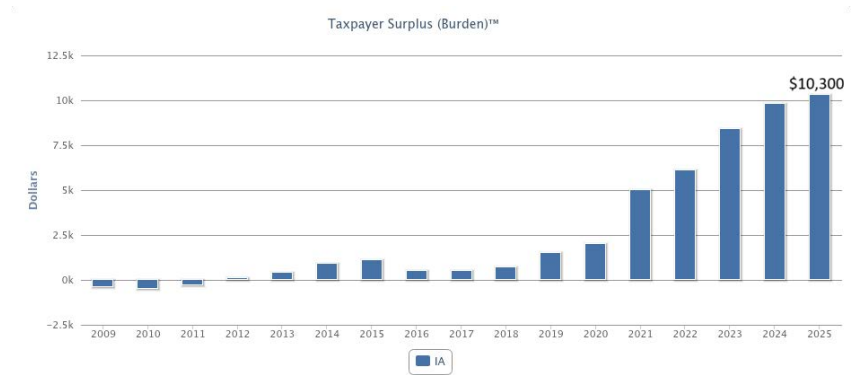


IOWA'S FINANCIAL BREAKDOWN

Money Available to Pay Bills	\$11.5 billion	Ranking (Out of 50)	6
Taxpayer Surplus™	\$10,300	Financial Grade	A

In 2025, Iowa's financial situation improved. It ended the year with \$11.5 billion more than it needed to pay its bills. That means the state had a Taxpayer Surplus™ of \$10,300 and earned an "A" grade from Truth in Accounting.

Iowa's financial condition improved because of historically high federal aid and a more than \$280 million reduction in unfunded pension liabilities. The decrease in pension liabilities was largely driven by nearly 10 percent investment returns from the Public Employees' Retirement System. Lower income tax rates also reduced tax refunds by \$128.7 million. Iowa has maintained a positive financial position and Taxpayer Surplus since 2012, demonstrating consistent fiscal management and effective budgeting.



Iowa received approximately \$13.1 billion in federal grants, which represented 37 percent of its revenue. The federal government mandates that entities receiving significant federal funds undergo a Single Audit. These audits are intended to be the taxpayers' first line of defense against potential fraud and abuse. Auditors identified nine problems, including late and inaccurate federal reports, unexplained differences in financial records, excess federal cash on hand, and weak oversight. Eight involved the Department of Workforce Development and one involved Health and Human Services. Auditors cited staff turnover and inadequate procedures as contributing factors.

The data in this report is derived from Iowa's audited 2025 Annual Comprehensive Financial Report and its retirement systems' reports. To explore prior years or compare financial, demographic, and economic data across other states and cities, visit [Data-Z.org](#).

IOWA'S FINANCIAL FACTS

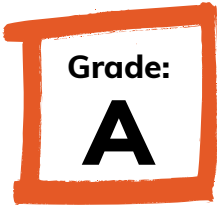
FACT #1: Iowa had \$24.1 billion available to pay \$12.6 billion worth of bills.	FACT #2: The outcome was a \$11.5 billion surplus, which breaks down to \$10,300 per taxpayer.
FACT #3: Iowa received 37 percent of its revenue from federal grants and was required to undergo a Single Audit, which identified potential fraud and abuse.	

THE STATE'S ASSETS EXCEEDED ITS BILLS

\$56,200,013,000	→	Total Assets
- \$21,213,929,000	→	Minus: Capital Assets
- \$10,897,930,000	→	Minus: Restricted Assets
= \$24,088,154,000	→	Assets Available to Pay Bills
- \$12,601,126,000	→	Minus: Total Bills*
= \$11,487,028,000	→	Money Available to Pay Bills
/ Divide by the estimated number of taxpayers		
= \$10,300	→	Each Taxpayer's Share of This Surplus

*BREAKDOWN OF TOTAL BILLS

\$7,257,190,000	→	Bonds
+ \$7,105,406,000	→	Other Liabilities
- \$2,706,764,000	→	Minus: Debt Related to Capital Assets
+ \$580,692,000	→	Unfunded Pension Benefits
+ \$364,602,000	→	Unfunded Retiree Health Care Benefits
= \$12,601,126,000	→	Total Bills



Bottom line: Iowa had more than enough money to pay its outstanding bills and received an "A" grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Surplus greater than \$10,000 is given an "A" grade.