OFFICE OF AUDITOR OF STATE

STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834
www.auditor.iowa.gov

Rob Sand
Auditor of State

NEWS RELEASE

Contact: Pam Bormann
515/281-5834

FOR RELEASE June 4, 2026

Auditor of State Rob Sand today released an audit report on Madison County, Iowa.

FINANCIAL HIGHLIGHTS:

The County's revenues totaled $26,295,769 for the year ended June 30, 2023, a 32.1% increase. Expenses for County operations for the year ended June 30, 2023 totaled $16,325,707, a less than one percent increase. The significant increase in the revenues is primarily due to an increase in contributions from the Iowa Department of Transportation for road infrastructure projects.

As discussed in Note 18 of the financial statements, the County Treasurer was arrested on various felony charges while in office. Also, as noted in finding 2023-003, book to bank reconciliations were not prepared during the year ended June 30, 2023. Accordingly, we were unable to satisfy ourselves as to the fund balances by fund as of June 30, 2023. As a result, Sand reported a qualified opinion on the financial statements as a whole.

AUDIT FINDINGS:

Sand reported thirteen findings related to the receipt and expenditure of taxpayer funds. They are found on pages 94 through 105 of this report. The findings address issues such as lack of segregation of duties, material amounts of capital asset and infrastructure additions and deletions, payables, donations and insurance reimbursements not properly recorded in the County's financial statements, a lack of monthly bank reconciliations in the County Treasurer's and Conservation's office, property tax reconciliations not prepared during the fiscal year and disbursements exceeding budgeted amounts. Sand provided the County recommendations to address each of these findings. Allegations regarding improper actions by County Officials will be addressed in a future report.

Six of the findings discussed above are repeated from the prior year. The County Board of Supervisors and other County officials have a fiduciary responsibility to provide oversight of the County's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

Copies of the report have been filed with the Madison County Sheriff, the Iowa Division of Criminal Investigation, Madison County Attorney's Office and the Iowa Attorney General's Office. A copy of the audit report is available for review on the Auditor of State's website at Audit Reports – Auditor of State.

# # #

MADISON COUNTY

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2023

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834
www.auditor.iowa.gov

Rob Sand
Auditor of State

April 8, 2026

Officials of Madison County
Winterset, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Madison County, Iowa for the year ended June 30, 2023. The audit was performed pursuant to Chapter 11.6 of the Code of Iowa and 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.

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

Sincerely,

Rob Sand
Auditor of State

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(Continued)

Madison County

Officials

(Before January 2023)

Name	Title	Term Expires
Diane Fitch	Board of Supervisors	Jan 2023
Heather Stancil	Board of Supervisors	Jan 2023
Phil Clifton	Board of Supervisors	Jan 2025
Shelley D. Kaster	County Auditor	Jan 2025
Jana S. Corkrean	County Treasurer	Jan 2023
Lisa Smith	County Recorder	Jan 2023
Jason Barnes	County Sheriff	Jan 2025
Matt Schultz	County Attorney	Jan 2023
Jessica Aldridge	County Assessor	Jan 2028

(After January 2023)

Name	Title	Term Expires
Phil Clifton	Board of Supervisors	Jan 2025
Diane Fitch	Board of Supervisors	Jan 2027
Heather Stancil	Board of Supervisors	Jan 2027
Shelley D. Kaster	County Auditor	Jan 2025
Amanda DeVos	County Treasurer	Resigned July 2025
Brandy Macumber	County Recorder	Jan 2027
Jason Barnes	County Sheriff	Jan 2025
Andrew Schoonhoven	County Attorney	Resigned June 2023
Jessica Aldridge	County Assessor	Jan 2028

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Rob Sand
Auditor of State

Independent Auditor's Report

To the Officials of Madison County:

Report on the Audit of the Financial Statements

Qualified Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Madison County, Iowa, as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter as described in the Basis for Qualified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Madison County as of June 30, 2023 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinions on the Financial Statements as a Whole

As discussed in Note 18 to the financial statements, the County Treasurer was arrested on various felony charges while in Office. Also, as noted in finding 2023-003, book to bank reconciliations were not prepared during the year ended June 30, 2023. Accordingly, we were unable to satisfy ourselves as to the fund balances by fund as of June 30, 2023.

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

Responsibilities of Management for the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 15 and 64 through 76 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 Madison County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2022 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 8 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, except for the effects on the supplementary information as described in the Basis for Qualified Opinions section of our report, the supplementary information in Schedules 1 through 8 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 8, 2026 on our consideration of Madison County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Madison County's internal control over financial reporting and compliance.

Pam Bormann

Pam Bormann, CPA
Deputy Auditor of State

April 8, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Madison County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2023. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2023 FINANCIAL HIGHLIGHTS

- The Governor signed Senate File 619 on June 16, 2021 which significantly changed mental health funding. The County was required to transfer the remaining fund balance of the Special Revenue, Mental Health Fund to the Central Iowa Community Services (CICS) Mental Health Region prior to June 30, 2022.

- Revenues of the County's governmental activities increased 33.1%, or approximately $6,390,000, from fiscal year 2022 to fiscal year 2023. American Rescue Plan Act revenue increased approximately $930,000, unrestricted investment earnings increased approximately $401,000 and capital grants, contributions and restricted interest increased approximately $6,712,000 while property tax decreased approximately $999,000.

- Program expenses of the County's governmental activities were 0.8%, or approximately $121,000, more in fiscal year 2023 than in fiscal year 2022. Public safety and legal services and county environment and education expenses increased approximately $345,000 and $181,000, respectively, while mental health expenses decreased approximately $402,000.

- The County's net position increased 23.8%, or approximately $9,970,000, over the June 30, 2022 balance.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

Supplementary Information provides detailed information about the nonmajor governmental, and the individual Internal Service Funds and Custodial Funds.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

The County's governmental activities are presented in the Statement of Net Position and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, interest on long-term debt and non-program activities. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The County has three kinds of funds:

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

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

2) A proprietary fund accounts for the County's Internal Service, Fuel, Supplies, Employee Group Health, Flex and Unemployment Insurance Funds. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

   The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net Position of Governmental Activities
(Expressed in Thousands)

	June 30, 2023	June 30, 2022
Current and other assets	$ 25,573	27,138
Capital assets	47,189	39,199
Total assets	72,762	66,337
Deferred outflows of resources	1,011	1,042
Long-term liabilities	9,401	8,764
Other liabilities	2,153	4,296
Total liabilities	11,554	13,060
Deferred inflows of resources	10,283	12,353
Net position:		
Net investment in capital assets	40,089	31,603
Restricted	11,390	9,956
Unrestricted	457	407
Total net position	$ 51,936	41,966

Net position of Madison County's governmental activities increased 23.8% (approximately $51.9 million compared to approximately $42 million).

The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased 26.9%, or approximately $8,486,000 over the prior year due to capital assets contributed by Iowa Department of Transportation.

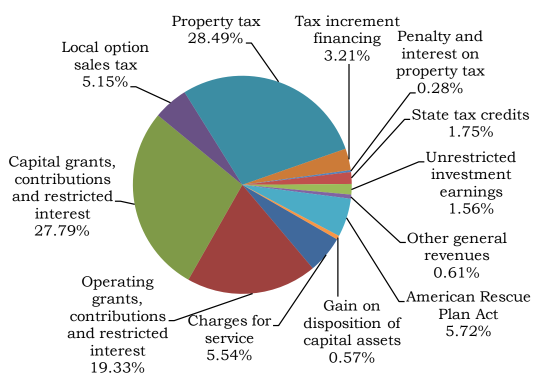
Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category increased approximately $1,434,000, or 14.4%, over the prior year. This increase is primarily due to increases in the amounts held at year end for secondary roads due to grants and road use taxes revenue in the Special Revenue, Secondary Roads Fund.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased approximately $50,000, or 12.3%, over the prior year.

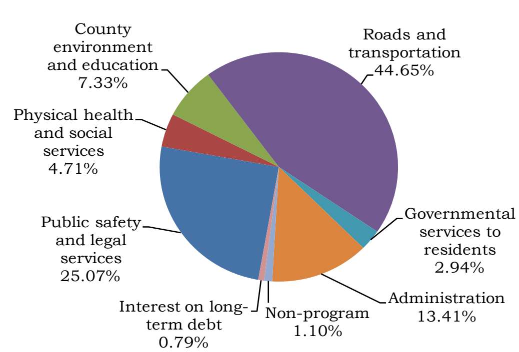
Changes in Net Position of Governmental Activities
(Expressed in Thousands)

	Year ended June 30, 2023	2022
Revenues:		
Program revenues:		
Charges for service	$ 1,458	1,640
Operating grants, contributions and restricted interest	5,082	5,645
Capital grants, contributions and restricted interest	7,308	596
General revenues:		
Property tax	7,491	8,490
Tax increment financing	843	646
Penalty and interest on property tax	73	60
State tax credits	461	517
Local option sales tax	1,353	1,543
American Rescue Plan Act	1,505	575
Unrestricted investment earnings	411	10
Gain on disposition of capital assets	150	4
Other general revenues	161	180
Total revenues	26,296	19,906
Program expenses:		
Public safety and legal services	4,093	3,748
Physical health and social services	769	752
Mental health	-	402
County environment and education	1,196	1,015
Roads and transportation	7,290	7,433
Governmental services to residents	480	668
Administration	2,190	1,888
Non-program	179	153
Interest on long-term debt	129	146
Total expenses	16,326	16,205
Change in net position	9,970	3,701
Net position beginning of year	41,966	38,265
Net position end of year	$ 51,936	41,966

Revenues by Source



Expenses by Program



Madison County's governmental activities net position increased approximately $9,970,000 during the year. Revenues for governmental activities increased approximately $6,390,000 over the prior year, including approximately $6,712,000 in capital grants, contributions, and restricted interest which included significant contributions from the Iowa Department of Transportation.

The countywide property tax levy rate decreased 17.8%, or $1.05465 per $1,000 of taxable valuation and the rural property tax levy rate decreases 10.5% or $0.40 per $1,000 of taxable valuation fiscal year 2023. However, the countywide property tax valuation increased 5.2% and the rural property tax valuation increased 2.9% for fiscal year 2023. Based on the decreases for county-wide property tax levy rate, property tax revenue was budgeted to decrease approximately $1,034,000.

The County's capital grants, contributions and restricted interest increased approximately $6,712,000, or 1,126.2%, over the fiscal year 2022 primarily due to an increase of approximately $6,274,000 in contributions of roads and bridges paid for by the Iowa Department of Transportation.

The cost of all governmental activities this year was approximately $16.3 million compared to approximately $16.2 million last year. However, as shown in the Statement of Activities on page 21, the amount taxpayers ultimately financed for these activities was approximately $2.5 million because some of the cost was paid by those directly benefited from the programs (approximately $1.5 million) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately $12.4 million). Overall, the County's governmental program revenues, including intergovernmental aid and charges for service, increased in fiscal year 2023 from approximately $7,881,000 to approximately $13,848,000. As discussed above, the County received more contributions of roads and bridges paid for by the Iowa Department of Transportation.

INDIVIDUAL MAJOR FUND ANALYSIS

As Madison County completed the year, its governmental funds reported a combined fund balance of approximately $12.3 million, an increase of approximately $376,000 above last year's total of approximately $11.9 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately $90,000, or 1.1%, over the prior year. This increase was primarily due to increases in revenues from intergovernmental and use of money and property while property and other county taxes decreased. Expenditures decreased approximately $618,000, or 5.9%, from the prior year to approximately $9,806,000. The ending fund balance decreased approximately $919,000, or 36.0%, from the prior year, from $2,555,276 to $1,636,195.

- Special Revenue, Rural Services Fund revenues decreased approximately $354,000, or 8.5%. The primary reasons for the decrease are less property tax and local option sales taxes received. Expenditures increased approximately $99,000, or 7.0%, over the prior year. The ending fund balance increased approximately $102,000, or 5.7%, over the prior year to $1,884,357.

- Special Revenue, Tax Increment Fund at year end increased approximately $505,000 over the prior year end. Expenditures decreased approximately $3,694,000 from the prior year, primarily due to construction nearing completion on various capital projects.

- Special Revenue, Secondary Roads Fund revenues increased approximately $881,000, or 19.6%, over the prior year, primarily the result of an increase in bridge repair project reimbursements. Expenditures increased approximately $1,188,000 or 21.4%. The ending fund balance increased 15.5%, or approximately $958,000 over the prior year to an ending balance of $7,143,784.

BUDGETARY HIGHLIGHTS

Over the course of the year, Madison County amended its budget three times. The first amendment, made on September 27, 2022, resulted in increased budgeted disbursements for the public safety and legal services, physical health and social services, county environment and education, government services to residents, administration and capital projects functions for American Rescue Plan Act disbursements, public health tech grant disbursements and receipts, employee payout, special school election disbursements, construction project disbursements, liability insurance disbursements and opioid settlement disbursements. The second amendment, made on April 25, 2023, resulted in increased budgeted disbursements for the public safety and legal services, county environment and education, roads and transportation and capital projects functions for Teamsters wage increases, increase disbursements for fuel, utilities and supplies, opioid settlement funds and an increase in receipts and disbursements for the Historical Resource Development Grant. There was a decrease in physical health and social services and administration functions due to American Rescue Plan Act disbursements being moved to fiscal year 2024. The third amendment, made on June 27, 2023, resulted in increased budgeted disbursements for the physical health and social services, county environment and education and debt service functions for increased disbursements for veterans' allocation disbursements, increased disbursements for payroll and Community Development Block Grant funds and payments. The Board hired a firm to assist the County in putting together a comprehensive plan. The cost of the plan was less than originally budgeted, resulting in a decrease in government services to residents and administration functions.

The County's receipts were approximately $1,992,000 more than budgeted, a variance of 12.3%. The most significant variance resulted from the County receiving more in property and other county taxes than was budgeted.

Total disbursements were approximately $1,415,000 less than the amended budget. This was primarily due to the County spending approximately $896,000 less than budgeted for roads and transportation, due to projects being delayed until the next fiscal year.

Even with the budget amendment, the County exceeded the budgeted amounts in county environment and education and debt service functions for the year ended June 30, 2023. In addition, appropriations were not approved by the Board of Supervisors during the fiscal year; therefore, disbursements in all departments exceeded the amounts appropriated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, Madison County had approximately $47.2 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges and intangible assets. This is a net increase (including additions and deletions) of approximately $7,990,000, or 20.4% over last year.

Capital Assets of Governmental Activities at Year End
(Expressed in Thousands)

		June 30, 2023	2022
Land	$	1,839	1,768
Intangibles		104	104
Construction in progress		15,767	13,256
Buildings and improvements		4,147	4,305
Equipment and vehicles		4,641	4,289
Right-to-use leased assets		31	63
Infrastructure		20,660	15,414
Total	$	47,189	39,199
This year's major additions included (in thousands):			
Construction in progress	$	9,136	
Equipment and vehicles		1,543	
Infrastructure		6,625	
Total	$	8,168	

The County had depreciation expense of $2,774,946 in fiscal year 2023 and total accumulated depreciation of $22,575,758 at June 30, 2023. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2023, Madison County had approximately $7,100,000 of general obligation bonds and other debt outstanding, compared to approximately $7,778,000 at June 30, 2022, as shown below.

Outstanding Debt of Governmental Activities at Year-End
(Expressed in Thousands)

		June 30, 2023	2022
General obligation bonds/notes	$	7,014	7,662
Lease agreements		32	63
Bank loan		29	53
Installment purchases		25	-
Total	$	7,100	7,778

The County carries a general obligation bond rating of AA assigned by national rating agencies to the County's debt. The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Madison County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately $93 million. Additional information about the County's long-term debt is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Madison County's elected and appointed officials and citizens consider many factors when setting the fiscal year 2024 budget, tax rates and the fees charged for various County activities. One of those factors is the economy. Unemployment in the County at June 30, 2023 stands at 3.3% versus 2.9% at June 30, 2022. This compares with the State's unemployment rate of 2.9% and the national rate of 3.6% at June 30, 2023.

These indicators were taken into account when adopting the budget for fiscal year 2024. Amounts available for appropriation (i.e., beginning balance plus receipts) in the operating budget are approximately $27.2 million, a decrease of 7.94% compared to the final fiscal year 2023 budget. Property tax (benefiting from an increase in assessed valuations) receipts are expected to increase in fiscal year 2024. Madison County will use the receipts to finance programs we currently offer and offset the effect we expect inflation to have on program costs. Budgeted disbursements are expected to decrease approximately $397,000 from the final fiscal year 2023 budget, primarily in the administration function. The County has added no major new programs or initiatives to the fiscal year 2024 budget.

If these estimates are realized, the County's budgetary operating balance is expected to modestly decrease by the close of fiscal year 2024.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Madison County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Madison County Auditor's Office, 112 N John Wayne Drive, Winterset, Iowa 50273-1534.

Madison County

Basic Financial Statements

Madison County

Statement of Net Position

June 30, 2023

	Governmental Activities
Assets	
Cash, cash equivalents and pooled investments	$ 13,905,426
Receivables:	
Property tax:	
Delinquent	18,939
Succeeding year	8,766,000
Succeeding year tax increment financing	923,000
Interest and penalty on property tax	13,648
Accounts	456,629
Opioid settlement	245,166
Due from other governments	586,009
Lease receivable	19,312
Inventories	640,327
Capital assets, not being depreciated/amortized	17,709,739
Capital assets, net of accumulated depreciation/amortization	29,478,885
Total assets	72,763,080
Deferred Outflows of Resources	
Pension related deferred outflows	983,245
OPEB related deferred outflows	27,379
Total deferred outflows of resources	1,010,624

Madison County

Statement of Net Position

June 30, 2023

	Governmental Activities
Liabilities	
Accounts payable	783,642
Accrued interest payable	16,497
Salaries and benefits payable	131,787
Advances from grantors	60,870
Due to other governments	65,602
Unearned revenues	1,094,474
Long-term liabilities:	
Portion due or payable within one year:	
Lease agreement	31,765
General obligation bonds	666,249
General obligation notes	125,000
Bank loan	17,024
Equipment purchases	6,255
Compensated absences	306,339
Total OPEB liability	12,411
Portion due or payable after one year:	
General obligation bonds	5,842,854
General obligation notes	380,000
Bank loan	12,113
Equipment purchases	18,765
Compensated absences	314,009
Total OPEB liability	262,213
Net pension liability	1,406,371
Total liabilities	11,554,240
Deferred Inflows of Resources:	
Unavailable property tax revenue	8,766,000
Unavailable tax increment financing revenue	923,000
Pension related deferred inflows	493,021
OPEB related deferred inflows	81,979
Lease related deferred inflows	19,312
Total deferred inflows of resources	10,283,312
Net Position	
Net investment in capital assets	40,088,599
Restricted for:	
Supplemental levy purposes	618,019
Rural services purposes	1,857,529
Secondary roads purposes	6,885,704
Debt service	720,851
Opioid settlement	313,021
Other purposes	995,141
Unrestricted	457,288
Total net position	$ 51,936,152

See notes to financial statements.

Madison County

Madison County

Statement of Activities

Year ended June 30, 2023

	Expenses	Program Revenues: Charges for Service	Program Revenues: Operating Grants, Contributions and Restricted Interest	Program Revenues: Capital Grants, Contributions and Restricted Interest	Net (Expense) Revenue and Changes in Net Position
Functions/Programs:					
Governmental activities:					
Public safety and legal services	$ 4,092,524	601,025	126,775	93,395	(3,271,329)
Physical health and social services	768,666	86,086	186,389	-	(496,191)
County environment and education	1,196,309	102,952	199,527	55,136	(838,694)
Roads and transportation	7,290,010	89,443	4,564,713	6,959,573	4,323,719
Governmental services to residents	480,273	362,372	-	-	(117,901)
Administration	2,190,253	24,690	4,316	200,000	(1,961,247)
Non-program	178,358	190,941	-	-	12,583
Interest on long-term debt	129,314	-	-	-	(129,314)
Total	$ 16,325,707	1,457,509	5,081,720	7,308,104	(2,478,374)
General Revenues:					
Property and other county tax levied for					
General purposes					7,197,256
Debt service					294,027
Tax increment financing					843,573
Penalty and interest on property tax					72,733
State tax credits					461,212
Local option sales tax					1,352,823
American Rescue Plan Act					1,504,953
Unrestricted investment earnings					410,740
Gain on disposition of capital assets					150,241
Miscellaneous					160,878
Total general revenues					12,448,436
Change in net position					9,970,062
Net position beginning of year					41,966,090
Net position end of year					$ 51,936,152

See notes to financial statements.

Madison County

Balance Sheet
Governmental Funds

June 30, 2023

	General	Special: Rural Services	Special: Tax Increment Financing
Assets			
Cash, cash equivalents and pooled investments	$ 2,893,261	1,869,444	723,348
Receivables:			
Property tax:			
Delinquent	14,165	4,046	-
Succeeding year	5,625,000	2,844,000	-
Succeeding year tax increment financing	-	-	923,000
Interest and penalty on property tax	13,648	-	-
Accounts	450,441	3,624	-
Opioid settlement	-	-	-
Due from other governments	986	94,510	-
Due from other funds	167,592	-	-
Lease receivable	19,312	-	-
Inventories	-	-	-
Advances to other funds	60,000	-	-
Total assets	$ 9,244,405	4,815,624	1,646,348
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	$ 320,184	56,472	-
Salaries and benefits payable	58,614	26,457	-
Advances to grantors	-	-	-
Due to other governments	36,964	292	-
Due to other funds	-	-	-
Unearned revenues	1,094,474	-	-
Total liabilities	1,510,236	83,221	-
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	5,625,000	2,844,000	-
Succeeding year tax increment financing	-	-	923,000
Other	453,662	4,046	-
Lease related	19,312	-	-
Total deferred inflows of resources	6,097,974	2,848,046	923,000
Fund balances:			
Nonspendable:			
Inventories	-	-	-
Advance to Internal Service Fund	60,000	-	-
Restricted for:			
Supplemental levy purposes	615,209	-	-
Rural services purposes	-	1,884,357	-
Secondary roads purposes	-	-	-
Debt service	-	-	723,348
Opioid abatement	-	-	-
Other purposes	3,350	-	-
Unassigned	957,636	-	-
Total fund balances	1,636,195	1,884,357	723,348
Total liabilities, deferred inflows of resources and fund balances	$ 9,244,405	4,815,624	1,646,348

See notes to financial statements.

Revenue		
Secondary Roads	Nonmajor	Total
6,274,916	1,055,221	12,816,190
-	728	18,939
-	297,000	8,766,000
-	-	923,000
-	-	13,648
588	-	454,653
-	245,166	245,166
468,545	21,968	586,009
-	-	167,592
-	-	19,312
589,205	-	589,205
-	-	60,000
7,333,254	1,620,083	24,659,714
34,618	4,271	415,545
46,716	-	131,787
60,870	-	60,870
28,346	-	65,602
-	167,592	167,592
-	-	1,094,474
170,550	171,863	1,935,870
-	297,000	8,766,000
-	-	923,000
18,920	245,563	722,191
-	-	19,312
18,920	542,563	10,430,503
589,205	-	589,205
-	-	60,000
-	-	615,209
-	-	1,884,357
6,554,579	-	6,554,579
-	13,603	736,951
-	67,855	67,855
-	991,791	995,141
-	(167,592)	790,044
7,143,784	905,657	12,293,341
7,333,254	1,620,083	24,659,714

Madison County

Madison County

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

June 30, 2023

Total governmental fund balances (page 23)		$ 12,293,341
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets is $69,764,382 and the accumulated depreciation/amortization is $22,575,758.		47,188,624
Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds.		722,191
The Internal Service Funds are used by management to charge the costs of the self-funding of the County's health insurance benefit plan and other internal costs to individual funds. The assets and liabilities of the Internal Service Funds are included with governmental activities in the Statement of Net Position.		714,237
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	$ 1,010,624	
Deferred inflows of resources	(575,000)	435,624
Long-term liabilities, including lease agreements payable, bank loans, general obligation bonds and notes payable, equipment purchase agreement, compensated absences payable, net pension liability, total OPEB liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		(9,417,865)
Net position of governmental activities (page 19)		$ 51,936,152

See notes to financial statements.

Madison County

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

Year ended June 30, 2023

		Special	
	General	Rural Services	Tax Increment Financing
Revenues:			
Property and other county tax	$ 4,745,885	2,456,286	-
Tax increment financing	-	-	843,573
Local option sales tax	-	1,082,258	-
Interest and penalty on property tax	77,195	-	-
Intergovernmental	2,055,293	139,606	33,885
Licenses and permits	2,905	95,219	-
Charges for service	1,013,143	7,250	-
Use of money and property	459,685	-	-
Miscellaneous	322,183	6,991	-
Total revenues	8,676,289	3,787,610	877,458
Expenditures:			
Operating:			
Public safety and legal services	3,816,364	464,004	-
Physical health and social services	691,878	112,159	-
County environment and education	1,168,872	315,940	-
Roads and transportation	-	615,599	-
Governmental services to residents	510,662	2,491	-
Administration	3,605,536	-	-
Debt service	-	-	372,504
Capital projects	13,089	9,523	-
Total expenditures	9,806,401	1,519,716	372,504
Excess (deficiency) of revenues over (under) expenditures	(1,130,112)	2,267,894	504,954
Other financing sources (uses):			
Sale of capital assets	163,956	-	-
Transfers in	221,000	-	-
Transfers out	(173,925)	(2,165,860)	-
Total other financing sources (uses)	211,031	(2,165,860)	-
Change in fund balances	(919,081)	102,034	504,954
Fund balances beginning of year, as restated	2,555,276	1,782,323	218,394
Fund balances end of year	$ 1,636,195	1,884,357	723,348

See notes to financial statements.

Revenue		
Secondary Roads	Nonmajor	Total
-	294,505	7,496,676
-	-	843,573
-	270,565	1,352,823
-	-	77,195
5,293,996	103,630	7,626,410
24,140	-	122,264
13,938	2,980	1,037,311
-	15,738	475,423
33,038	333,002	695,214
5,365,112	1,020,420	19,726,889
-	142	4,280,510
-	-	804,037
-	15,260	1,500,072
6,078,857	-	6,694,456
-	5,240	518,393
-	107,760	3,713,296
-	398,723	771,227
667,717	542,605	1,232,934
6,746,574	1,069,730	19,514,925
(1,381,462)	(49,310)	211,964
-	-	163,956
2,339,785	-	2,560,785
-	(221,000)	(2,560,785)
2,339,785	(221,000)	163,956
958,323	(270,310)	375,920
6,185,461	1,175,967	11,917,421
7,143,784	905,657	12,293,341

Madison County

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

Year ended June 30, 2023

Change in fund balances - Total governmental funds (page 27)		$ 375,920
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation/amortization expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed capital assets exceeded depreciation/amortization expense in the current year, as follows:		
Expenditures for capital assets	$ 4,533,942	
Capital assets contributed by the Iowa Department of Transportation	6,274,383	
Depreciation/amortization expense	(2,774,946)	8,033,379
In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources.		(43,989)
Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are recognized as deferred inflows of resources in the governmental funds, as follows:		
Property tax	(5,393)	
Other	(12,566)	(17,959)
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year repayments exceeded issuances, as follows:		
Issued	(31,275)	
Repaid	709,632	678,357
The current year County IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position.		598,603
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:		
Compensated absences	84,765	
Pension expense	33,424	
OPEB expense	(14,059)	
Interest on long-term debt	(6,269)	97,861
The Internal Service Funds are used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan and other internal costs to individual funds. The change in net position of the Internal Service Funds is reported with governmental activities.		247,890
Change in net position of governmental activities (page 21)		$ 9,970,062

See notes to financial statements.

Madison County

Statement of Net Position
Proprietary Funds

June 30, 2023

	Internal Service
Assets	
Cash and cash equivalents	$ 1,089,236
Accounts Receivable	1,976
Inventories	51,122
Total assets	1,142,334
Liabilities	
Accounts payable	368,097
Advance from General Fund	60,000
Total liabilities	428,097
Net Position	
Unrestricted	$ 714,237

See notes to financial statements.

Madison County

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

Year ended June 30, 2023

		Internal Service
Operating revenues:		
Reimbursements from operating funds and employees	$ 2,652,463	
Reimbursements from others	182,813	2,835,276
Total operating revenues		
Operating expenses:		
Medical claims	$ 1,992,547	
Materials and supplies	594,414	
Insurance premiums	1,974	2,588,935
Operating income		246,341
Non-operating revenues:		
Interest income		1,549
Net income		247,890
Net position beginning of year		466,347
Net position end of year		$ 714,237

See notes to financial statements.

Madison County

Statement of Cash Flows
Proprietary Funds

Year ended June 30, 2023

	Internal Service
Cash flows from operating activities:	
Cash received from operating fund reimbursements	$ 2,652,731
Cash received from others	182,813
Cash paid to suppliers for goods and services	(2,544,475)
Net cash provided by operating activities	291,069
Cash flows from investing activities:	
Interest on investments	1,576
Net increase in cash and cash equivalents	292,645
Cash and cash equivalents beginning of year	796,591
Cash and cash equivalents end of year	$ 1,089,236
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 246,341
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Accounts receivable	1,101
Inventories	11,246
Accounts payable	32,381
Net cash provided by operating activities	$ 291,069

See notes to financial statements.

Madison County

Statement of Fiduciary Net Position
Custodial Funds

June 30, 2023

Assets		
Cash, cash equivalents and pooled investments:		
County Treasurer	$	1,662,784
Other County officials		74,454
Receivables:		
Property tax:		
Delinquent		82,583
Succeeding year		28,371,000
Accounts		2,587
Special assessments		59,699
Total assets		30,253,107
Liabilities		
Accounts payable		1,000
Salaries and benefits payable		2,264
Due to other governments		1,408,878
Trusts payable		48,663
Compensated absences		24,125
Total liabilities		1,484,930
Deferred Inflows of Resources		
Unavailable property tax revenue		28,371,000
Net Position		
Restricted for individuals, organizations and other governments	$	397,177

See notes to financial statements.

Madison County

Statement of Changes in Fiduciary Net Position
Custodial Funds

June 30, 2023

Additions:		
Property and other county tax	$	27,943,126
State tax credits		1,639,273
Office fees and collections		620,980
Electronic transaction fees		3,342
Drivers license fees		43,201
Auto licenses, use tax and postage		8,632,509
Assessments		59,699
Trusts		22,456
Miscellaneous		594,774
Total additions		39,559,360
Deductions:		
Agency remittances:		
To other funds		531,286
To other governments		39,012,189
Trusts paid out		28,825
Total deductions		39,572,300
Change in net position		(12,940)
Net position beginning of year		410,117
Net position end of year	$	397,177

See notes to financial statements.

(1) Summary of Significant Accounting Policies

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

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

A. Reporting Entity

For financial reporting purposes, Madison County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

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

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

Madison County Covered Bridge Preservation Association, Inc. (Association) is legally separate from the County, but is so intertwined with the County it is, in substance, the same as the County. The Association was established pursuant to Chapter 504A of the Code of Iowa to promote the repair, maintenance and preservation of Madison County's six covered bridges. The Association is reported as a Special Revenue Fund.

Madison County Foundation for Environmental Education, Inc. (MCFEE) is legally separate from the County, but is so intertwined with the County it is, in substance, the same as the County. MCFEE was established pursuant to Chapter 504A of the Code of Iowa to promote conservation practices throughout Madison County through land management, education and environmental preservation. MCFEE is reported as a Special Revenue Fund.

Jointly Governed Organizations – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Madison County Assessor's Conference Board, Madison County Emergency Management Commission, South Central Iowa Regional 911 Board and the Madison County Empowerment 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. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

The Statement of Net Position presents the County's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories:

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

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

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

The Tax Increment Fund (TIF) is used to account for tax increment financing collections and the repayment of tax increment financing indebtedness.

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

Additionally, the County reports the following funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2022.

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

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.

Special Assessments Receivable – Special assessments receivable represents the amounts assessed to individuals for work done which benefits their property. These assessments are payable by individuals in not more than 15 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Delinquent special assessments receivable represent assessments which are due and payable but have not been collected.

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2023, balances of interfund amounts receivable and payable have been recorded in the fund financial statements.

Advances to/from Other Funds – Non-current long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve for governmental funds, which indicates they do not constitute expendable available financial resources and; therefore, are not available for appropriation.

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

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

Capital Assets – Capital assets, which include property, furniture and equipment and intangibles acquired after July 1, 1980 are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under "Leases" below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the County as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Infrastructure	$ 50,000
Intangibles	50,000
Land, buildings and improvements	5,000
Equipment and vehicles	5,000
Right-to-use leased assets	5,000
Right-to-use subscription assets	5,000

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

Asset Class	Estimated Useful Lives (In Years)
Buildings	40 - 50
Building improvements	20 - 50
Infrastructure	30 - 50
Intangibles	5 - 20
Equipment	2 - 20
Vehicles	3 - 10
Right-to-use leased assets	2 - 5
Right-to-use subscription assets	2 - 5

Leases – **County as Lessee** – Madison County is the lessee for a noncancellable lease of office printers. The County has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of $5,000 or more.

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

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

> Madison 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.

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 – Madison County is a lessor for a noncancellable lease of tower space. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

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

Madison 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.

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the County after the measurement date but before the end of the County's reporting period.

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

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation, compensatory and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2023. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

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

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

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

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

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivables that will not be recognized until the year for which they are levied, unrecognized items not yet charged to pension expense and OPEB expense and the unamortized portion of the net difference between projected and actual earnings on pension plan assets.

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.

Unassigned – All amounts not included in the preceding classifications.

Net Position – The net position of the Internal Service, Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2023, disbursements exceeded the amounts budgeted in the county environment and education and debt service functions. In addition, appropriations were not approved by the Board of Supervisors during the fiscal year; therefore, disbursements in all departments exceeded the amounts appropriated.

(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2023 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

The County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of $10,578,020. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated.

Component Units

Madison County Covered Bridge Preservation Association, Inc.

At June 30, 2023, the Madison County Covered Bridge Preservation Association, Inc. had the following investments:

Investment	Carrying Amount	Fair Value
Mutual funds	$ 58,076	39,602
Corporate bonds	4,950	4,979
Total	$ 63,026	44,581

The Madison County Covered Bridge Preservation Association, Inc. uses the fair value hierarchy established by U.S. generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, Level 3 inputs are significant unobservable inputs.

The recurring fair value of the Madison County Covered Bridge Preservation Association, Inc.'s mutual funds and corporate bonds were determined using quoted market prices. (Level 1 inputs)

Interest rate risk – The Association's Board has determined the Association can tolerate some interim fluctuation in the funds' market value and rates of return in order to achieve long-term growth objectives. Given this, the Association has determined that its risk tolerance is conservative.

Madison County Foundation for Environmental Education, Inc.

At June 30, 2023, the Madison County Foundation for Environmental Education, Inc. had the following investments:

Investment	Carrying Amount	Fair Value
Mutual funds	$ 71,205	80,163

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

The recurring fair value of the Madison County Foundation for Environmental Education, Inc.'s mutual funds were determined using quoted market prices. (Level 1 inputs)

(3) Interfund Assets/Liabilities

The detail of advances to/from other funds at June 30, 2023 is as follows:

Receivable Fund	Payable Fund	Amount
General	Internal Service:	
	Fuel	$ 60,000

The advance between the General Fund and the Internal Service, Fuel Fund resulted from a loan between funds which has not been repaid.

The detail of interfund receivables and payables at June 30, 2023 is as follows:

Receivable Fund	Payable Fund	Amount
General	Capital Projects	$ 167,592

The General Fund advanced funds to the Capital Projects Fund to pay for capital project expenditures.

(4) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2023 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue:	
	Madison County Foundation for	
	Environmental Education	$ 221,000 *
Special Revenue:		
Secondary Roads	General	173,925
	Special Revenue:	
	Rural Services	2,165,860
		2,339,785
Total		$ 2,560,785

* *Transfer from Madison County Foundation for Environmental Education to Madison County for purpose of building a nature center.*

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

(5) Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	$ 1,768,011	70,875	-	1,838,886
Intangibles, road network	104,029	-	-	104,029
Construction in progress	13,255,756	9,136,217	6,625,149	15,766,824
Total capital assets not being depreciated/amortized	15,127,796	9,207,092	6,625,149	17,709,739
Capital assets being depreciated/amortized:				
Buildings	6,409,322	103,354	199,488	6,313,188
Improvements other than buildings	31,147	-	-	31,147
Equipment and vehicles	12,430,254	1,542,880	630,083	13,343,051
Right to use asset	94,115	-	-	94,115
Infrastructure, road network	25,647,993	6,625,149	-	32,273,142
Total capital assets being depreciated/amortized	44,612,831	8,271,383	829,571	52,054,643
Less accumulated depreciation/amortization for:				
Buildings	2,104,257	177,886	115,703	2,166,440
Improvements other than buildings	31,147	-	-	31,147
Equipment and vehicles	8,140,856	1,186,546	624,878	8,702,524
Right to use asset	31,372	31,371	-	62,743
Infrastructure, road network	10,233,761	1,379,143	-	11,612,904
Total accumulated depreciation/amortization	20,541,393	2,774,946	740,581	22,575,758
Total capital assets being depreciated/amortized, net	24,071,438	5,496,437	88,990	29,478,885
Governmental activities capital assets, net	$ 39,199,234	14,703,529	6,714,139	47,188,624

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	$ 335,561
Physical health and social services	10,368
County environment and education	83,701
Roads and transportation	2,250,867
Administration	94,449
Total depreciation/amortization expense - governmental activities	$ 2,774,946

(6) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2023 is as follows:

Fund	Description	Amount
General	Services	$ 36,964
Special Revenue:		
Rural Services	Services	292
Secondary Roads		28,346
Total for governmental funds		$ 65,602
Custodial:		
County Offices	Collections	$ 27,978
Agricultural Extension Education		2,481
County Assessor		7,307
Schools		160,923
Community Colleges		7,026
Corporations		41,274
Townships		138,106
County Hospital		26,058
Auto License and Use Tax		762,961
Other		234,764
Total for custodial funds		$ 1,408,878

(7) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2023 is as follows:

	Lease Agreements	Bank Loan	General Obligation Bonds	General Obligation Urban Renewal Bonds	General Obligation Refunding Notes	General Obligation Capital Loan Notes	Equipment Purchases	Compensated Absences	Net Pension Liability (Asset)	Total OPEB Liability	Total
Balance beginning of year	$ 63,135	52,962	1,272,285	5,765,000	425,000	200,000	-	705,113	(1,415,554)	280,239	7,348,180
Increases	-	-	-	-	-	-	31,275	419,434	2,821,925	33,732	3,306,366
Decreases	31,370	23,825	248,182	280,000	80,000	40,000	6,255	504,199	-	39,347	1,253,178
Balance end of year	31,765	29,137	1,024,103	5,485,000	345,000	160,000	25,020	620,348	1,406,371	274,624	9,401,368
Due within one year	$ 31,765	17,024	251,249	415,000	85,000	40,000	6,255	306,339	-	12,411	1,165,043

Lease Agreements

On April 23, 2019, the County entered into a lease agreement for printer systems. An initial lease liability was recorded in the amount of $162,592. The agreement requires monthly payments of $2,665 over five years with an initial payment made July 23, 2021 for $2,665, with an implicit interest rate of 1.25% and final payment due June 23, 2024. During the year ended June 30, 2023, principal and interest paid were $31,370 and $610, respectively.

Future principal and interest lease payments as of June 30, 2023 are as follows:

Year Ending June 30,	Printers Principal	Interest	Total
2024	$ 31,765	215	31,980

Bank Loan

On June 15, 2020, the County issued a $100,000 bank loan with an interest rate of 3.35% per annum. The bank loan was issued to fund the purchase of equipment for the Conservation department. During the year ended June 30, 2023, the County paid principal of $23,825 and interest of $1,588 on the loan. A summary of the County's June 30, 2023 bank loan indebtedness is as follows:

	Bank Loan		
Year	Issued Jun 15, 2020		
Ending June 30,	Interest Rates	Principal	Interest
2024	3.35%	$ 17,024	976
2025	3.35	12,113	406
Total		$ 29,137	1,382

General Obligation Bonds

On June 23, 2020, the County issued $1,500,000 of general obligation emergency communications equipment bonds, series 2020, with an interest rate of 1.25% per annum. The bonds were issued to fund the purchase of emergency communications equipment. During the year ended June 30, 2023, the County paid principal of $248,182 and interest of $16,005 on the loan.

On October 10, 2020, the County issued $6,040,000 of general obligation urban renewal bonds, series 2020A, with interest rates ranging from 1.00% to 2.00% per annum. The bonds were issued for the purposes of paying the cost of carrying out an urban renewal projects consisting of the Madison County Courthouse Improvements Project, Madison County Elderly Services Building Project, Madison County Ambulance Garage and Fire Station Project, and the Madison County Conservation Project including construction of an environmental learning center. During the year ended June 30, 2023, the County paid principal of $280,000 and $92,504 of interest on the bonds.

A summary of the County's June 30, 2023 general obligation bonded indebtedness is as follows:

	General Obligation Bonds					
	Series 2020			Urban Renewal, Series 2020A		
Year	Issued Jun 23, 2020			Issued Oct 22, 2020		
Ending June 30,	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2024	1.25%	$ 251,249	12,836	2.00%	$ 415,000	86,905
2025	1.25	254,425	9,661	2.00	425,000	78,605
2026	1.25	257,605	6,480	2.00	435,000	70,105
2027	1.25	260,824	3,260	2.00	445,000	61,405
2028		-	-	1.00	450,000	52,505
2029-2033		-	-	1.55-1.15	2,335,000	182,403
2034-2035		-	-	1.65-1.70	980,000	24,833
Total		$ 1,024,103	32,237		$ 5,485,000	556,761

Year	Total		
Ending June 30,	Principal	Interest	Total
2024	$ 666,249	99,741	765,990
2025	679,425	88,266	767,691
2026	692,605	76,585	769,190
2027	705,824	64,665	770,489
2028	450,000	52,505	502,505
2029-2033	2,335,000	182,403	2,517,403
2034-2035	980,000	24,833	1,004,833
Total	$ 6,509,103	588,998	7,098,101

General Obligation Notes

On June 22, 2016, the County issued $810,000 of general obligation local option sales and service tax refunding capital loan notes for the crossover advance refunding of general obligation local sales and service tax bonds dated August 25, 2010. During the year ended June 30, 2023, the County paid principal of $80,000 and interest of $8,501 on the notes.

On July 3, 2017, the County issued $400,000 of general obligation capital loan notes with an interest rate of 2.45% per annum. The notes were issued to pay the costs of public buildings, including the site or grounds of, and the erection, equipment, remodeling, or reconstruction of, and additions or extensions to the buildings, including the acquisition of the Union State property. During the year ended June 30, 2023, the County paid principal of $40,000 and interest of $4,935 on the notes.

A summary of the County's June 30, 2023 general obligation notes indebtedness is as follows:

	General Obligation Notes					
	General Obligation Refunding Notes Issued Jun 22, 2016			General Obligation Capital Loan Notes Issued Jul 3, 2017		
Year Ending June 30,	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2024	2.00%	$ 85,000	6,900	2.45%	$ 40,000	3,931
2025	2.00	85,000	5,200	2.45	40,000	2,940
2026	2.00	85,000	3,500	2.45	40,000	1,960
2027	2.00	90,000	1,800	2.45	40,000	980
Total		$ 345,000	17,400		$ 160,000	9,811

	Total		
Year Ending June 30,	Principal	Interest	Total
2024	$ 125,000	10,831	135,831
2025	125,000	8,140	133,140
2026	125,000	5,460	130,460
2027	130,000	2,780	132,780
Total	$ 505,000	27,211	532,211

General Obligation Urban Renewal Anticipation Note

On October 27, 2021, the County entered into a general obligation urban renewal loan agreement anticipation project note in an amount not to exceed $1,200,000 with an interest rate of 1.95% per annum and a final maturity date of October 27, 2025. The project notes are issued for the purpose of paying the costs of an urban renewal project in the 2018 Madison County Urban Renewal Area consisting of the Madison County Conservation Center Project, which includes the construction of an environmental learning center. As of June 30, 2023, the County has not made any drawdowns on the anticipation project note.

Equipment Purchase Agreement – Direct Borrowing

On September 14, 2022, the County entered into an equipment purchase agreement for nine tasers with a total cost of $31,275. The agreement bears no interest per annum and is payable over five annual installments of $6,255, with the final payment due during the year ending June 30, 2027. Payments under the agreement totaled $6,255 for the year ended June 30, 2023. A summary of the County's June 30, 2023 equipment purchase agreement indebtedness is as follows:

Year Ending June 30,	Tasers
2024	$ 6,255
2025	6,255
2026	6,255
2027	6,255
Total	$ 25,020

(8) Pension Plan

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

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

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

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

Sheriffs, deputies and protection occupation members may retire at normal retirement age, which is generally age 55. Sheriffs, deputies and protection occupation members may retire any time after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate a sheriff's, deputy's 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 more than 22 years of service but not more than 30 years of service.
- The member's highest three-year average salary.

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

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

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

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

In fiscal year 2023, 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 8.76% of covered payroll, for a total rate of 17.52%. 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, 2023 totaled $598,603.

Net Pension Liability, Pension Expense (Reduction), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the County reported a liability of $1,406,371 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 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, 2022, the County's proportion was 0.037224%, which was a decrease of 0.372812% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense (reduction) of $(33,424). At June 30, 2023, 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	$ 240,208	28,582
Changes of assumptions	1,695	111,120
Net difference between projected and actual earnings on IPERS' investments	-	303,255
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	142,739	50,064
County contributions subsequent to the measurement date	598,603	-
Total	$ 983,245	493,021

$598,603 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 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:

Year Ending June 30,	Amount
2024	$ (224,567)
2025	(167,387)
2026	(364,288)
2027	651,302
2028	(3,439)
Total	$ (108,379)

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

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

The actuarial assumptions used in the June 30, 2022 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 2022 valuation were based on the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	3.57%
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
Total	100.0%	

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	$ 3,909,300	1,406,371	(795,374)

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 – All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2023.

(9) Other Postemployment Benefits (OPEB)

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Active employees	93
Total	93

Total OPEB Liability – The County's total OPEB liability of $274,624 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2023)	2.60% per annum.
Rates of salary increase (effective June 30, 2023)	3.25% to 16.25% per annum, including inflation.
Discount rate (effective June 30, 2023)	3.65% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2023)	8.00% initial rate decreasing annually to an ultimate rate of 4.14%.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.65% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP-2014 Employee Table, projected generationally using MP-2017. Annual retirement probabilities are from the RP-2014 Healthy Annuitant Table, projected generationally using MP-2017.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	$ 280,239
Changes for the year:	
Service cost	23,146
Interest	10,586
Differences between expected and actual experiences	(28,366)
Changes in assumptions	(2,268)
Benefit payments	(8,713)
Net changes	(5,615)
Total OPEB liability end of year	$ 274,624

Changes of assumptions reflect a change in the discount rate from 3.54% in fiscal year 2022 to 3.65% in fiscal year 2023.

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.65%) or 1% higher (4.65%) than the current discount rate.

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	$ 295,760	274,624	254,778

<u>Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates</u> – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be it were calculated using healthcare cost trend rates that are 1% lower (7.00%) or 1% higher (9.00%) than the current healthcare cost trend rates.

	1% Decrease (7.00%)	Healthcare Cost Trend Rate (8.00%)	1% Increase (9.00%)
Total OPEB liability	$ 245,387	274,624	308,756

<u>OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB</u> – For the year ended June 30, 2023, the County recognized OPEB expense of $14,059. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 7,699	66,367
Changes in assumptions	19,680	15,612
Total	$ 27,379	81,979

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

Year Ending June 30,	Amount
2024	$ (10,960)
2025	(10,843)
2026	(10,677)
2027	(9,634)
2028	(5,743)
Thereafter	(6,743)
	$ (54,600)

(10) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 800 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, employment practices liability, public officials liability, cyber liability, law enforcement liability and builders' risk. There have been no reductions in insurance coverage from prior years.

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

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

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2023 were $251,579.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, employment practices, law enforcement, cyber, and public officials' liability risks up to $500,000 per claim. Claims exceeding $500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to $250,000 each occurrence, each location. Property risks exceeding $250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate.

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

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2023, no liability has been recorded in the County's financial statements. As of June 30, 2023, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

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

(11) Employee Health Insurance Plan

The Internal Service, Employee Group Health Fund was established to account for the partial self-funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Wellmark. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of $50,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, claims processed are paid to Wellmark from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2023 was $2,110,773.

Amounts payable from the Employee Group Health Fund at June 30, 2023 total $296,295, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. That reserve was $671,504 at June 30, 2023 and is reported as a designation of the Internal Service, Employee Group Health Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	$ 299,900
Incurred claims (including claims incurred but not reported at June 30, 2023)	1,944,564
Payments:	
Payments on claims during the fiscal year	1,948,169
Unpaid claims end of year	$ 296,295

(12) Deferred Compensation Plan

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

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

(13) Tax Abatements

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

Tax Abatements of Other Entities

Other entities within the County 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 Earlham 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, 2023 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Winterset	Urban renewal and economic development projects	$ 94,383
City of Earlham	Chapter 404 tax abatement program	37,046
City of Patterson	Urban renewal and economic development projects	2,945

(14) County Tower Lease Receivable

The County owns land suitable for a wireless tower. Effective October 29, 2019, the County entered into a five-year lease with a wireless provider who has a tower on the County's land. The County is to receive $1,375 in land and building rent monthly with a stated rate of 10.0%.

Year Ending June 30,	Principal	Interest	Total
2024	$ 15,255	1,245	16,500
2025	4,057	68	4,125
	$ 19,312	1,313	20,625

(15) Construction Commitment

The County entered a contract including change orders with Breiholz Construction in the amount of $3,925,981 for the Madison County Courthouse Exterior and Entry Renovations. As of June 30, 2023, costs of $3,341,845 on the project have been incurred. The $584,136 balance remaining on the project at June 30, 2023 will be paid as work on the project progresses.

(16) Deficit Fund Balance

The Capital Projects Fund had a deficit balance of $167,592 at June 30, 2023. This deficit balance is primarily due to emergency communications equipment expenditures exceeding the proceeds and the cost of the courthouse project exceeding donations and grants. The County will investigate alternatives to bring the fund to a sound position.

(17) Restatement

The beginning fund balances for the Special Revenue, Tax Increment Financing and Capital Projects Funds were restated to properly classify the URA Capital Projects Fund.

	Special Revenue, Tax Increment Financing	Capital Projects
Fund balances June 30, 2022, as previously reported	$ 400,302	(81,295)
Fund balance for URA Capital Projects Fund	(181,908)	181,908
Fund balances July 1, 2022, as restated	$ 218,394	100,613

(18) Subsequent Event

On January 31, 2025, the County Treasurer, who took office in January 2023, was arrested on various felony charges and officially resigned on July 14, 2025. An acting Treasurer was appointed and on August 19, 2025, this appointment was made permanent. In addition, the County Auditor, who took office in January 2025, resigned effective July 4, 2025. The Board of Supervisors appointed a new County Auditor effective July 7, 2025. However, a special election was petitioned and held on August 26, 2025 for a new County Auditor, who was sworn in on September 2, 2025.

Required Supplementary Information

Madison County

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

Required Supplementary Information

Year ended June 30, 2023

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	$ 9,688,729	-	9,688,729
Interest and penalty on property tax	71,799	-	71,799
Intergovernmental	6,175,820	-	6,175,820
Licenses and permits	121,016	-	121,016
Charges for service	1,112,016	-	1,112,016
Use of money and property	484,314	12,046	472,268
Miscellaneous	564,498	75,782	488,716
Total receipts	18,218,192	87,828	18,130,364
Disbursements:			
Public safety and legal services	4,311,599	-	4,311,599
Physical health and social services	827,225	-	827,225
County environment and education	1,494,847	11,312	1,483,535
Roads and transportation	6,980,015	-	6,980,015
Governmental services to residents	528,427	-	528,427
Administration	3,600,237	-	3,600,237
Debt service	771,218	-	771,218
Capital projects	1,495,731	-	1,495,731
Total disbursements	20,009,299	11,312	19,997,987
Excess (deficiency) of receipts over (under) disbursements	(1,791,107)	76,516	(1,867,623)
Other financing sources, net	(122,608)	(221,000)	98,392
Change in balances	(1,913,715)	(144,484)	(1,769,231)
Balance beginning of year	14,729,905	609,774	14,120,131
Balance end of year	$ 12,816,190	465,290	12,350,900

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net
Original	Final	Variance
8,318,095	8,318,095	1,370,634
67,255	67,255	4,544
5,583,361	5,771,954	403,866
82,421	92,421	28,595
1,191,350	1,191,350	(79,334)
95,535	340,816	131,452
148,153	356,717	131,999
15,486,170	16,138,608	1,991,756
3,982,874	4,443,301	131,702
936,922	955,831	128,606
1,104,660	1,375,519	(108,016)
7,665,898	7,871,698	891,683
578,274	572,754	44,327
2,920,142	3,765,973	165,736
770,492	770,619	(599)
760,154	1,656,872	161,141
18,719,416	21,412,567	1,414,580
(3,233,246)	(5,273,959)	577,176
2,000	100,392	(2,000)
(3,231,246)	(5,173,567)	575,176
10,939,029	10,939,029	3,181,102
7,707,783	5,765,462	3,756,278

Madison County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2023

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	$ 18,218,192	1,508,697	19,726,889
Expenditures	20,009,299	(494,374)	19,514,925
Net	(1,791,107)	2,003,071	211,964
Other financing sources, net	(122,608)	286,564	163,956
Beginning fund balances	14,729,905	(2,812,484)	11,917,421
Ending fund balances	$ 12,816,190	(522,849)	12,293,341

See accompanying independent auditor's report.

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

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

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, three budget amendment increased budgeted disbursements by $2,693,151. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2023, disbursement exceeded the amount budgeted in the county environment and education and debt service functions for the year ended June 30, 2023. In addition, appropriations were not approved by the Board of Supervisors during the fiscal year; therefore, disbursements in all departments exceeded the amounts appropriated.

Madison County

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

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

Required Supplementary Information

		2023	2022	2021	2020
County's proportion of the net pension liability (asset)		0.037224%	0.410036% **	0.051975%	0.046238%
County's proportionate share of the net pension liability (asset)	$	1,406	(1,416)	3,651	2,678
County's covered payroll	$	5,924	5,737	5,384	5,021
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll		23.73%	(24.68)%	67.81%	53.34%
IPERS' net position as a percentage of the total pension liability (asset)		91.40%	100.81%	82.90%	85.45%

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

** Overall plan net pension asset.

See accompanying independent auditor's report.

2019	2018	2017	2016	2015
0.046659%	0.046394%	0.046179%	0.042667%	0.039541%
2,953	3,090	2,906	2,108	1,568
4,808	4,485	4,285	4,129	4,034
61.42%	68.90%	67.82%	51.05%	38.87%
83.62%	82.21%	81.82%	85.19%	87.61%

Madison County

Schedule of County Contributions

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

Required Supplementary Information

		2023	2022	2021	2020
Statutorily required contribution	$	599	556	543	513
Contributions in relation to the statutorily required contribution		(599)	(556)	(543)	(513)
Contribution deficiency (excess)	$	-	-	-	-
County's covered payroll	$	6,408	5,924	5,737	5,384
Contributions as a percentage of covered payroll		9.35%	9.39%	9.46%	9.53%

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
482	439	411	394	384	373
(482)	(439)	(411)	(394)	(384)	(373)
-	-	-	-	-	-
5,021	4,808	4,485	4,285	4,129	4,034
9.60%	9.13%	9.16%	9.19%	9.30%	9.25%

Madison County

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%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

Madison County

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

For the Last Six Years
Required Supplementary Information

	2023	2022	2021	2020
Service cost	$ 23,146	26,156	22,288	19,381
Interest cost	10,586	5,830	6,002	7,802
Difference between expected and actual experiences	(28,366)	10,445	(17,553)	(27,042)
Changes in assumptions	(2,268)	(17,044)	976	(3,500)
Benefit payments	(8,713)	(4,022)	(4,177)	(4,392)
Net change in total OPEB liability	(5,615)	21,365	7,536	(7,751)
Total OPEB liability beginning of year	280,239	258,874	251,338	259,089
Total OPEB liability end of year	$ 274,624	280,239	258,874	251,338
Covered-employee payroll	$ 4,926,244	5,273,853	4,460,199	4,780,740
Total OPEB liability as a percentage of covered-employee payroll	5.6%	5.3%	5.8%	5.3%

See accompanying independent auditor's report.

2019	2018
19,567	20,911
9,543	8,204
-	-
6,435	(4,683)
(6,903)	(4,368)
28,642	20,064
230,447	210,383
259,089	230,447
4,297,238	4,497,640
6.0%	5.1%

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

The 2023 valuation implemented the following refinements as a result of a new actuarial opinion dated June 30, 2023:

- Changed mortality assumptions to the SOA Public Plan 2010 tables.

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

Year ended June 30, 2023	3.65%
Year ended June 30, 2022	3.54%
Year ended June 30, 2021	2.16%
Year ended June 30, 2020	2.21%
Year ended June 30, 2019	3.50%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

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

Supplementary Information

Madison County

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2023

				Special
	County Recorder's Records Management	Resource Enhancement and Protection	Covered Bridge	Local Option Sales Tax
Assets				
Cash, cash equivalents and pooled investments	$ 44,621	15,075	1	438,337
Receivables:				
Property tax:				
Delinquent	-	-	-	-
Succeeding year	-	-	-	-
Opioid settlement	-	-	-	-
Due from other governments	-	-	-	21,968
Total assets	$ 44,621	15,075	1	460,305
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ -	555	-	3,716
Due to other funds	-	-	-	-
Total liabilities	-	555	-	3,716
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	-	-	-	-
Other	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted for:				
Debt service	-	-	-	-
Opioid abatement	-	-	-	-
Other purposes	44,621	14,520	1	456,589
Unassigned	-	-	-	-
Total fund balances (deficits)	44,621	14,520	1	456,589
Total liabilities and fund balances	$ 44,621	15,075	1	460,305

See accompanying independent auditor’s report.

Revenue							
Sheriff McDee	County Attorney Forfeiture	Covered Bridge Preservation Association	Madison County Foundation for Environmental Education	Local Government Opioid Abatement	Debt Service	Capital Projects	Total
7,190	3,580	313,771	151,519	67,855	13,272	-	1,055,221
-	-	-	-	-	728	-	728
-	-	-	-	-	297,000	-	297,000
-	-	-	-	245,166	-	-	245,166
-	-	-	-	-	-	-	21,968
7,190	3,580	313,771	151,519	313,021	311,000	-	1,620,083
-	-	-	-	-	-	-	4,271
-	-	-	-	-	-	167,592	167,592
-	-	-	-	-	-	167,592	171,863
-	-	-	-	-	297,000	-	297,000
-	-	-	-	245,166	397	-	245,563
-	-	-	-	245,166	297,397	-	542,563
-	-	-	-	-	13,603	-	13,603
-	-	-	-	67,855	-	-	67,855
7,190	3,580	313,771	151,519	-	-	-	991,791
-	-	-	-	-	-	(167,592)	(167,592)
7,190	3,580	313,771	151,519	67,855	13,603	(167,592)	905,657
7,190	3,580	313,771	151,519	313,021	311,000	-	1,620,083

Madison County

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

Year ended June 30, 2023

	Special			
	County Recorder's Records Management	Resource Enhancement and Protection	Covered Bridge	Local Option Sales Tax
Revenues:				
Property and other county tax	$ -	-	-	-
Local option sales tax	-	-	-	270,565
Intergovernmental	-	10,850	-	-
Charges for service	2,980	-	-	-
Use of money and property	1,412	2,280	-	-
Miscellaneous	-	-	-	150
Total revenues	4,392	13,130	-	270,715
Expenditures:				
Operating:				
Public safety and legal services	-	-	-	-
County environment and education	-	3,948	-	-
Governmental Services	5,240	-	-	-
Administration	-	-	-	107,760
Debt Service	-	-	-	89,001
Capital Projects	-	-	-	-
Total expenditures	5,240	3,948	-	196,761
Excess (deficiency) of revenues over (under) expenditures	(848)	9,182	-	73,954
Other financing uses:				
Transfers out	-	-	-	-
Total other financing uses	-	-	-	-
Change in fund balances	(848)	9,182	-	73,954
Fund balances beginning of year, as restated	45,469	5,338	1	382,635
Fund balances end of year	$ 44,621	14,520	1	456,589

See accompanying independent auditor’s report.

Revenue							
Sheriff McDee	County Attorney Forfeiture	Covered Bridge Preservation Association	Madison County Foundation for Environmental Education	Local Government Opioid Abatement	Debt Service	Capital Projects	Total
-	-	-	-	-	294,505	-	294,505
-	-	-	-	-	-	-	270,565
-	-	-	-	-	17,780	75,000	103,630
-	-	-	-	-	-	-	2,980
-	-	5,679	6,367	-	-	-	15,738
-	-	9,281	66,501	57,070	-	200,000	333,002
-	-	14,960	72,868	57,070	312,285	275,000	1,020,420
-	142	-	-	-	-	-	142
-	-	4,703	6,609	-	-	-	15,260
-	-	-	-	-	-	-	5,240
-	-	-	-	-	-	-	107,760
-	-	-	-	-	309,122	600	398,723
-	-	-	-	-	-	542,605	542,605
-	142	4,703	6,609	-	309,122	543,205	1,069,730
-	(142)	10,257	66,259	57,070	3,163	(268,205)	(49,310)
-	-	-	(221,000)	-	-	-	(221,000)
-	-	-	(221,000)	-	-	-	(221,000)
-	(142)	10,257	(154,741)	57,070	3,163	(268,205)	(270,310)
7,190	3,722	303,514	306,260	10,785	10,440	100,613	1,175,967
7,190	3,580	313,771	151,519	67,855	13,603	(167,592)	905,657

Madison County

Combining Schedule of Net Position
Internal Service Funds

June 30, 2023

	Fuel	Supplies	Employee Group Health	Flex	Unemployment Insurance	Total
Assets						
Cash and cash equivalents	$ 98,638	10,863	967,799	4,462	7,474	1,089,236
Accounts receivables	1,976	-	-	-	-	1,976
Inventories	51,122	-	-	-	-	51,122
Total assets	151,736	10,863	967,799	4,462	7,474	1,142,334
Liabilities						
Accounts payable	71,802	-	296,295	-	-	368,097
Advance from General Fund	60,000	-	-	-	-	60,000
Total liabilities	131,802	-	296,295	-	-	428,097
Net Position						
Unrestricted	$ 19,934	10,863	671,504	4,462	7,474	714,237

See accompanying independent auditor’s report.

Madison County

Combining Schedule of Revenues, Expenses and
Changes in Fund Net Position
Internal Service Funds

Year ended June 30, 2023

	Fuel	Supplies	Employee Group Health	Flex	Unemployment Insurance	Total
Operating revenues:						
Reimbursements from operating funds	$ 518,199	22,658	2,110,773	833	-	2,652,463
Reimbursements from others	25,604	646	107,990	48,573	-	182,813
Total operating revenues	543,803	23,304	2,218,763	49,406	-	2,835,276
Operating expenses:						
Medical claims	-	-	1,944,564	47,983	-	1,992,547
Materials and supplies	567,355	27,059	-	-	-	594,414
Insurance premiums	-	-	-	-	1,974	1,974
Total operating expenses	567,355	27,059	1,944,564	47,983	1,974	2,588,935
Operating income (loss)	(23,552)	(3,755)	274,199	1,423	(1,974)	246,341
Non-operating revenues:						
Interest income	-	-	1,549	-	-	1,549
Net income (loss)	(23,552)	(3,755)	275,748	1,423	(1,974)	247,890
Net position beginning of year	43,486	14,618	395,756	3,039	9,448	466,347
Net position end of year	$ 19,934	10,863	671,504	4,462	7,474	714,237

See accompanying independent auditor’s report.

Madison County

Madison County

Combining Schedule of Cash Flows
Internal Service Funds

Year ended June 30, 2023

	Fuel	Supplies	Employee Group Health	Flex	Unemployment Insurance	Total
Cash flows from operating activities:						
Cash received from operating fund reimbursements	$ 518,467	22,658	2,110,773	833	-	2,652,731
Cash received from others	25,604	646	107,990	48,573	-	182,813
Cash paid to suppliers for goods and services	(519,290)	(27,059)	(1,948,169)	(47,983)	(1,974)	(2,544,475)
Net cash provided (used) by operating activities	24,781	(3,755)	270,594	1,423	(1,974)	291,069
Cash flows from investing activities:						
Interest on investments	-	-	1,576	-	-	1,576
Net increase (decrease) in cash and cash equivalents	24,781	(3,755)	272,170	1,423	(1,974)	292,645
Cash and cash equivalents beginning of year	73,857	14,618	695,629	3,039	9,448	796,591
Cash and cash equivalents end of year	$ 98,638	10,863	967,799	4,462	7,474	1,089,236
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	$ (23,552)	(3,755)	274,199	1,423	(1,974)	246,341
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Changes in assets and liabilities:						
Accounts receivable	268	-	-	833	-	1,101
Inventories	11,246	-	-	-	-	11,246
Accounts payable	36,819	-	(3,605)	(833)	-	32,381
Net cash provided (used) by operating activities	$ 24,781	(3,755)	270,594	1,423	(1,974)	291,069

See accompanying independent auditor's report.

Madison County

Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	$ -	2,481	190,726	160,923
Other county officials	74,454	-	-	-
Receivables:				
Property tax:				
Delinquent	-	672	841	42,048
Succeeding year	-	267,000	334,000	17,165,000
Accounts	2,587	-	-	-
Special assessments	-	-	-	-
Total assets	77,041	270,153	525,567	17,367,971
Liabilities				
Accounts payable	400	-	126	-
Salaries and benefits payable	-	-	2,264	-
Due to other governments	27,978	2,481	7,307	160,923
Trusts payable	48,663	-	-	-
Compensated absences	-	-	14,125	-
Total liabilities	77,041	2,481	23,822	160,923
Deferred Inflows of Resources				
Unavailable revenues	-	267,000	334,000	17,165,000
Net Position				
Restricted for individuals, organizations and other governments	$ -	672	167,745	42,048

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	County Hospital	Special Assessment	Auto License and Use Tax	Other	Total
7,026	41,274	138,106	26,058	-	762,961	333,229	1,662,784
-	-	-	-	-	-	-	74,454
1,975	29,097	607	7,336	-	-	7	82,583
797,000	6,354,000	484,000	2,914,000	-	-	56,000	28,371,000
-	-	-	-	-	-	-	2,587
-	-	-	-	59,699	-	-	59,699
806,001	6,424,371	622,713	2,947,394	59,699	762,961	389,236	30,253,107
-	-	-	-	-	-	474	1,000
-	-	-	-	-	-	-	2,264
7,026	41,274	138,106	26,058	-	762,961	234,764	1,408,878
-	-	-	-	-	-	-	48,663
-	-	-	-	-	-	10,000	24,125
7,026	41,274	138,106	26,058	-	762,961	245,238	1,484,930
797,000	6,354,000	484,000	2,914,000	-	-	56,000	28,371,000
1,975	29,097	607	7,336	59,699	-	87,998	397,177

Madison County

Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools
Additions:				
Property and other county tax	$ -	259,033	338,039	17,154,231
State tax credits	-	15,621	20,755	861,930
Office fees and collections	620,980	-	-	-
Electronic transaction fees	-	-	-	-
Drivers license fees	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	22,456	-	-	-
Miscellaneous	-	86	928	5,910
Total additions	643,436	274,740	359,722	18,022,071
Deductions:				
Agency remittances:				
To other funds	310,913	-	-	-
To other governments	303,698	274,803	330,924	18,029,514
Trusts paid out	28,825	-	-	-
Total deductions	643,436	274,803	330,924	18,029,514
Changes in net position	-	(63)	28,798	(7,443)
Net position beginning of year	-	735	138,947	49,491
Net position end of year	$ -	672	167,745	42,048

See accompanying independent auditor’s report.

Community Colleges	Corporations	Townships	County Hospital	Special Assessment	Auto License and Use Tax	Other	Total
727,385	6,123,798	483,737	2,720,463	-	-	136,440	27,943,126
36,064	516,205	24,596	162,711	-	-	1,391	1,639,273
-	-	-	-	-	-	-	620,980
-	-	-	-	-	-	3,342	3,342
-	-	-	-	-	43,201	-	43,201
-	-	-	-	-	8,632,509	-	8,632,509
-	-	-	-	59,699	-	-	59,699
-	-	-	-	-	-	-	22,456
242	5,744	-	919	-	-	580,945	594,774
763,691	6,645,747	508,333	2,884,093	59,699	8,675,710	722,118	39,559,360
-	-	-	-	-	220,373	-	531,286
763,745	6,659,075	508,353	2,884,470	77,667	8,455,337	724,603	39,012,189
-	-	-	-	-	-	-	28,825
763,745	6,659,075	508,353	2,884,470	77,667	8,675,710	724,603	39,572,300
(54)	(13,328)	(20)	(377)	(17,968)	-	(2,485)	(12,940)
2,029	42,425	627	7,713	77,667	-	90,483	410,117
1,975	29,097	607	7,336	59,699	-	87,998	397,177

Madison County

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

For the Last Ten Years

	2023	2022	2021	2020
Revenues:				
Property and other county tax	$ 7,496,676	8,485,254	8,158,595	7,397,669
Tax increment financing	843,573	646,507	409,542	137,672
Local option sales tax	1,352,823	1,543,397	1,237,380	948,350
Interest and penalty on property tax	77,195	58,160	99,906	32,037
Intergovernmental	7,626,410	6,511,218	6,932,913	5,463,645
Licenses and permits	122,264	110,165	115,893	100,323
Charges for service	1,037,311	1,252,930	1,329,839	1,135,675
Use of money and property	475,423	69,750	146,449	158,276
Miscellaneous	695,214	698,759	604,453	590,731
Total	$ 19,726,889	19,376,140	19,034,970	15,964,378
Expenditures:				
Operating:				
Public safety and legal services	$ 4,280,510	3,881,548	3,694,274	3,395,215
Physical health and social services	804,037	805,339	820,705	751,978
Mental health	-	408,597	427,676	685,877
County environment and education	1,500,072	3,538,110	1,015,314	1,056,747
Roads and transportation	6,694,456	5,967,882	5,808,059	6,294,586
Governmental services to residents	518,393	710,080	656,595	642,647
Administration	3,713,296	2,359,504	1,721,666	1,634,734
Debt service	771,227	774,637	297,156	135,353
Capital projects	1,232,934	3,908,535	5,089,162	701,098
Total	$ 19,514,925	22,354,232	19,530,607	15,298,235

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
7,092,175	6,600,333	5,645,590	5,245,036	5,102,423	5,103,832
-	-	-	-	-	-
947,157	808,020	853,834	828,022	782,964	616,372
59,906	53,485	49,664	50,976	68,799	62,203
5,932,260	5,303,295	5,391,755	5,763,728	4,303,079	3,810,503
101,681	96,566	85,924	82,113	77,368	74,010
570,144	1,218,947	1,121,149	1,011,350	999,314	1,097,147
206,682	142,559	130,423	89,402	80,382	82,091
640,939	266,032	95,988	422,754	84,568	185,974
15,550,944	14,489,237	13,374,327	13,493,381	11,498,897	11,032,132
3,468,241	3,113,642	2,987,974	2,676,285	2,621,374	2,584,643
782,149	741,567	702,013	813,304	787,797	656,646
27,585	385,828	375,970	462,688	1,093,759	158,846
919,717	882,096	803,659	801,043	776,979	708,773
5,976,770	5,490,965	5,597,445	5,269,385	4,961,120	4,482,822
593,046	482,907	532,604	545,440	440,382	462,328
1,474,351	1,232,719	1,036,588	960,458	1,037,060	1,159,194
137,027	137,999	109,080	108,730	95,365	96,850
1,330,748	1,837,896	1,015,015	586,530	330,927	93,750
14,709,634	14,305,619	13,160,348	12,223,863	12,144,763	10,403,852

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Rob Sand
Auditor of State

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

To the Officials of Madison County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Madison County, Iowa, as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 8, 2026. Our report expressed qualified opinions on the governmental activities, each major fund and the aggregate remaining fund information since the County Treasurer was arrested and the County did not perform bank to book reconciliations for the year ended June 30, 2023. Accordingly, we were unable to satisfy ourselves as to the fund balances by fund as of June 30, 2023.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Madison County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-001 through 2023-003 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 as items 2023-004 through 2023-007 to be significant deficiencies.

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about Madison County's operations for the year ended June 30, 2023 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of Madison County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Madison County's Responses to Findings

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

Purpose of this Report

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

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

Pam Bormann

Pam Bormann, CPA
Deputy Auditor of State

April 8, 2026

<u>Findings Related to the Financial Statements</u>:

INTERNAL CONTROL DEFICIENCIES:

2023-001 <u>Segregation of Duties</u>

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

<u>Condition</u> – Generally, one or two individuals in the offices identified have control over the following areas for which no compensating controls exist:

		Applicable Offices
(1)	Generally, one individual may have control over opening mail, collecting, depositing, posting and daily reconciling of receipts. In offices with an independent mail opener, that person does not compare an initial listing of receipts to the accounting records. In the County Treasurer's Office, drop box receipts are opened by accounting personnel.	Ambulance, Conservation Board, Madison County Covered Bridge Preservation Association, Public Health, Recorder, Treasurer
(2)	The responsibility for change and petty cash funds is not assigned to only one person.	Recorder, Treasurer
(3)	Bank accounts were not reconciled by an individual who does not sign checks, handle or record cash. Bank reconciliations were not reviewed periodically by an independent person for propriety.	Madison County Covered Bridge Preservation Association, Recorder, Sheriff, Treasurer
(4)	The person who signs checks was not independent of the person preparing checks, approving disbursements and recording cash disbursements.	Recorder, Sheriff
(5)	Investments are not periodically inspected or reconciled to investments records by an independent person.	Treasurer
(6)	The function of maintaining bonds and other long term debt records are not independent of cash functions.	Treasurer

(7) Monthly void receipt reports are not properly maintained. All individuals in tax, motor vehicle and driver's license have the ability to void receipts in the County's software, including individuals who perform daily balancing.	Treasurer

Cause – The County offices and the Covered Bridge Preservation Association have noted a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect – Inadequate segregation of duties could adversely affect each of the above offices and the Covered Bridge Preservation Association's ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – Each official and the Covered Bridge Preservation Association should review the operating procedures of their offices to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials to provide additional control through review of financial transactions, reconciliations and reports. These independent reviews should be documented by the signature or initials of the reviewer and the date of the review.

Responses –

Sheriff – The Senior Deputy will be responsible for the bank reconciliation duties effective immediately. This will allow the Chief Deputy to continue recording and documenting all monies coming into the Sheriff's office and it will segregate the duties for recording and reconciling.

At this time, we do not have the personnel to allow one person to prepare a check and another to sign the check. However, as the County Sheriff's office expands and more people are hired, the practice will be implemented.

Ambulance – Our staff will do the best to segregate the duties with the limited amount of staff in the ambulance department.

Conservation Board – The Madison County Conservation Board attempts to segregate the responsibility of collections in the most feasible manner possible given the size of our staff.

Public Health – We now have a 28E agreement with Warren County, who now acts as our fiscal agent, so this will resolve this concern for the future.

Madison County Covered Bridge Preservation Association – The Madison County Bridge Preservation Association has a limited number of active members, but we will continue to work towards a method of reconciling receipts that will include more members and find an independent person to do bank reconciliations.

Recorder – Due to limited office staff, we are not always able to have complete separation of duties, but we do a good job of this on days staffing allows. We will continue to work on ways to better improve the separation.

Treasurer – The office will review procedures and identify ways to segregate duties as much as possible and implement compensating controls where controls can be achieved. This is a smaller office.

Conclusion – Responses acknowledged. The County offices and the Covered Bridge Preservation Association should continue to review controls to obtain the maximum internal control possible.

2023-002 Financial Reporting

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

Condition – The following conditions were noted:

- Material amounts of capital asset and infrastructure additions and deletions were not properly recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.
- Payables of $113,877 were not properly accrued in the County's financial statements. Adjustments were subsequently made by the County to properly include $97,324 of these amounts in the financial statements.
- Material amounts of donations and insurance reimbursements were recorded by the County as negative expenditures ultimately understating expenditures and revenues by $286,620. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Cause – County policies do not require, and procedures have not been established to require independent review of year end cut-off and other transactions to ensure the County's financial statements are accurate and reliable.

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

Recommendation – The County should establish procedures to ensure all capital asset and infrastructure additions and deletions, payables, donations and reimbursements are identified and properly reported in the County's financial statements.

Responses –

Auditor – The County will monitor all transactions for capital assets and payables in the future.

Engineer – The County will follow the State's recommendation and strive for accurate reporting.

Conclusion – Response accepted.

2023-003 Bank Reconciliations

Criteria – An effective internal control system provides for internal controls related to ensuring proper accounting for all funds by maintaining appropriate accounting records and reconciling book and bank balances. Bank reconciliations can help ensure the accuracy of recorded amounts.

Condition – Monthly reconciliations of book to bank balances were not prepared by the County Treasurer's and Conservation Department. As part of the audit, we worked with the County Treasurer to perform a bank reconciliation for the month ending June 30, 2023. This bank reconciliation reflected the bank balance exceeded the book balance by $69,196. During the review of the reconciliation, we noted several errors such as outstanding checks of $9,336 which were not included on the outstanding listing and $53,236 of deposits in transit which were not included as reconciling items. In addition, we noted bank deposits of $23,897 for June 2023 were not posted to the system until March 2024. There were also new bank accounts opened in May 2023 for Public Health Department, Zoning and Secondary Roads which were not included in the bank reconciliation.

Cause – Policies have not been designed, and procedures have not been implemented to ensure bank reconciliations are prepared.

Effect – Lack of preparation of bank reconciliations increases the risk misstatements may not be prevented or detected and corrected on a timely basis in the normal course of operations.

Recommendation – To improve financial accountability and control, the monthly reconciliations of the book and bank balances should be prepared. Reconciliations should be reviewed by an independent person, and the review should be documented by the signature or initials of the reviewer and the date of the review. The bank reconciliation review should include evidence the bank balances and reconciling items were verified by the independent reviewer.

Responses –

Treasurer – Due to staffing/office error I, former County Treasurer DeVos, was unable to reconcile the bank account monthly like I have in the past. Going forward this is something I've been working very hard on to be current each month as well as daily to make sure it all matches. All bank reconciliations are reviewed and signed off on by a staff member in the Assessor's Office. In looking into the variance, it appears that around $64,000 of that is a carryover from the prior Treasurer. I would like to try and figure out a way to have that corrected going forward.

Conservation Department – To improve financial accountability and control Madison County Conservation will consider a procedure for implementing bank reconciliations. We are a small staff of four employees. With a rural office, having reconciliations reviewed by an independent person is not feasible.

Conclusions – Responses acknowledged. The County Treasurer and Conservation Department should continue to review controls to obtain the maximum internal control possible.

2023-004 Timely Deposits

Criteria – An effective internal control system provides for internal controls related to ensuring proper accounting for all funds by taking receipts to the Treasurer in a timely manner to ensure they are deposited in the County's bank account.

Condition – Ten receipts totaling $168,400 were not remitted to the County Treasurer's office timely or were not processed by the County Treasurer's office timely. These receipts were deposited between 27 and 75 days from the State of Iowa warrant date.

During the year ending June 30, 2023, we were unable to trace miscellaneous receipts to the deposit tickets since deposit tickets did not include sufficient detail. Based on dates noted on the bank deposits and the frequency of deposits, we determined deposits were not taken to the bank weekly.

Cause – Policies have not been established and procedures have not been implemented to require departments to remit collections to the County Treasurer's office in a timely manner. In addition, policies have not been established and procedures have not been implemented for the County Treasurer to record and deposit the collections on a timely basis and ensure the deposit slips contain sufficient detail to support the deposit.

Effect – The checks could have been lost, destroyed or misappropriated and the situation may not have been detected and corrected in the normal course of operations. This condition could also result in unrecorded or misstated revenues and receivables.

Recommendation – The County should adopt and enforce policies and procedures requiring checks and cash receipts to be taken to the Treasurer for deposit within a specified period of time. The County should also adopt and enforce policies and procedures for the County Treasurer to record and deposit collections into the bank on a timely basis and ensure the deposit slips contain sufficient detail to support the deposit.

Responses –

Auditor – Madison County will continue to file checks with the Treasurer's office timely. We hope the timeliness in the Treasurer's Office improves going forward.

Treasurer – Due to staffing/programing issues, deposits were unfortunately not taken daily like I, former County Treasurer DeVos, would have liked them to. We will be trying to make sure all deposits are done in a timely manner. I have also implemented a new process in depositing all checks for motor vehicles, property taxes and miscellaneous receipts separately and keeping copies of all checks on hand.

Conclusions – Response accepted.

2023-005 Bank Signature Cards

Criteria – Internal controls over safeguarding assets constitutes a process, effected by an entity's governing body, management and other personnel designated to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from error or misappropriation. Such processes include establishing policies addressing proper asset use and supporting documentation.

Condition – The bank signature card included former County Treasurer employees as authorized signers for one bank account.

Cause – Adoption of a formal policy to update bank signature cards has not been prioritized by the County.

Effect – A possibility exists for unauthorized disbursements by the County.

Recommendation – The County should establish a policy to ensure the bank signature card is accurate and updated timely.

Response – I, former County Treasurer DeVos, have gone and updated all signature cards with the bank. When taking office in 2023, I contacted the banks to let them know that I was now in office but did not realize I needed to do the signature cards as well.

Conclusion – Response accepted.

2023-006 Property Tax Reconciliation

Criteria - An effective internal control system provides for internal controls related to reconciling current and delinquent property tax collections to tax billings and amounts becoming or remaining delinquent to ensure the accuracy of current and delinquent property tax collections and receivables.

Condition – Property tax reconciliations were not prepared for fiscal year 2023.

Cause – Policies have not been designed, and procedures have not been implemented to ensure property tax reconciliations are prepared to ensure the accuracy of property tax collections and receivables.

Effect – Lack of preparation of property tax reconciliations increases the risk misstatements of property tax collections, delinquent property tax collections and/or receivables may not be prevented or detected and corrected on a timely basis in the normal course of operations.

Recommendation – To improve financial accountability and control, property tax reconciliations should be prepared and differences, if any, should be investigated and resolved in a timely manner. Reconciliations should be reviewed by an independent person and the review should be documented by the signature or initials of the reviewer and the date of the review.

Response – In going back and looking at prior audits, it does not appear that the prior Treasurer has done this in the past. Going forward, I, former County Treasurer DeVos, will be reaching out to a neighboring County Treasurer to assist and facilitate a course of action.

Conclusion – Response accepted.

2023-007 Journal Entries

Criteria – An independent review of journal entries made by the County Auditor's office helps prevent losses from employee error or dishonesty and maximizes the accuracy of the County's financial statements.

Condition – Independent review and approval of journal entries is not documented.

Cause – Procedures have not been designed to require employees to document the review and approval of journal entries.

Effect – Lack of independent approval of transactions could adversely affect the County's ability to prevent or detect and correct misstatements, errors or misappropriations on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – Journal entries should be supported, and the support should be provided to an independent person for review and approval. An independent person should review the journal entries and document the review by signature or initials as evidence of the review and date of the review.

Response – This was not something that was ever mentioned in previous audits. Since this was brought to my attention, we have changed our process, and all journal entries are reviewed and signed off on by another employee in my office.

Conclusion – Response accepted.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

<u>Other Findings Related to Required Statutory Reporting</u>:

2023-A <u>Certified Budget</u> – Disbursements during the year ended June 30, 2023 exceeded the amount budgeted in the county environment and education and debt service functions at year end and disbursements exceeded the amount budgeted in the capital projects function prior to the budget being amended. In addition, appropriations were not approved by the Board of Supervisors during the fiscal year; therefore, disbursements in all departments exceeded the amounts appropriated.

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

Chapter 331.434(6) of the Code of Iowa states, "The board shall appropriate, by resolution, the amounts deemed necessary for each of the different county offices and departments during the ensuing fiscal year." Such appropriations should be made for the ensuing fiscal year.

<u>Response</u> – The County will monitor budgets to ensure amendments are done appropriately.

<u>Conclusion</u> – Response acknowledged. The County Board of Supervisors should appropriate, by resolution, amounts necessary for each of the different County offices and departments, as required.

2023-B <u>Questionable Expenditures</u> – In accordance with Article III, Section 31 of the Iowa Constitution and an Attorney General's opinion dated April 25, 1979, public funds may only be spent for public benefit. A certain expenditure was noted which we believe may not meet the requirements of public purpose as defined in the Attorney General's opinion since the public benefits to be derived have not been clearly documented. This expenditure is detailed as follows:

Paid to	Purpose	Amount
Amanda DeVos, County Treasurer	Amazon reimbursement for the following items: 148 piece tool set, ice machine, ice scoop, ice machine cleaner, paper plate utensil caddy, pain releivers, antiacids and bottled water	$ 201

According to the opinion, it is possible for such expenditures to meet the test of serving a public purpose under certain circumstances, although such items will certainly be subject to a deserved close scrutiny. The line to be drawn between a proper and an improper purpose is very thin.

<u>Recommendation</u> – The County should determine and document the public purpose served by these expenditures before authorizing any further payments. If this practice is continued, the County should establish written policies and procedures, including the requirements for the proper public purpose documentation.

Response – From taking office in January 2023, I, former County Treasurer DeVos, have never been provided with the County policies or procedures and was unaware that I was not able to make these types of purchases for the employees in my office. The purpose of automotive tools was a necessary purchase. This is so that we are able to provide those tools to the public to remove or put on plates while in the office.

Conclusion – Response acknowledged. Public purpose of expenditures should be clearly documented.

2023-C Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2023-D Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Clayton Allen, Chief Deputy Sheriff, owns Clayton's Home Improvement	Building repairs	$ 16,100

The transactions with the Chief Deputy Sheriff may represent a conflict of interest in accordance with Chapter 331.342(2)(j) of the Code of Iowa since the total transactions exceeded $6,000 and were not competitively bid.

Recommendation – The County should consult legal counsel to determine the disposition of this matter.

Response – The County will be more aware of related party transactions going forward.

Conclusion – Response accepted.

2023-E Restricted Donor Activity – No transactions were noted between the County, County officials, County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

2023-F Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

2023-G Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

2023-H Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.

2023-I Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

2023-J Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1 as required by Chapter 331.403(3)(a) of the Code of Iowa and no exceptions were noted.

2023-K Tax Increment Financing (TIF) – Payments from the Special Revenue, Tax Increment Financing (TIF) Fund properly included only payments for TIF loans and rebates. Also, Madison County properly completed the Tax Increment Debt Forms 1, 2, or 3, as appropriate, to certify TIF obligations (debt), to decertify TIF debt or to request a reduced distribution of TIF.

2023-L Financial Condition – The Capital Projects Fund had a deficit balance of $167,592 at June 30, 2023.

Recommendation – The County should investigate alternatives to eliminate this deficit in order to return the fund to a sound financial position.

Response – The County will work on cleaning up the deficit.

Conclusion – Response accepted.

2023-M Sales Tax on Reimbursed Purchases – Sales tax was paid on various transactions reimbursed to the County Treasurer totaling $311. Such purchases should have been made through the County, and therefore would have been tax-exempt.

Recommendation – As a government entity, the County maintains a tax-exempt status. As a result, the County should not incur sales tax. The County should ensure sales tax is not paid on purchases.

Response – I, former County Treasurer DeVos, was not made aware of this till after the fact, I initially went to the County Auditor requesting to use the County card to purchases supplies towards the end of the fiscal year and was told I would not be able to use it with it being close to the year end. It was never brought up to let me use the County Amazon account to make the purchases with my card. I went ahead and ordered all the supplies I needed and turned the receipts into the County Auditor. I have never been provided with the County policies and procedures.

Conclusion – Response acknowledged. The County should review purchases to ensure they are in compliance with policy and sales tax should not be paid.

2023-N Bank Overdraft – Chapter 331.552 (2) of the Code of Iowa states in part, “The Treasurer shall disburse money owed or payable by the county on warrants or checks drawn and signed by the auditor and sealed with the official county seal.”

As needed, the County Treasurer would move funds to cover the amount of warrants presented to the bank. The disbursement of money owed for the warrants or checks should be done timely. However, the Code of Iowa does not define a time period. Generally, one week would be considered timely. On July 7, 2023 the County was informed by the Farmers and Merchants State Bank the County's account was overdrawn by $340,600. According to the review of the July 2023 Farmers and Merchants State Bank statement, the account did not reflect the overdraft or any penalties or fees. However, the statement shows no activity from July 1 to July 9 and then two large deposits of $500,000 each on July 10 and July 18, 2023, respectively.

Recommendation – The County Treasurer should perform duties as described by the Code of Iowa and ensure the disbursement of funds made to the bank for warrants or checks written by the County timely. Good fiscal practices such as not allowing bank overdraft to occur should be the practice of County officials.

Response – I, County Treasurer Barber, do remember this being an issue and Amanda always wanting to change or better a way of warrant payment. The everyday writing a check for warrants was not very efficient. It was at the beginning of 2024 that it was discussed a new way of warrant payment would start taking place. Instead of daily checks, every time a claim cycle would come out and be approved by the Supervisors, Amanda would know how much to write a check for and take that to Farmers and Merchants State Bank. This process tremendously helped with bettering our banking practices.

Conclusion – Response accepted.

Staff

This audit was performed by:

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