

**IOWA PUBLIC SCHOOLS INSURANCE PROGRAM**

**Financial Statements  
With Independent Auditors' Report**

**For the Years Ended  
June 30, 2025 and 2024**

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## INDEPENDENT AUDITORS' REPORT

To the Executive Committee and Members of  
Iowa Public Schools Insurance Program  
Iowa City, Iowa

### Opinion

We have audited the accompanying financial statements of the Iowa Public Schools Insurance Program (the Cooperative) as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cooperative, as of June 30, 2025 and 2024, and the changes in its financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cooperative and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 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 controls 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 Cooperative'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.

## **Auditors' 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 Auditors' Report that includes our opinion. 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 generally accepted 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 the audits in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 controls relevant to the audits 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 Cooperative'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 Cooperative'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and loss development information 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 auditing standards generally accepted in the United States of America, 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 audits 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.

*Matheson, Mopyki, Austin & Co. LLP*

Lisle, Illinois  
October 8, 2025

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

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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This discussion and analysis of Iowa Public Schools Insurance Program's (the Cooperative) financial performance is presented to review the overall monetary health of the Cooperative and to supply more in-depth analysis for the years ended June 30, 2025 and 2024, along with related comparisons between years. The Cooperative's management encourages interested parties to consider this information along with the basic financial statements to better understand the Cooperative's performance.

### **Financial Highlights**

- 17 members participated in the Cooperative's property and casualty and workers' compensation self-insurance programs during the year ended June 30, 2025.
- The overall financial condition of the Cooperative after its thirteenth year of existence continues to be favorable, with net position as of June 30, 2025 of \$16,277,511, an increase of \$4,551,317 from net position as of June 30, 2024.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Cooperative's basic financial statements. The Cooperative operates as an enterprise fund, in accounting for members who participate in the public entity self-insurance pool.

The Cooperative's basic financial statements are comprised of two components, the basic financial statements and the notes to the basic financial statements.

#### *Basic financial statements*

The basic financial statements are designed to provide a broad overview of the Cooperative's finances, in a manner similar to a private-sector business.

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

The Statement of Revenues, Expenses and Changes in Net Position presents information on all of the Cooperative's revenues, expenses and resulting change in net position (members' balances) during the fiscal year. All revenues and expenses are reported on an accrual basis. This means that the revenue or expense is recognized as soon as the underlying event giving rise to the change occurs, regardless of when the actual cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal years. For example, claims that occurred during the fiscal year will be reflected as expense, whether or not they have been paid as of the end of the fiscal year.

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED 30, 2025 AND 2024 (CONT.)

The Statement of Cash Flows presents the net cash provided by the Cooperative’s operating activities. It reconciles the beginning and end of year cash balances contained in the Statement of Net Position.

*Notes to the basic financial statements*

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

*Required supplementary information*

This report also contains required supplementary information regarding claims liabilities and other loss development information for each of the last ten membership years.

**Financial Analysis**

*Statements of Net Position*

Net Position increased by \$4,551,317 in 2025 to \$16,277,511 compared to an increase of \$2,268,784 to \$11,726,194 in 2024. The Cooperative’s assets consist of cash, certificates of deposit and amounts due from excess carriers. Liabilities include the liability for unpaid losses and loss adjustment expenses.

<b>Table 1</b>			
<b>Condensed Statements of Net Position</b>			
<b>Assets:</b>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Cash and investments	\$23,574,341	\$17,699,152	\$12,127,703
Prepaid expenses	15,000	-	-
Accrued interest income	56,042	43,954	-
Due from excess insurance carriers	402,924	561,587	2,414,990
<b>Total Assets</b>	<u>24,048,307</u>	<u>18,304,693</u>	<u>14,542,693</u>
<b>Liabilities:</b>			
Unpaid losses and loss adjustment expenses	7,653,137	6,578,499	5,085,283
Accounts payable	67,209	-	-
Due to insurance carrier	50,450	-	-
<b>Total Liabilities</b>	<u>7,770,796</u>	<u>6,578,499</u>	<u>5,085,283</u>
<b>Net Position</b>	16,277,511	\$11,726,194	\$9,457,410

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED 30, 2025 AND 2024 (CONT.)

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*Statements of Revenues, Expenses and Changes in Net Position*

The Cooperative's total revenues from member contributions in 2025 were \$17,906,134. These revenues consist of loss fund contributions (\$8,729,826) and charges to members for insurance coverage, administrative costs and other operating expenses (\$9,176,308).

Total expenses in 2025 of \$15,764,311, consist of insurance premiums (\$8,190,377), losses and loss adjustment expenses (\$5,021,915), charges for pool and claims administration (\$915,658) and other operating expenses (\$110,981).

The increase in revenues in 2025 was primarily the result of the increase in premiums due to a hard market and higher loss fund contributions and increase in loss fund required as determined by the consulting actuary, additionally a \$500,000 corridor deductible was added in 2025. The increase in expenses in 2025 was primarily the result of increases in insurance premiums, increase in provision for claims expense and increase in administrative costs and fees.

The Cooperative also increased interest income from \$605,142 in 2024 to \$884,114 in 2025. The increase is due primarily from increased balances available for investment from the positive operating results during the past three years as well as favorable interest rates during the past year.

The Cooperative's total revenues from member contributions in 2024 were \$15,268,219. These revenues consist of loss fund contributions (\$7,026,944) and charges to members for insurance coverage, administrative costs and other operating expenses (\$8,241,275).

Total expenses in 2024 of \$13,604,587, consist of insurance premiums (\$7,274,184), losses and loss adjustment expenses (\$5,314,310), charges for pool and claims administration (\$873,680) and other operating expenses (\$142,403).

The increase in revenues in 2024 was primarily the result of the increase in premiums due to a hard market and higher loss fund contributions. The increase in expenses in 2024 was primarily the result of increases in insurance premiums, increase in claims expense and increase in administrative costs and fees.

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED 30, 2025 AND 2024 (CONT.)

**Table 2**  
**Condensed Statements of Revenues, Expenses and Changes in Net Position**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>Operating revenues:</b>			
Member contributions	\$17,906,134	\$15,268,219	\$12,847,147
Premiums to excess insurance carriers	<u>(8,190,377)</u>	<u>(7,274,184)</u>	<u>(5,349,578)</u>
Net operating revenues	<u>9,715,757</u>	<u>7,994,035</u>	<u>7,497,569</u>
<b>Operating expenses:</b>			
Provision for losses, administrative and other operating expenses	6,048,554	6,330,393	4,603,857
Return of surplus to members	<u>-</u>	<u>-</u>	<u>176,858</u>
Total operating expenses	<u>6,048,554</u>	<u>6,330,393</u>	<u>4,780,715</u>
<b>Operating income</b>	3,667,203	1,663,642	2,716,854
Interest income	<u>884,114</u>	<u>605,142</u>	<u>199,603</u>
<b>Changes in net position</b>	4,551,317	2,268,784	2,916,457
Net position-beginning of year	<u>11,726,194</u>	<u>9,457,410</u>	<u>6,540,953</u>
Net position-end of year	<u>\$16,277,511</u>	<u>\$11,726,194</u>	<u>\$9,457,410</u>

**Factors Bearing on the Cooperative's Future**

Membership in the Cooperative remained the same for both the property and casualty programs and workers' compensation programs for the fiscal year ended June 30, 2025.

At the time these financial statements were prepared and audited, the Cooperative was not aware of any other circumstances that may significantly affect its financial position in the future.

**Requests for Information**

This financial report is designed to provide a general overview of the Cooperative's finances and to demonstrate the Cooperative's accountability for the money it handles. If you have questions about this report, or need additional financial information, contact Mr. Leslie Finger, Treasurer, c/o P.O. Box 2654, Iowa City, Iowa 52244-2654.

## **BASIC FINANCIAL STATEMENTS**

**IOWA PUBLIC SCHOOLS INSURANCE PROGRAM**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2025 AND 2024**

	2025	2024
<b>Assets</b>		
Cash and cash equivalents	\$ 2,768,770	\$ 2,656,115
Investments	20,805,571	15,043,037
Prepaid expenses	15,000	-
Accrued interest income	56,042	43,954
Due from excess insurance carriers	402,924	561,587
Total Assets	\$ 24,048,307	\$ 18,304,693
<b>Liabilities and Net Position</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 67,209	\$ -
Due to insurance carrier	50,450	-
<b>Unpaid losses and loss adjustment expenses:</b>		
Property and casualty	2,846,582	2,207,678
Workers compensation	4,806,555	4,370,821
Total unpaid losses and loss adjustment expenses	7,653,137	6,578,499
Total Liabilities	7,770,796	6,578,499
<b>Net Position:</b>		
Unrestricted net position	16,277,511	11,726,194
Total Liabilities and Net Position	\$ 24,048,307	\$ 18,304,693

See Notes to Basic Financial Statements

**IOWA PUBLIC SCHOOLS INSURANCE PROGRAM**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
Operating revenues		
Contributions		
Premium and administrative contributions	\$ 9,176,308	\$ 8,241,275
Loss fund contributions	<u>8,729,826</u>	<u>7,026,944</u>
Total contributions	17,906,134	15,268,219
Premiums to excess insurance carriers	<u>(8,190,377)</u>	<u>(7,274,184)</u>
Net operating revenues	<u>9,715,757</u>	<u>7,994,035</u>
Operating expenses		
Losses and loss adjustment expenses	5,021,915	5,314,310
Administrative costs and fees	915,658	873,680
Other operating expenses	<u>110,981</u>	<u>142,403</u>
Total operating expenses	<u>6,048,554</u>	<u>6,330,393</u>
Operating income	3,667,203	1,663,642
Nonoperating revenues		
Interest income	<u>884,114</u>	<u>605,142</u>
Changes in net position	4,551,317	2,268,784
Net position - beginning	<u>11,726,194</u>	<u>9,457,410</u>
Net position - ending	<u>\$ 16,277,511</u>	<u>\$ 11,726,194</u>

See Notes to Basic Financial Statements

**IOWA PUBLIC SCHOOLS INSURANCE PROGRAM  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Cash received from members	\$ 17,906,134	\$ 15,268,219
Cash payments for claims and to vendors, net of recoveries	<u>(12,902,971)</u>	<u>(10,257,958)</u>
Net cash from operating activities	<u>5,003,163</u>	<u>5,010,261</u>
Cash flows from investing activities		
Net purchase of investments	(5,762,534)	(7,493,243)
Interest received	<u>872,026</u>	<u>561,188</u>
Net cash from investing activities	<u>(4,890,508)</u>	<u>(6,932,055)</u>
Net change in cash and cash equivalents	112,655	(1,921,794)
Cash and cash equivalents, beginning of year	<u>2,656,115</u>	<u>4,577,909</u>
Cash and cash equivalents, end of year	<u>\$ 2,768,770</u>	<u>\$ 2,656,115</u>
Reconciliation of operating income to net cash from operating activities		
Operating income	\$ 3,667,203	\$ 1,663,642
Adjustment to reconcile operating income to net cash from operating activities:		
Changes in assets and liabilities:		
Prepaid expenses	(15,000)	-
Due from excess insurance carriers	158,663	1,853,403
Accounts payable	67,209	-
Due to insurance carriers	50,450	-
Unpaid losses and loss adjustment expenses	<u>1,074,638</u>	<u>1,493,216</u>
Net cash from operating activities	<u>\$ 5,003,163</u>	<u>\$ 5,010,261</u>

See Notes to Basic Financial Statements

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

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NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Iowa Public Schools Insurance Program (the Cooperative) was formed as an Iowa nonprofit corporation, established under Iowa Code Chapter 504, to administer a local government risk pool pursuant to Iowa Code sections 296.7 and 670.7. An Intergovernmental Cooperative Agreement, effective July 1, 2012, was entered into by the six (6) initial member districts under the joint powers provisions of Iowa Code Chapter 28E for the establishment, operation and maintenance of a self-insurance program.

The Cooperative reporting entity includes all activities considered to be a part of (controlled by or dependent on) the Cooperative. This includes financial activity relating to all of the membership years of the Cooperative.

The purpose of the Cooperative is to jointly provide property and casualty and workers' compensation insurance coverage and protection for member districts.

The districts' creation of the Cooperative is not intended by the districts to constitute the transaction of an insurance business within the State of Iowa. The creation of the Cooperative is intended to allow a district to minimize annual fluctuations in insurance costs by establishing a program whereby reserves may be created to ultimately equalize the risks and stabilize the costs of providing the coverages mentioned previously.

The Cooperative had 17 members as of June 30, 2025 and 2024 that participated in both the workers' compensation self-insurance program and the property and casualty self-insurance program.

A Board/Executive Committee manages the Cooperative. Districts are contractually obligated to make all required contributions, to report claims on a timely basis, to cooperate with the Program Administrator, its Claims Administrator and attorneys in claims investigations and settlements, and to follow the risk management procedures as outlined by the Cooperative.

If, during any fiscal year, the funds on hand in the account are not sufficient to pay expenses of the administration of the Cooperative, the Board may require supplementary payments from the members.

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONT.)  
JUNE 30, 2025 AND 2024

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Significant Accounting Policies

The accounting policies of the Cooperative conform to accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB).

The following is a summary of the more significant accounting policies of the Cooperative:

Basis of Presentation

The Cooperative operates as an enterprise fund. The accounts of the Cooperative are organized on the basis of claim or membership years, each of which is accounted for separately because the composition of membership may change from year to year. The basic financial statements report information on all of the activities of the Cooperative.

Measurement Focus and Basis of Accounting

The financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

An enterprise fund is accounted for on a cost of services or “economic resources” measurement focus. This means that all assets and all liabilities associated with the activity of providing insurance services are included within the fund.

Enterprise funds distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods or services in connection with an enterprise fund’s principal ongoing operations. The principal operating revenues of the Cooperative are charges to member districts for insurance coverage, operations and loss fund contributions. Operating expenses for the Cooperative include the cost of insurance and services, claim fees and administrative expenses. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities and Net Position

*Cash and Cash Equivalents*

For purposes of the statement of cash flows, the Cooperative considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash equivalents are carried at cost which approximates fair value due to the short term duration of the instruments.

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONT.)  
JUNE 30, 2025 AND 2024

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*Investments*

The Cooperative's investments consist of certificates of deposit held at banks with an original maturity of greater than 90 days at the date of purchase. Certificates of deposit are stated at amortized cost, which approximates fair value. Interest income related to the certificates of deposit is included as nonoperating revenues.

*Due from Excess Insurance Carriers*

In the normal course of business, the Cooperative seeks to reduce the loss that may arise from events that cause unfavorable underwriting results by insuring certain levels of risk in various areas of exposure with other insurance carriers. Amounts recoverable from excess carriers under excess loss coverage are estimated in a manner consistent with the development of the estimated liability for losses and loss adjustment expenses and are netted with such reserves. Amounts due from excess insurance carriers on paid losses and loss adjustment expenses are recorded as assets.

*Unpaid Losses and Loss Adjustment Expenses*

The liability for unpaid losses and loss adjustment expenses represents an estimate of the ultimate cost of all losses and loss adjustment expenses incurred but not yet paid as of June 30, 2025 and 2024. The liabilities are based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors. These estimates are based on historical loss experience, various industry statistics, and information provided by a consulting actuary. Management believes that the liability for unpaid losses and loss adjustment expenses is adequate to cover the ultimate cost of claims incurred but as yet unpaid. However, the ultimate cost may be more or less than the estimated liability, and any adjustments of the estimated liability, based on subsequent developments, are included in operations when the adjustments become known. The liability for unpaid losses and loss adjustment expenses are reported net of estimated unpaid losses recoverable from excess insurance carriers and are undiscounted.

*Premium Deficiency*

A premium deficiency exists when the sum of expected claims cost (including an estimated liability for unreported claims) and all expected claims adjustment expenses and policy acquisition costs exceed related unearned contributions. The Cooperative anticipates interest income in determining if a premium deficiency exists. No premium deficiencies existed as of June 30, 2025 and 2024.

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONT.)  
JUNE 30, 2025 AND 2024

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*Net Position*

The Cooperative's net position is reported as unrestricted as of June 30, 2025 and 2024.

Net position is reported as restricted when constraints placed on net position used are either externally imposed by creditors, grantors, contributors, or imposed by laws through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the Cooperative's policy to use restricted resources first, then unrestricted resources as needed.

Operating Revenues

*Contributions*

Membership contributions are calculated to provide for certain administrative expenses, insurance coverage, and the funding of a portion of anticipated losses and loss adjustment expenses which will be borne directly by the membership. The losses and loss adjustment expenses to be borne by the membership are those which must be incurred prior to the attachment of excess insurance coverage.

Initial contributions are determined in advance of each membership period based on payroll of covered employees, property values, loss history and other factors. Contributions are earned in the membership period to which they apply. Initial contributions for each membership period are billed at or near the beginning of the period. Contributions for workers compensation insurance coverage are subject to revisions based on audits of member school districts' payroll data subsequent to year end.

During the years ended June 30, 2025 and 2024, loss fund contributions funded by the cooperative's members were 100% of the annual aggregate loss fund in its property and casualty programs and 88% and 84% funded in its workers compensation programs, respectively.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONT.)  
JUNE 30, 2025 AND 2024

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NOTE 2 – CASH AND INVESTMENTS

*Deposits*

The Cooperative's deposits are comprised of deposits with financial institutions which include amounts held in demand accounts and certificates of deposit. The Cooperative's bank and book balances of deposits at June 30, 2025, were \$23,772,650 and \$23,574,341, and at June 30, 2024, were \$17,792,417 and \$17,699,152, respectively.

*Custodial Credit Risk – Deposits*

With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the Cooperative's deposits may not be returned to it.

At June 30, 2025 and 2024, the bank balances of the Cooperative's deposits with financial institutions totaled \$23,772,650 and \$17,792,417. As of June 30, 2025, \$95,788 of the bank balance was subject to custodial credit risk. The entire balance was fully collateralized at June 30, 2024.

*Authorized Investments*

The Cooperative does not have a formal deposit and investment policy that limits the Cooperative's allowable deposits or investments.

*Interest Rate Risk*

The Cooperative does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONT.)  
JUNE 30, 2025 AND 2024

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NOTE 3 – INSURANCE IN FORCE

The Cooperative purchases excess insurance policies to reduce its exposure to large losses on various types of insured events. The Cooperative provides property and automobile physical damage, loss of income, extra expense, general liability, automobile liability, school board legal liability and employment practices, employee benefits liability, law enforcement, abuse liability, crime, excess liability, and excess property coverage in excess of specified limits for the membership acting as a single insurable unit. Boiler and machinery, crisis response, and cyber liability coverage are purchased on a “first dollar” basis for the membership.

The Cooperative also purchases an excess workers’ compensation policy. Under the terms of the workers’ compensation policy, in the event the annual aggregate loss fund exceeds \$4,234,289 for the policy year ended June 30, 2025 and \$4,108,733 for the policy year ended June 30, 2024, the Cooperative has aggregate excess coverage provided by the excess workers’ compensation carrier. The Package Policy also includes a self-insured retention amount for individual claims exceeding \$500,000 for the years ended June 30, 2025 and 2024.

Under the terms of the package policy, in the event the annual aggregate loss fund exceeds \$4,500,000 for the policy year ended June 30, 2025 and \$3,575,000 for the policy year ended June 30, 2024, the Cooperative has aggregate excess coverage provided by the package carrier. The package policy also includes a self-insured retention amount for individual claims exceeding \$100,000 for crime, \$750,000 for property coverage and \$200,000 for all other coverages for the years ended June 30, 2025. For the year ended June 30, 2024, the self-insured retention amounts for individual claims were \$100,000 for crime, \$750,000 for property coverage and \$150,000 for all other coverages. For the policy year ended June 30, 2025, a \$500,000 corridor deductible layer was added. The corridor deductible is applicable until it is exhausted.

Additionally, some coverages carry a deductible of \$1,000 to \$100,000 which must be paid by the applicable member.

NOTE 4 – INCOME TAXES

The Cooperative’s income is exempt from federal income taxes under Section 115 of the Internal Revenue Code.

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (CONT.)  
 JUNE 30, 2025 AND 2024

NOTE 5 – UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

A summary of the changes in the liability for unpaid losses and loss adjustment expenses as of June 30, 2025 and 2024 is as follows:

	2025	2024
Unpaid losses and loss adjustment expenses at beginning of year	\$6,578,499	\$5,085,283
Incurred losses and loss adjustment expenses:		
Provision for insured events of the current fiscal year	6,145,697	5,884,164
Changes in provision for insured events of prior fiscal years	(1,123,782)	(569,854)
Total incurred losses and loss adjustment expenses	5,021,915	5,314,310
Payments of losses and loss adjustment expenses attributable to:		
Insured events of the current fiscal year	1,745,982	1,807,697
Insured events of prior fiscal years	2,201,295	2,013,397
Total payments of losses and loss adjustment expenses	3,947,277	3,821,094
Unpaid losses and loss adjustment expenses at end of year	\$7,653,137	\$6,578,499

NOTE 6 – RETURN OF SURPLUS TO MEMBERS

There was no return of surplus to members for the years ending June 30, 2025 or 2024.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

The Cooperative is subject to various claims and lawsuits arising in the normal conduct of its insurance operations. Certain of these suits may seek damages in excess of policy limits. The Cooperative has established claim liabilities for the amount of losses management feels are potentially payable. The Cooperative believes that no material adverse settlement in excess of amounts provided will be made.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events were evaluated for recognition and disclosure in the financial statements through the date of this report, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**IOWA PUBLIC SCHOOLS INSURANCE PROGRAM**  
**RECONCILIATION OF CLAIMS LIABILITIES**  
**JUNE 30, 2025 AND 2024**

	2025			2024		
	Property & Casualty	Workers' Compensation	Total	Property & Casualty	Workers' Compensation	Total
Unpaid losses and loss adjustment expenses at beginning of year	\$ 2,207,678	\$ 4,370,821	\$ 6,578,499	\$ 1,568,660	\$ 3,516,623	\$ 5,085,283
Incurred losses and loss adjustment expenses:						
Provision for insured events of the current fiscal year	1,911,408	4,234,289	6,145,697	1,775,431	4,108,733	5,884,164
Changes in provision for insured events of prior fiscal years	(590,901)	(532,881)	(1,123,782)	(551,320)	(18,534)	(569,854)
Total incurred losses and loss adjustment expenses	1,320,507	3,701,408	5,021,915	1,224,111	4,090,199	5,314,310
Payments:						
Losses and loss adjustment expenses attributable to insured events of the current fiscal year	263,876	1,482,106	1,745,982	288,510	1,519,187	1,807,697
Losses and loss adjustment expenses attributable to insured events of prior fiscal years	417,727	1,783,568	2,201,295	296,583	1,716,814	2,013,397
Total payments	681,603	3,265,674	3,947,277	585,093	3,236,001	3,821,094
Unpaid losses and loss adjustment expenses at end of year	<u>\$ 2,846,582</u>	<u>\$ 4,806,555</u>	<u>\$ 7,653,137</u>	<u>\$ 2,207,678</u>	<u>\$ 4,370,821</u>	<u>\$ 6,578,499</u>

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IOWA PUBLIC SCHOOLS INSURANCE PROGRAM  
LOSS DEVELOPMENT INFORMATION – PROPERTY AND CASUALTY  
JUNE 30, 2025

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The following table illustrates how the Cooperative’s property and casualty earned revenue (net of reinsurance) compare to related costs of loss (net of loss assumed by reinsurers) assumed by the Cooperative as of the end of each of the past ten fiscal years. The rows of the table are defined as follows:

(1) This line shows the total of each fiscal year's gross earned contribution revenue, contribution revenue paid to excess carriers, and net earned contribution revenue.

(2) This line shows the Cooperative’s gross incurred losses and loss adjustment expenses (both paid and accrued) as originally reported at the end of the first fiscal year in which the event that triggered coverage under the contract occurred (called policy year).

(3) This section of ten rows shows the cumulative net amounts paid as of the end of successive fiscal years for each policy year.

(4) This section of ten rows shows how each policy year's net incurred losses increased or decreased as of the end of successive fiscal years. (This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.)

(5) This line compares the latest reestimated net incurred losses amount to the amount originally established (line 2) and shows whether this latest estimate of net claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts commonly is used to evaluate the accuracy of net incurred losses currently recognized in less mature policy years. The columns of the table show data for successive policy years.

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM  
LOSS DEVELOPMENT INFORMATION - PROPERTY AND CASUALTY  
JUNE 30, 2025

	Policy year ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
(1) Required contribution										
Earned	\$ 1,930,180	\$ 2,071,563	\$ 2,194,437	\$ 2,449,862	\$ 4,965,611	\$ 4,719,920	\$ 7,074,398	\$ 8,534,371	\$10,917,659	\$13,229,879
Premium to excess carriers	(1,145,649)	(1,284,396)	(1,303,067)	(1,481,184)	(3,120,104)	(2,821,961)	(4,487,792)	(4,981,164)	(6,908,752)	(7,816,102)
Net earned	784,531	787,167	891,370	968,678	1,845,507	1,897,959	2,586,606	3,553,207	4,008,907	5,413,777
(2) Estimate incurred losses and loss adjustment expense, end of year	435,619	526,444	577,500	638,500	1,503,000	1,825,000	938,258	1,457,862	1,775,431	1,911,408
(3) Net paid (cumulative) as of:										
End of year	50,381	510,873	577,500	638,500	1,105,939	1,825,000	225,232	172,719	288,510	263,876
One year later	165,434	526,444	577,500	638,500	1,219,190	1,825,000	458,937	830,239	730,432	
Two years later	215,694	526,444	577,500	638,500	1,278,277	1,825,000	542,251	1,532,106		
Three years later	281,239	526,444	577,500	638,500	1,503,000	1,825,000	629,855			
Four years later	339,229	526,444	577,500	638,500	1,503,000	1,825,000				
Five years later	339,229	526,444	577,500	638,500	1,503,000					
Six years later	341,877	526,444	577,500	638,500						
Seven years later	341,877	526,444	577,500							
Eight years later	341,877	526,444								
Nine years later	341,877									
(4) Reestimated net incurred losses and loss adjustment expense:										
End of year	435,619	526,444	577,500	638,500	1,503,000	1,825,000	938,258	1,457,862	1,775,431	1,911,408
One year later	235,003	526,444	577,500	638,500	1,402,463	1,825,000	742,454	1,419,196	1,355,614	
Two years later	285,077	526,444	577,500	638,500	1,503,000	1,825,000	658,058	2,016,362		
Three years later	350,449	526,444	577,500	638,500	1,503,000	1,825,000	719,467			
Four years later	339,229	526,444	577,500	638,500	1,503,000	1,825,000				
Five years later	339,229	526,444	577,500	638,500	1,503,000					
Six years later	355,034	526,444	577,500	638,500						
Seven years later	341,877	526,444	577,500							
Eight years later	341,877	526,444								
Nine years later	341,877									
(5) Decrease in estimated incurred losses and loss adjustment expense from end of year	\$ (93,742)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (218,791)	\$ 558,500	\$ (419,817)	\$ -

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IOWA PUBLIC SCHOOLS INSURANCE PROGRAM  
LOSS DEVELOPMENT INFORMATION – WORKERS’ COMPENSATION  
JUNE 30, 2025

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The following table illustrates how the Cooperative’s workers’ compensation earned revenue (net of reinsurance) compare to related costs of loss (net of loss assumed by reinsurers) assumed by the Cooperative as of the end of each of the past ten fiscal years. The rows of the table are defined as follows:

(1) This line shows the total of each fiscal year's gross earned contribution revenue, contribution revenue paid to excess carriers, and net earned contribution revenue.

(2) This line shows the Cooperative’s gross incurred losses and loss adjustment expenses (both paid and accrued) as originally reported at the end of the first fiscal year in which the event that triggered coverage under the contract occurred (called policy year).

(3) This section of ten rows shows the cumulative net amounts paid as of the end of successive fiscal years for each policy year.

(4) This section of ten rows shows how each policy year's net incurred losses increased or decreased as of the end of successive fiscal years. (This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.)

(5) This line compares the latest reestimated net incurred losses amount to the amount originally established (line 2) and shows whether this latest estimate of net claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts commonly is used to evaluate the accuracy of net incurred losses currently recognized in less mature policy years. The columns of the table show data for successive policy years.

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM  
LOSS DEVELOPMENT INFORMATION - WORKERS' COMPENSATION  
JUNE 30, 2025

	Policy year ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
(1) Required contribution										
Earned	\$ 2,818,907	\$ 3,117,514	\$ 3,594,334	\$ 3,706,607	\$ 3,713,632	\$ 3,334,063	\$ 3,319,752	\$ 4,312,776	\$ 4,350,560	\$ 4,676,255
Premium to excess carriers	(272,326)	(306,199)	(349,637)	(314,648)	(328,032)	(220,622)	(237,042)	(368,414)	(365,432)	(374,275)
Net earned	2,546,581	2,811,315	3,244,697	3,391,959	3,385,600	3,113,441	3,082,710	3,944,362	3,985,128	4,301,980
(2) Estimate incurred losses and loss adjustment expense, end of year	1,301,225	2,606,735	3,058,768	2,830,774	2,422,625	2,162,112	2,322,202	3,609,270	4,108,733	4,234,289
(3) Net paid (cumulative) as of:										
End of year	359,852	804,104	911,716	691,830	700,498	557,848	615,559	1,199,793	1,519,187	1,482,106
One year later	951,481	1,520,421	1,689,619	1,828,518	981,368	1,137,716	1,154,631	2,316,144	2,744,568	
Two years later	1,063,153	1,997,433	2,278,074	2,141,468	1,146,745	1,231,649	1,289,720	2,745,193		
Three years later	1,076,989	2,070,561	2,628,426	2,279,121	1,241,327	1,313,324	1,289,223			
Four years later	1,077,641	2,077,639	2,830,171	2,334,591	1,430,552	1,381,266				
Five years later	1,077,641	2,097,658	2,871,572	2,477,993	1,430,606					
Six years later	1,077,641	2,098,266	2,916,910	2,478,041						
Seven years later	1,077,641	2,103,657	2,969,187							
Eight years later	1,077,641	2,103,698								
Nine years later	1,077,674									
(4) Reestimated net incurred losses and loss adjustment expense:										
End of year	1,301,225	2,606,735	3,058,768	2,830,774	2,422,625	2,162,112	2,322,202	3,609,270	4,108,733	4,234,289
One year later	1,657,622	2,590,593	3,037,299	2,721,788	1,591,817	1,766,210	1,638,960	3,485,968	3,952,217	
Two years later	1,392,319	2,353,087	3,015,197	2,566,840	1,397,988	1,440,442	1,476,453	3,353,718		
Three years later	1,109,411	2,095,416	3,042,350	2,501,188	1,346,490	1,494,977	1,353,562			
Four years later	1,088,054	2,220,961	3,116,436	2,447,264	1,449,927	1,459,201				
Five years later	1,089,641	2,123,225	3,067,760	2,556,723	1,435,663					
Six years later	1,077,641	2,098,266	3,061,870	2,482,836						
Seven years later	1,077,641	2,103,657	3,063,759							
Eight years later	1,077,641	2,103,698								
Nine years later	1,077,674									
(5) Increase (decrease) in estimated net incurred losses and loss adjustment expense from end of year	\$ (223,551)	\$ (503,037)	\$ 4,991	\$ (347,938)	\$ (986,962)	\$ (702,911)	\$ (968,640)	\$ (255,552)	\$ (156,516)	\$ -

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