2024
63,953	69,227	73,317	73,477	78,259	64,482
50,233	48,564	53,957	63,525	43,511	79,821
1,027	939	902	972	1,058	1,033
17,887	15,779	14,599	15,605	15,746	16,136
1,720	2,007	2,443	2,365	2,128	1,585
302	275	301	325	266	118
2,531	2,359	2,174	2,494	1,931	3,298
93	60	96	114	106	79
4,039	5,163	9,480	10,650	13,291	12,186
923	890	793	696	747	879
5,155	4,305	3,491	3,431	4,655	4,539
2,360	2,425	2,301	1,972	1,152	1,242
2,127	1,588	1,288	1,691	1,275	910
6	2	10	2	-	3
162	162	164	164	161	161
540	540	552	552	534	543
189,362	156,009	159,638	164,071	164,647	146,695
739,184	720,217	761,246	742,560	743,895	578,707
309,387	334,056	326,981	330,366	328,513	332,980

POLK COUNTY, IOWA

Capital Asset Statistics by Function/Program Last Ten Fiscal Years

Function / Program	Fiscal Year			
	2015	2016	2017	2018
Public safety and legal services:				
Sheriff:				
# of vehicles	95	95	102	104
# of buildings	3	3	3	4
Correctional facility capacities	1,500	1,500	1,500	1,500
County Attorney				
# of vehicles	14	14	14	15
Medical Examiner				
# of vehicles	2	2	2	3
Physical health and social services:				
Health Department:				
# of vehicles	1	1	1	1
CF&Y Svcs				
# of vehicles	6	6	6	6
# of senior centers/meal sites	7	7	8	8
County environment and education:				
Conservation				
# of parks managed	7	7	7	7
# of vehicles	55	59	56	57
# of buildings	8	8	8	8
Planning and Development				
# of vehicles	12	10	10	12
Roads and transportation:				
Secondary Roads				
# of vehicles	65	63	65	64
# of buildings	6	6	6	6
# of secondary roads miles managed (a)	742	741	728	727
# of bridges	137	137	137	136
Administration				
General Services				
# of vehicles	29	30	31	31
# of buildings maintained	24	24	25	25

Source: County records

(a) Iowa Department of Transportation's Office of Research and Analytics

* Information not available yet

Fiscal Year					
2019	2020	2021	2022	2023	2024

103	114	121	142	169	166
4	4	4	5	5	5
1,500	1,500	1,500	1,500	1,500	1,500
16	18	17	17	16	14
3	3	3	3	3	5
1	1	1	1	1	2
6	7	7	7	7	6
8	8	8	8	8	8
7	7	9	9	10	10
60	67	67	69	75	77
9	10	13	14	15	18
12	12	12	12	11	11
68	70	68	71	75	80
6	7	7	7	7	7
726	724	722	722	704	*
136	136	135	136	136	134
32	32	32	33	33	41
25	25	25	26	26	26

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POLK COUNTY, IOWA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Grantor/Program		Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures For Fiscal Year 2024
DEPARTMENT OF AGRICULTURE				
Direct Program - Commodity Supplemental Food Program	A	10.565	N/A	\$ 1,328,940
Direct Program - Watershed Protection and Flood Prevention		10.904	NR206114XXXXC055	46,949
Direct Program - Regional Conservation Partnership Program		10.932	N/A	101,650
Passed through Iowa Department of Education:				
National School Breakfast Program	B	10.553	77-8810	28,534
National School Lunch Program	B	10.555	77-8810	57,367
Child and Adult Care Food Program		10.558	77-8050	1,859,029
Passed through Iowa Department of Human Services:				
State Administrative Matching Grants for the SNAP	C	10.561	N/A	519,233
Commodity Supplemental Food Program	A	10.565	ACFS 20-109	275,623
Total Department of Agriculture				<u>4,217,325</u>
DEPARTMENT OF THE ARMY				
Direct Program - Army National Guard ACUB		12.021	W9133L	1,476,000
Total Department of the Army				<u>1,476,000</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Program - Lead Hazard Control Grant Program		14.900	IALLD-0464-21	1,106,974
Total Department of Housing and Urban Development				<u>1,106,974</u>
DEPARTMENT OF INTERIOR				
Passed through Iowa Department of Natural Resources:				
North American Wetlands Conservation Fund		15.623	21CRDWBKSMIT-002	100,000
North American Wetlands Conservation Fund		15.623	24CRDWBKSMIT-0004	50,000
Passed through Iowa Department of Transportation:				
Outdoor Recreation Acquisition, Development and Planning		15.916	19-01376	-
Total Department of Interior				<u>150,000</u>
DEPARTMENT OF JUSTICE				
Direct Program - Equitable Sharing Program		16.922	N/A	548,725
Passed through Iowa Department of Justice:				
Crime Victim Assistance		16.575	SOH/OVC-2023-PC&A S-00008	45,001
Crime Victim Assistance		16.575	SOH/OVC-2024-PC&A S-00007	148,409
Crime Victim Assistance		16.575	SAC-2023-PCCAS-00007	26,636
Crime Victim Assistance		16.575	SAC-2024-PCCAS-00002	129,982
Crime Victim Assistance		16.575	VWC-2023-POLK	41,601
Crime Victim Assistance		16.575	VWC-2024-POLK	13,868
Passed through Governor's Office of Drug Control Policy:				
Residential Substance Abuse Treatment for State Prisoners	(1)	16.593	22-RSAT-01	279,371
Public Safety Partnership and Community Policing Grants	(2)	16.710	21-CAMP-21	8,461
Public Safety Partnership and Community Policing Grants	(3)	16.710	22-HEROIN-1	10,059
Edward Byrne Memorial Justice Assistance Grant	(4)	16.738	21-JAG-498069	293,545
Edward Byrne Memorial Justice Assistance Grant	(4)	16.738	21-JAG-498071	38,061
Edward Byrne Memorial Justice Assistance Grant		16.738	LLEBG-JAG23 BJA	14,492
Edward Byrne Memorial Justice Assistance Grant		16.738	22-JAG-SCIP-551241	-
Edward Byrne Memorial Justice Assistance Grant		16.738	22-JAG-SCIP-535977	-
Edward Byrne Memorial Justice Assistance Grant		16.738	21-JAG/CJE-532094	-
Edward Byrne Memorial Justice Assistance Grant		16.738	22-JAG/CJE-528862	-
Total Department of Justice				<u>1,598,211</u>
DEPARTMENT OF LABOR				
Passed through Iowa Workforce Development:				
WIOA Adult Program	(5) D	17.258	24-N-CI-WI-OA	722,081
WIOA Youth Activities	(5) D	17.259	24-N-CI-WI-OA	982,323
WIOA Dislocated Worker Formula Grants	(5) D	17.278	24-N-CI-WI-OA	428,292
Total Department of Labor				<u>2,132,696</u>
DEPARTMENT OF TRANSPORTATION				
Passed through Iowa Department of Transportation:				
Highway Planning and Construction		20.205	1-22-STPS-S-35	19,805
Highway Planning and Construction		20.205	1-19-HBP-SWAP-14	1,273,657
Highway Planning and Construction		20.205	1-20-HBP-SWAP-28	-
Highway Planning and Construction		20.205	1-22-HBP-S-036	50,846
Passed through Iowa Department of Public Safety/Governor's Traffic Safety Bureau:				
State and Community Highway Safety	E	20.600	402-PT-2004 05-40-77	20,620
State and Community Highway Safety	E	20.600	PAP 23-402-M0PT Task 73	6,805
National Priority Safety Programs	E	20.616	402-PT-2004 05-40-77	4,998
National Priority Safety Programs	E	20.616	PAP 23-402-M0PT Task 73	2,532
Total Department of Transportation				<u>1,379,263</u>

(continued)

POLK COUNTY, IOWA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Grantor/Program		Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures For Fiscal Year 2024
DEPARTMENT OF TREASURY				
Direct Program - COVID-19 - Emergency Rental Assistance Program	(6)	21.023	N/A	34,133,280
Passed through Iowa Department of Agriculture:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds		21.027	23CIP1-002	200,000
Passed through Iowa Finance Authority:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds		21.027	WIF 22-07	286,986
Passed through Iowa Department of Economic Development Authority:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds		21.027	2023-35	8,580
Total Department of Treasury				34,628,846
NATIONAL ENDOWMENT FOR THE HUMANITIES (NEH)				
Direct Program - Promotion of the Arts Grants to Organizations and Individuals		45.024	1863096-42-20	24,980
Total National Endowment for the Humanities				24,980
DEPARTMENT OF VETERANS AFFAIRS				
Direct Program - Adaptive Sports Program for Disabled Veterans		64.034	SPORTS-20-108	27,269
Direct Program - Adaptive Sports Program for Disabled Veterans		64.034	SPORTS-22-011	11,670
Total Department of Veterans Affairs				38,939
ENVIRONMENTAL PROTECTION AGENCY				
Passed through Iowa Department of Natural Resources:				
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose				
Activities Relating to the Clean Air Act		66.034	24ESDAQBCPAUL-0002	20,000
Climate Pollution Reduction Grants		66.046	96704601	152,233
Nonpoint Source Implementation Grants		66.460	22ESDWQBKAMEN-003	-
Performance Partnership Grants		66.605	24ESDAQBCPAUL-0002	164,192
Total Environmental Protection Agency				336,425
DEPARTMENT OF ENERGY				
Passed through Iowa Department of Human Rights:				
Weatherization Assistance for Low-Income Persons		81.042	DOE-23-20S	813,071
Weatherization Assistance for Low-Income Persons		81.042	DOE-BIL-22-20S	1,356,934
Weatherization Assistance for Low-Income Persons		81.042	DOE-24-20S	500,981
Total Department of Energy				2,670,986
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Aging Resource of Central Iowa:				
Title IIIB - Transportation	F	93.044	N/A	137,000
Title IIIB - Assisted Transportation	F	93.044	N/A	9,500
Title IIIB - Well Elderly Clinic	F	93.044	N/A	18,000
Title IIIB - Advocacy/Counseling	F	93.044	N/A	19,000
Title IIIC-1 - Nutrition	F	93.045	N/A	286,090
COVID-19 - Title IIIC-1 - Nutrition	F	93.045	N/A	-
Nutrition Services Incentive Program - USDA Cash	F	93.053	N/A	158,737
Passed through the Christopher & Dana Reeve Foundation:				
Paralysis Resource Center		93.325	90PRRC0006-03-01	-
Passed through Iowa Department of Human Rights:				
Temporary Assistance for Needy Families		93.558	FaDSS-24-20	556,636
Low-Income Home Energy Assistance		93.568	HEAP-23-20S	743,759
Low-Income Home Energy Assistance		93.568	HEAP-3E-20S	121,362
Low-Income Home Energy Assistance		93.568	HEAP-24-20S	520,800
Passed through Iowa Department of Human Services:				
MaryLee Allen Promoting Safe and Stable Families Program		93.556	DCAT5-22-143	19,942
Refugee and Entrant Assistance State/Replacement Designee Administered Programs		93.566	REF-24-003	37,684
Guardianship Assistance		93.090	N/A	131
Title IV-E Prevention Program		93.472	N/A	18,267
Refugee and Entrant Assistance State/Replacement Designee Administered Programs		93.566	N/A	3,283
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	G	93.596	N/A	90,939
Foster Care Title IV-E		93.658	N/A	99,286
Adoption Assistance		93.659	N/A	69,041
Social Services Block Grant		93.667	N/A	141,417
Children's Health Insurance Program		93.767	N/A	15,754
Medical Assistance Program	H	93.778	N/A	807,237

(continued)

POLK COUNTY, IOWA

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

Grantor/Program	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures For Fiscal Year 2024
Passed through Iowa Department of Public Health:			
Public Health Emergency Preparedness	93.069	5884BT08	\$ 739,343
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2024-TB77	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2023-TB77	28,146
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5884BT477	38,450
Immunization Cooperative Agreements	93.268	5884I473	46,107
COVID-19 - Immunization Cooperative Agreements	93.268	5884BT477	121,600
Viral Hepatitis Prevention and Control	93.270	5883AP10	6,118
Viral Hepatitis Prevention and Control	93.270	5884AP10	1,876
Public Health Emergency Response: Cooperative Agreement for Emergency Response:			
Public Health Crisis Response	93.354	5883AP10	3,028
Well-Integrated Screening and Evaluation for Women Across the Nation (WISEWOMAN)	93.436	5883NB20WW	8,425
COVID-19 - Family Violence Prevention and Services/ SA/Rape Crisis Services and Supports	93.497	ARP-SA-2022-PCCAS-00011	21,197
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	5884NB20	203,850
HIV Care Formula Grants	93.917	5883AP10	70,667
HIV Care Formula Grants	93.917	5884AP10	79,374
HIV Prevention Activities Health Department Based	93.940	5883AP10	19,812
HIV Prevention Activities Health Department Based	93.940	5884AP10	13,698
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	588CY3ST11	121,960
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	PUHEHSH24201	96,720
Total Department of Health and Human Services			<u>5,494,236</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Direct Program - AmeriCorps State and National 94.006	94.006	23-AP-03	11,589
Direct Program - AmeriCorps State and National 94.006	94.006	24-AF-02	-
			<u>11,589</u>
DEPARTMENT OF HOMELAND SECURITY			
Passed through Iowa Department of Public Defense:			
Disaster Grants - Public Assistance	97.036	FEMA-4483-DR-IA	380,210
Disaster Grants - Public Assistance	97.036	FEMA-4421-DR-IA	-
Hazard Mitigation Grant	97.039	HMGF-DR-4483-IA-0042	30,605
Emergency Management Performance Grants	97.042	EMPG-23-PT-77	39,000
Homeland Security Grant Program	97.067	HSGP23-11-02	373,470
Total Department of Homeland Security			<u>823,285</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 56,089,755</u>

A - Total Food Distribution Cluster	\$ 1,604,563
B - Total Child Nutrition Cluster	\$ 85,901
C - Total SNAP Cluster	\$ 519,233
D - Total WOIA Cluster	\$ 2,132,696
E - Total Highway Safety Cluster	\$ 34,955
F - Total Aging Cluster	\$ 628,327
G - Total CCDF Cluster	\$ 90,939
H - Total Medicaid Cluster	\$ 807,237

- (1) - The amount reported on the schedule includes \$279,371 passed through to subrecipients.
- (2) - The amount reported on the schedule includes \$4,533 passed through to subrecipients.
- (3) - The amount reported on the schedule includes \$3,769 passed through to subrecipients.
- (4) - The amount reported on the schedule includes \$132,454 passed through to subrecipients.
- (5) - The amount reported on the schedule includes \$1,881,693 passed through to subrecipients.
- (6) - The amount reported on the schedule includes \$34,133,280 passed through to subrecipients.

See notes to schedule of expenditures of federal awards.

(concluded)

POLK COUNTY, IOWA

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2024

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Polk County, Iowa for the year ended June 30, 2024. All federal financial awards received directly from federal agencies, as well as federal financial awards passed through other government agencies expended during the year, is included in the schedule. 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 select portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or fund balance or cash flows of the County.

Note 2. Significant Accounting Policies

Revenue from federal awards are recognized when the County has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures allowable in accordance with the grant agreement are recognized when they are incurred and become a demand on current available financial resources, except for subrecipient expenditures, which are recorded on the cash basis. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Noncash Assistance

The Commodity Supplemental Food Distribution Program - Direct – Federal Assistance Listing 10.565 does not involve cash awards. This award is received in donated commodities. The value of the commodities distributed during the fiscal year ended June 30, 2024, was \$1,328,940. As of June 30, 2024, the County had commodities on hand with a value of \$152,599.

Note 5. Remitted funds

During the fiscal year ended June 30, 2023, \$6,573,239 was returned by a subrecipient that did not expend ERA funds by the end of the contract period. These funds were remitted to the Department of Treasury in March 2024.



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 Board of Supervisors
Polk County, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Polk County, Iowa (the County), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 30, 2025.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we considered to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule Findings and Questioned Costs as items 2024-001, 2024-002, and 2024-003 to be material weaknesses.

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

Report on Compliance and Other Matters

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

County's Response to Findings

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

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.

A handwritten signature in black ink that reads "Eric Bailly LLP". The signature is written in a cursive, flowing style.

Fargo, North Dakota
June 30, 2025



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

To the Board of Supervisors
Polk County, Iowa

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Polk County's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2024. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Workforce Innovation and Opportunity Act (WIOA) Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the WIOA Cluster for the year ended June 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions

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

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

Matters Giving Rise to Qualified Opinion on Workforce Innovation and Opportunity Act (WIOA) Cluster

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Assistance Listing Nos. 17.258, 17.259, 17.278 WIOA Cluster as described in finding number 2024-006 for Subrecipient Monitoring.

Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of 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 the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

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

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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-006 and 2024-007 to be material weaknesses.

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 the County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The 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.

A handwritten signature in cursive script that reads "Eric Bailly LLP".

Fargo, North Dakota
June 30, 2025

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	Yes

Noncompliance material to financial statements noted? No

FEDERAL AWARDS

Internal control over major program:

Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported

Type of auditor's report issued on compliance for major programs: Unmodified for all major programs except for 17.258, 17.259, 17.278 (WIOA Cluster), which was qualified.

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516 (a): Yes

Identification of major programs:

Name of Federal Program	Federal Financial Assistance Listing
Child and Adult Care Food Program	10.558
Workforce Innovation and Opportunity Act (WIOA) Cluster	17.258, 17.259, 17.278
COVID-19 Emergency Rental Assistance Program (ERAP)	21.023
Weatherization Assistance for Low-Income Persons	81.042
Dollar threshold used to distinguish between type A and type B programs:	\$1,682,693
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

**2024-001 Internal Controls over the Financial Reporting Process and Year-End Closing Process
Material Weakness**

Criteria: Management is responsible for the preparation and fair presentation of the financial statements. Management is responsible for ensuring that all financial records and related information is reliable and properly recorded. This requires management to perform a year-end closing process to accumulate, reconcile and summarize information for inclusion in the annual financial statements.

Condition: During the audit, we identified adjustments, which were proposed and posted, as follows:

- Property tax receivables and deferred inflows – succeeding year property taxes were understated in the Trust & Agency Treasurer Fund and overstated in the County Assessor Expense fund.
- Prepaids were overstated and expenses were understated within the general fund and Sanitary Sewer fund.
- A financed purchase was recorded as accounts payable within the general fund resulting in the overstatement of accounts payable and understatement of debt proceeds and expenses within the general fund and the understatement of long-term liabilities within governmental activities.
- Cash and accounts payable were understated within the Iowa Events Center fund.
- The lease receivable and related deferred inflows balances related to the lease of the Wells Fargo Arena were removed within the Iowa Events Center fund as the lease is not applicable under GASB 87 due to it only having variable payments.
- Investments and interest income were understated within the general fund, the Sherriff Forfeited Property (State) fund, the Sheriff Forfeited Property (Federal) fund, the Attorney Forfeited Property fund, the County Recorder Records Management fund, the REAP fund, the Group Homes fund, the Air Quality fund, the Sanitary Sewer fund, the Prairie Meadows Racetrack & Casino fund, the Conservation Enterprises fund, the Hamilton Urban Drainage District fund, the Employee Insurance fund, the Iowa Events Center fund, the Urban Sewer fund, the Iowa Tax & Tags fund, the Drainage/Water Districts fund, the 911 Service fund, the Opioid Settlement fund, the Mine Task Force fund, the Debt Service fund, and the Conservation Water & Land Improvements fund as the County did not post the fair market value adjustment in the current year.
- Expenses and revenue were understated within the Sanitary Sewer fund related to capital contributions for the current year on the N.E. Broadway Ave. project.
- Estimated liabilities for claims and judgements were overstated within governmental activities.

Corrections of errors to prior year financial statements were posted, as follows:

- A restatement was recorded to governmental activities beginning net position as well as general fund balance to reclassify the financed purchase that was recorded under accounts payable within the general fund to long-term debt within governmental activities. The restatement increased general fund balance. The statement will not have an effect on governmental activities beginning fund balance.
- A restatement was recorded to business-type activities and the Iowa Events Center fund beginning net position to remove the lease receivable and related deferred inflows of resources balances related to the Wells Fargo Arena lease that was improperly recorded in accordance with GASB 87 in the prior year. The restatement decreased business-type activities and the Iowa Events Center fund's beginning net position.
- A restatement was recorded to governmental activities, business-type activities, the general fund, the Sheriff Forfeited Property (Federal) fund, the Attorney Forfeited Property fund, the County Recorder Records Management fund, the REAP fund, the Drainage/Water Districts fund, the Opioid Settlement fund, the Debt Service fund, the Conservation Water & Land Improvements fund, the Group Homes fund, the Air Quality fund, the Sanitary Sewer fund, the Prairie Meadows Racetrack & Casino fund, the Conservation Enterprises fund, the Hamilton Urban Drainage District fund, the Employee Insurance fund, the Iowa Events Center fund, the Urban Sewer fund, the Iowa Tax & Tags fund, the 911 Service fund, and the Mine Task Force fund to adjust the long-term investment balances to fair market value as the fair market value adjustment was not recorded in the prior year. The restatement decreased beginning net position for the general fund, the Sheriff Forfeited Property (State) fund, the Sheriff Forfeited Property (Federal) fund, the Attorney Forfeited Property fund, the County Recorder Records Management fund, the REAP fund, the Drainage/Water Districts fund, the Opioid Settlement fund, the Debt Service fund, the Conservation Water & Land Improvements fund, the Group Homes fund, the Air Quality fund, the Sanitary Sewer fund, the Prairie Meadows Racetrack & Casino fund, the Conservation Enterprises fund, the Hamilton Urban Drainage District fund, the Employee Insurance fund, the Iowa Events Center fund, the Urban Sewer fund, the Iowa Tax & Tags fund, the 911 Service fund and the Mine Task Force fund. The change will decrease beginning net position for business-type activities and governmental activities.
- A restatement was recorded to governmental activities and the general fund beginning net position to record the prepaid expense that was improperly expensed in the prior year. The restatement increased governmental activities and the general fund's beginning net position.
- A restatement was recorded to business-type activities and the Prairie Meadows Racetrack & Casino fund beginning net position to remove the advance balance to the IEC Hotel Corporation that was repaid to the County in prior years but was never recorded. The restatement decreased business-type activities and Prairie Meadows Racetrack & Casino fund beginning net position.
- A restatement was recorded to governmental activities beginning net position to remove the portion of CIP on the N.E. Broadway Ave. project that did not belong to the County. The restatement decreased governmental activities beginning net position.

Additionally, instances occurred throughout audit fieldwork where subsidiary listings either could not be generated to support account balances or did not agree to the general ledger. A subsidiary listing could not be generated for the Medical Examiner's Office's billings/revenue within the general fund.

The County did not reconcile prepaid balances at year-end causing the balances to be materially overstated and require adjustments.

Cause: The County did not consistently maintain year-end closing procedures to ensure that all financial information was accumulated and reconciled timely.

Effect: Journal entries were posted, adjustments made to the financial statements and restatements were made to the beginning of the year balances, in order to fairly present the financial statements.

Recommendation: We recommend the County implement and/or strengthen its closing policies and procedures to ensure amounts are properly captured, reconciled, classified, reviewed, reported in a timely manner, and agree to subsidiary listings.

Views of Responsible Officials: Management agrees with the finding. See separate corrective action plan.

**2024-002 Timely Preparation and Review of Bank Reconciliations
Material Weakness**

Criteria: Management is responsible for reconciling and reviewing bank accounts in a timely manner on a monthly basis.

Condition: The County does not perform a reconciliation or have any controls in place over the Iowa Events Center (IEC) fund's bank accounts that are held by the County but managed by the Ovations, the third-party management company of the IEC.

Additionally, there was no separate reviewer over the monthly bank reconciliations prepared by the Treasurer's Office.

Cause: The County did not have monitoring processes in place throughout the year to ensure bank reconciliations were prepared and reviewed timely.

Effect: Errors could go undetected without a timely preparation and review process.

Recommendation: Bank reconciliations should be prepared and reviewed timely over all accounts.

Views of Responsible Officials: Management agrees with the finding. See separate corrective action plan.

**2024-003 Segregation of Duties – Financial Reporting
Material Weakness**

Criteria: Management is responsible for monitoring transactions and journal entries posted to the general ledger.

Condition: During the process to gain an understanding over the County's financial reporting process, it was noted that transactions and journal entries can be prepared and posted by the same individual within the County's financial reporting system. During testing, EB noted the following instances:

- During testing over journal entries, EB noted for seven (7) out of ten (10) journal entries prepared by the Treasurer's Office, there was no evidence of a reviewer approving the entries prior to being posted to the system.
- During testing over revenue, EB noted two (2) revenue transactions within the Treasurer's Office that were not approved by a separate individual prior to being posted to the system.
- During our testing over the interest income allocations, EB noted for twelve (12) of the twelve (12) monthly interest income allocation journal entries prepared by the Treasurer's Office there was no evidence of a reviewer approving the entries prior to being posted to the system.

- During our testing over the Treasurer's Office cash receipts process, EB noted for one (1) of the one (1) cash receipts tested, there was no evidence of a reviewer approving the cash receipts prior to being posted to the system.

Cause: A lack of segregation of duties and review process over transactions and journal entries allows for potentially unapproved entries to the general ledger.

Effect: The control environment over the general ledger is weakened.

Recommendation: We recommend the County's Treasurer's Office implement policies and procedures that restrict the same individual from having the ability to prepare and post entries into the general ledger.

Views of Responsible Officials: Management agrees with the finding. See separate corrective action plan.

**2024-004 Segregation of Duties – Claim Reserves
Significant Deficiency**

Criteria: Management is responsible for monitoring claim reserves set.

Condition: During the process to gain an understanding over the County's risk management process, it was noted that claim reserves as set by Claim Analysts are not reviewed or approved by a separate individual.

Cause: A lack of segregation of duties over the claim reserve process.

Effect: Unauthorized or inaccurate claim reserves may be set.

Recommendation: We recommend the County implement policies and procedures that require a separate individual to review and approve claim reserves set by Claim Analysts.

Views of Responsible Officials: Management agrees with the finding. See separate corrective action plan.

**2024-005 Segregation of Duties – Inventory Count
Significant Deficiency**

Criteria: Management within the Sheriff's Department is responsible for reviewing the annual inventory count.

Condition: The Sheriff's Department does not have a separate reviewer over the annual inventory count.

Cause: A lack of segregation of duties over the annual inventory count.

Effect: The inventory balance could be misstated at year-end.

Recommendation: We recommend the County implement policies and procedures that require a separate individual to review and approve the annual inventory count conducted by the Sheriff's Department.

Views of Responsible Officials: Management agrees with the finding. See separate corrective action plan.

Section III – Federal Award Findings and Questioned Costs

2024-006 **Federal Grantor:** Department of Labor
Pass-Through: Iowa Workforce Development
Program: Workforce Innovation and Opportunity Act (WIOA) Cluster
Award No. and Year: 24-N-CI-WI-OA and 2024
Federal Assistance Listing Number: 17.258, 17.259, 17.278

Compliance Requirement: Subrecipient Monitoring
Type of Finding: Material Weakness in Internal Control over Compliance and Material Noncompliance

Criteria: In accordance with Title 2 U.S. *Code of Federal Regulations* (CFR) 200.332, pass-through entities must comply with the following:

- 2 CFR 200.332(b) – Evaluate each subrecipient’s risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward. This evaluation of risk may include consideration of such factors listed in 2 CFR 200.332(b)(1) through (4).
- 2 CFR 200.332(d) – Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include the information at 2 CFR 200.332(d)(1) through (4).
- 2 CFR 200.332(f) – Verify that every subrecipient is audited as required by Subpart F of this part when it is expected that the subrecipient’s Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 200.501.

Condition: The County did not have any formal controls in place for evaluating each subrecipient’s risk of noncompliance or the purpose of determining the appropriate subrecipient monitoring for the WIOA Cluster.

Cause: The County did not follow their procedures to evaluate the risk of noncompliance or monitor the activities of each subrecipient, and the County did not maintain documentation of their verification that every subrecipient is audited, as required.

Effect: The County’s control policies were not consistently followed which require compliance with Subrecipient Monitoring requirements in 2 CFR 200.332 and did not comply with subrecipient monitoring requirements related to the program.

Questioned Costs: No questioned costs were identified as a result of our procedures.

Context/Sampling: The entire population of two (2) subrecipients were selected for testing. The condition noted above was identified during our procedures related to subrecipient monitoring and was pervasive to the program.

Repeat Finding from Prior Years: No.

Recommendation: We recommend that the County adhere to their policies and procedures in accordance with 2 CFR 200.332 to ensure compliance with subrecipient monitoring requirements.

Views of Responsible Officials: Management agrees with the finding. See separate corrective action plan.

2024-007

Federal Grantor: Department of Labor

Pass-Through: Iowa Workforce Development

Program: Workforce Innovation and Opportunity Act (WIOA) Cluster

Award No. and Year: 24-N-CI-WI-OA and 2024

Federal Assistance Listing Number: 17.258, 17.259, 17.278

Compliance Requirement: Allowable Activities/Allowable Costs, Period of Performance

Type of Finding: Material Weakness in Internal Control over Compliance

Criteria: CFR Section 200.303(a), Internal Controls, states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition: During our testing of the County's compliance with allowable activities, allowable costs and cost principles requirements and period of performance, we noted for thirty-five (35) of thirty-five (35) transactions, there was no review or approval performed by the County over the transaction.

Cause: The County entered into a fiscal agency services agreement with Central Iowa Juvenile Detention Center (CIJDC) whereas CIJDC is to primarily administer the program as the fiscal agent. CIJDC operates similarly to that of a third-party administrator. The County was not aware that the compliance requirements were still the County's responsibilities even though they utilized a third-party administrator to administer the program.

Effect: The County's control was not consistently followed, which requires transactions to be reviewed and approved prior to payment.

Questioned Costs: No questioned costs were identified as a result of our procedures.

Context/Sampling: A nonstatistical sample of thirty-five (35) of one hundred seventy-seven (177) transactions were selected. The condition above was identified during our testwork of the County's internal controls over allowable activities, allowable costs and cost principles, and period of performance.

Repeat Finding from Prior Years: No.

Recommendation: We recommend the County adhere to their policies and ensure the review and approval of transactions are performed prior to payment.

Views of Responsible Officials: Management agrees with the finding. See separate corrective action plan.

Section IV – Other Findings Related to Required Statutory Reporting

IV-A-24

Certified Budget: Disbursements during the year ended June 30, 2024 did not exceed the amounts budgeted.

IV-B-24

Questionable expenditures: We noted no expenditures for parties, banquets or other entertainment for employees that we believe may constitute an unlawful expenditure from public funds as this is defined in the Attorney General's opinion dated April 25, 1979.

IV-C-24

Travel expense: No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-D-24

Business transactions: The County represents there are no business transactions between the County and County officials or employees in accordance with Chapter 362.5(10) of the Code of Iowa and none were noted in performing the audit.

IV-E-24

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

IV-F-24

Board minutes: No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-G-24

Deposits and investments: No instances of noncompliance with the deposit and investments provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.

IV-H-24

Resource enhancement and protection certification: The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

IV-I-24

County extension office: The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the state of Iowa. This office is administered by an extension council separate and distinct from the County operations and consequently, is not included in the financial statements.

Total expenditures during the year ended June 30, 2024 for the County Extension Office did not exceed the total amount budgeted.

IV-J-24

Tax increment financing (TIF): For the year ended June 30, 2024, the County Auditor prepared a reconciliation for each City reconciling TIF receipts with total outstanding TIF debt.



COUNTY OF POLK
OFFICE OF POLK COUNTY AUDITOR
DES MOINES, IOWA 50309

JAMIE FITZGERALD
COUNTY AUDITOR
COMMISSIONER OF ELECTIONS

ADMINISTRATION BUILDING
111 COURT AVE.
286-3080

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023

Finding 2022-001 COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ARPA) - Federal Assistance Listing Number 21.027

Status of finding: Corrective action taken.



COUNTY OF POLK
OFFICE OF POLK COUNTY AUDITOR
DES MOINES, IOWA 50309

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286-3080

CORRECTIVE ACTION PLAN YEAR ENDED JUNE 30, 2024

Financial Statement Findings

Identifying Number: 2024-001

Corrective Actions Taken or Planned:

Finding: 2024-001

Agency: Auditor and Treasurer's Office

Name of contact person and title: Keith Olson, Central Accounting Manager; Mary Wells, Polk County Treasurer.

Anticipated completion date: September 30, 2025

Agency's response: Management plans on working with the appropriate department heads and staff to strengthen closing policies and procedures to ensure amounts are properly captured, reconciled, classified, reviewed, reported in a timely manner, and agree to subsidiary listings.

Identifying Number: 2024-002

Corrective Actions Taken or Planned:

Finding: 2024-002

Agency: Auditor and Treasurer's Office

Name of contact person and title: Keith Olson, Central Accounting Manager; Mary Wells, Polk County Treasurer

Anticipated completion date: June 30, 2025

Agency's response: The Ovations staff at the Iowa Events Center will prepare and review a monthly bank reconciliation. Annually, Central Accounting will review the bank reconciliations prepared and reviewed by Ovations. The Treasurer's Office oversees and performs monthly reconciliations on four county bank accounts: The General Account, Treasurer's Controlled Disbursement Account, Auditors Controlled Disbursement Account and the Payroll Controlled Disbursement Account. A Cash Management Specialist performs the initial reconciliation around the 15th of the following month once apportionment, State Vehicle and other monthly balancing and reconciliation processes are completed. Any discrepancies or issues are researched and corrected at that time with the specialist enlisting the help of the Accountant if needed. The Accountant then reviews the initial reconciliation for accuracy and confirms that any necessary journal entries or cash receipts are completed and notated on the reconciliation. The Cash Management Supervisor then conducts a final review confirming the accuracy and completeness of the reconciliation. Both reviews are documented on the reconciliation page.



COUNTY OF POLK
OFFICE OF POLK COUNTY AUDITOR
DES MOINES, IOWA 50309

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ADMINISTRATION BUILDING
111 COURT AVE.
286-3080

Identifying Number: 2024-003

Corrective Actions Taken or Planned:

Finding: 2024-003

Agency: Treasurer's Office

Name of contact person and title: Mary Wells, Polk County Treasurer

Anticipated completion date: June 30, 2025

Agency's response: The Treasurer's Office has documented procedures in place to segregate cash receipt, journal entry, and interest income allocation processing. Cash receipt are entered directly by the receiving Polk County department. The Polk County department will create the cash receipt directly in JD Edwards, and email approval request to Cash Management. For transactions that fall outside of this process, Cash Management team will complete the Cash Receipt and immediately request 2nd review from Cash Management. The Polk County department will receive a copy of the receipt. All Treasurer's office journal entries are created by one team member and approved by a 2nd team member who subsequently enters the Journal Entry into the system. Investment Administrator completes the interest allocation process. The Investment Administrator completes the interest income journal entry allocations. These journal entry allocations are reviewed by Cash Management Supervisor, and submitted to Cash Management staff for processing.

Identifying Number: 2024-004

Corrective Actions Taken or Planned:

Finding: 2024-004

Agency: County Attorney and Risk Management

Name of contact person and title: Ralph Marasco, County Attorney; Brandi Dittmer, Claims

Analyst; Emily Nuetzman, Claims Analyst

Anticipated completion date: September 30, 2025

Agency's response: Management plans on working with the County Attorney and Risk Management staff and will take the recommendations into consideration.

Identifying Number: 2024-005

Corrective Actions Taken or Planned:

Finding: 2024-005

Agency: Sheriff

Name of contact person and title: Curtis Pion, Sheriff Business Manager

Anticipated completion date: June 30, 2025

Agency's response: The Sheriff's Office plans to implement policies and procedures that require a separate individual to review and approve the annual inventory count.



COUNTY OF POLK
OFFICE OF POLK COUNTY AUDITOR
DES MOINES, IOWA 50309

JAMIE FITZGERALD
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COMMISSIONER OF ELECTIONS

ADMINISTRATION BUILDING
111 COURT AVE.
286-3080

Findings and Question Costs for Federal Awards

Identifying Number: 2024-006

Corrective Actions Taken or Planned:

Finding: 2024-006

Agency: internal

Name of contact person and title: Keith Olson, Central Accounting Manager

Anticipated completion date: Effective immediately / June 2025

Agency's response: Concur: We agree with this finding. The Central Accounting team will obtain detailed reporting data and request supporting documentation from subrecipients to reconcile/review expenses annually.

Identifying Number: 2024-007

Corrective Actions Taken or Planned:

Finding: 2024-007

Agency: internal

Name of contact person and title: Keith Olson, Central Accounting Manager

Anticipated completion date: Effective immediately / June 2025

Agency's response: Concur: We agree with this finding. This grant has ended as of 6/30/25. In the future if we have fiscal agency services, we will ensure the that the program is being properly reviewed and administered.

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POLK COUNTY, IOWA

Statement of Revenues, Expenditures, and Changes in Fund Balances Mental Health - Polk County Region For the Year Ended June 30, 2024

			Mental Health
REVENUES:			
Intergovernmental revenues:			
State regional service payments	\$	19,873,760	
State regional incentive funds		5,616,061	
Other intergovernmental revenues		<u>17,389</u>	\$ 25,507,210
Miscellaneous			<u>200,738</u>
TOTAL REVENUES			<u>25,707,948</u>
EXPENDITURES:			
Services to persons with:			
Mental illness			17,948,648
Intellectual disabilities			588,233
Other developmental disabilities			3,757,740
General administration:			
Direct administration			<u>1,840,125</u>
TOTAL EXPENDITURES			<u>24,134,746</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			1,573,202
FUND BALANCE, BEGINNING			<u>(1,716,575)</u>
FUND BALANCE, ENDING			<u>\$ (143,373)</u>

Note: Report required by Iowa Department of Human Services

POLK COUNTY, IOWA

RETAIL SALES Last Seven Fiscal Years

Fiscal Year Ended June 30	Taxable Retail Sales	Number of Businesses
2018	\$ 8,555,068,066	12,113
2019	8,762,758,561	14,156
2020	8,691,849,463	14,537
2021	9,442,904,368	12,121
2022	10,474,374.724	15,740
2023	11,160,516,461	13,178
2024	*	*

Source: Iowa Department of Management/Piper Jeffray

Note: Report required by Continuing Disclosure Statement

* Information not available

POLK COUNTY, IOWA

Overlapping and Underlying Debt

	Outstanding Debt Fiscal Year 2024	Year 2023 Taxable Valuation	Taxable Value Within Issuer	Percentage Applicable	Amount Applicable
City rates:					
Alleman	\$ -	\$ 29,400,496	\$ 29,400,496	100.00%	\$ -
Altoona	94,165,000	1,875,447,953	1,826,834,287	97.41%	91,724,140
Ankeny	84,000,000	5,729,442,520	572,944,250	100.00%	84,000,000
Bondurant	32,235,000	627,616,548	627,194,949	99.93%	32,213,346
Carlisle	8,500,000	226,427,044	53,058,430	23.43%	1,991,797
Clive	34,765,000	1,967,954,628	1,305,684,030	66.35%	23,065,626
Des Moines	468,305,000	10,703,100,321	10,684,771,345	99.83%	467,503,031
Elkhart	4,681,000	71,387,437	71,387,437	100.00%	4,681,000
Granger	1,306,564	126,590,984	33,019,995	26.08%	340,804
Grimes	65,515,000	1,579,159,242	1,567,871,146	99.29%	65,046,688
Johnston	102,229,000	2,084,710,166	2,084,710,166	100.00%	102,229,000
Mitchellville	829,000	69,490,877	67,728,128	97.46%	807,971
Norwalk	36,835,000	872,966,555	3,807	0.00%	161
Pleasant Hill	22,350,000	850,154,607	849,479,084	99.92%	22,332,241
Polk City	9,380,000	416,176,343	415,696,331	99.88%	9,369,181
Runnells	-	19,715,827	19,715,827	100.00%	-
Sheldahl	-	14,979,586	8,224,515	54.90%	-
Urbandale	61,010,000	4,318,930,014	3,245,979,806	75.16%	45,853,308
West Des Moines	285,165,000	7,808,262,585	4,014,653,953	51.42%	146,618,890
Windsor Heights	8,085,000	329,690,114	329,690,114	100.00%	8,085,000
School District Rates:					
Ankeny	40,590,000	5,819,511,347	5,819,511,347	100.00%	40,590,000
Ballard	19,525,000	663,642,633	2,998,956	0.45%	88,232
Bondurant-Farrar	39,575,000	1,120,019,441	1,116,083,899	99.65%	39,435,941
Carlisle	13,800,000	492,263,557	179,373,131	36.44%	5,028,504
Collins-Maxwell	6,395,000	221,902,832	34,830,080	15.70%	1,003,765
Dallas Center-Grimes	53,262,865	1,785,735,574	1,527,577,868	85.54%	45,562,834
Des Moines	-	10,558,212,983	10,475,797,069	99.22%	-
Johnston	-	3,401,980,025	3,401,980,025	100.00%	-
Madrid	5,370,000	196,446,651	22,953,777	11.68%	627,457
North Polk	34,515,000	767,797,489	760,983,890	99.11%	34,208,707
PCM	5,490,000	398,607,104	1,088,257	0.27%	14,989
Saydel	18,985,000	1,666,042,907	1,666,042,907	100.00%	18,985,000
Southeast Polk	77,210,000	3,098,993,330	3,086,559,967	99.60%	76,900,228
Urbandale	74,340,000	1,773,064,546	1,773,064,546	100.00%	74,340,000
West Des Moines	36,710,000	6,102,303,067	6,040,126,776	98.98%	36,335,962
Woodward Granger	7,755,000	426,752,876	112,784,442	26.43%	2,049,531
Other:					
Area XI Community College	60,990,000	67,526,147,035	36,021,746,937	53.34%	32,535,047
Heartland AEA #11	-	67,526,147,035	36,021,746,937	53.34%	-
				Total	\$ 1,513,568,381

Source: Iowa Department of Revenue/Piper Jeffray

Note: Report required by Continuing Disclosure Statement

APPENDIX E – FORM OF ISSUE PRICE CERTIFICATE – SERIES 2025C

**USE FOR COMPETITIVE SALES – 3 BIDS RECEIVED
EXHIBIT A**

\$ _____ General Obligation Bonds, Series 2025C of Polk 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.

(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 October 21, 2025.

(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 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. 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: November 19, 2025

**SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)**

**SCHEDULE B
COPY OF UNDERWRITER’S BID
(Attached)**

USE FOR GENERAL RULE 10%- PUBLIC SALE

EXHIBIT A

\$ _____ General Obligation Bonds, Series 2025C of Polk County, Iowa

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ("Purchaser"), on behalf of itself, 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 the County of Polk, a municipal corporation in the State of 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 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., as 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: November 19, 2025

**SCHEDULE A
SALE PRICES
(Attached)**

**USE FOR HTP/10% COMBO – PUBLIC OR NEGOTIATED SALE
EXHIBIT A**

\$ _____ General Obligation Bonds, Series 2025C of Polk County, Iowa

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (“Purchaser”), on behalf of itself, 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, 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 the County of Polk, a political subdivision in the State of 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 October 21, 2025.

(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).

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 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][REPRESENTATIVE]

By: _____

Name: _____

Dated: November 19, 2025.

**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**