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 $24,211,575 for the year ended June 30, 2024, a 7.9% decrease. Expenses for County operations for the year ended June 30, 2024 totaled $17,728,824, an 8.6% increase. The significant decrease in the revenues is due primarily to a decrease in the American Rescue Plan Act revenue and less roads contributed by the Iowa Department of Transportation. The significant increase in the expenses is primarily due to additional depreciation expense related to continued increases in infrastructure additions.

As discussed in Note 17 to the financial statements, the County Treasurer was arrested on various felony charges while in Office. Also, as noted in finding 2024-003, book to bank reconciliations were not prepared during the year ended June 30, 2024. Accordingly, we were unable to satisfy ourselves as to the fund balances by fund as of June 30, 2024. As a result, Sand reported a qualified opinion on the financial statements as a whole.

AUDIT FINDINGS:

Sand reported twenty-six findings related to the receipt and expenditure of taxpayer funds. They are found on pages 92 through 115 of this report. The findings address issues such as lack of segregation of duties, significant adjustments made to the financial statements, the lack of monthly bank reconciliations, significant receipts not deposited intact and timely, the lack of property tax reconciliations, the lack of monthly reconciliations for billing, collection and delinquent accounts for the County Public Health Department, the lack of a petty cash and change fund policy, appropriations not being approved by the Board of Supervisors, a deficit fund balance and the payment of required tax payments not made timely. Sand provided the County recommendations to address each of these findings.

Ten 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, the 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, 2024

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, 2024. 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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Madison County

Officials

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
Erin Hardisty (Appointed July 23)	County Attorney	Resigned Oct 2024
Jessica Aldridge	County Assessor	Jan 2028

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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, 2024, 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, 2024 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinions on the Financial Statements as Whole

As discussed in Note 17 to the financial statements, the County Treasurer was arrested on various felony charges while in Office. Also, as noted in finding 2024-003, book to bank reconciliations were not prepared during the year ended June 30, 2024. Accordingly, we were unable to satisfy ourselves as to the fund balances by fund as of June 30, 2024.

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 62 through 74 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 year ended June 30, 2023 (which are not presented herein) and expressed qualified opinions on those financial statements. The financial statements for the eight 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, 2024. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2024 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities decreased 7.9%, or approximately $2,084,000, from fiscal year 2023 to fiscal year 2024. Capital grants, contributions and restricted interest decreased approximately $3,309,000 and American Rescue Plan Act revenue decreased approximately $903,000 while property tax revenue increased approximately $1,307,000.

- Program expenses of the County's governmental activities were 8.6%, or approximately $1,407,000 more in fiscal year 2024 than in fiscal year 2023. Roads and transportation and county environment and education expenses increased approximately $976,000 and $215,000, respectively.

- The County's net position increased 12.5%, or approximately $6,479,000, over the June 30, 2023 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, Flex, Employee Group Health 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, 2024	2023
Current and other assets	$ 27,620	25,573
Capital assets	50,317	47,189
Total assets	77,937	72,762
Deferred outflows of resources	1,562	1,011
Long-term liabilities	9,193	9,401
Other liabilities	1,562	2,153
Total liabilities	10,755	11,554
Deferred inflows of resources	10,329	10,283
Net position:		
Net investment in capital assets	44,034	40,089
Restricted	12,553	11,390
Unrestricted	1,828	457
Total net position	$ 58,415	51,936

Net position of Madison County's governmental activities increased 12.5% (approximately $58.4 million compared to approximately $51.9 million).

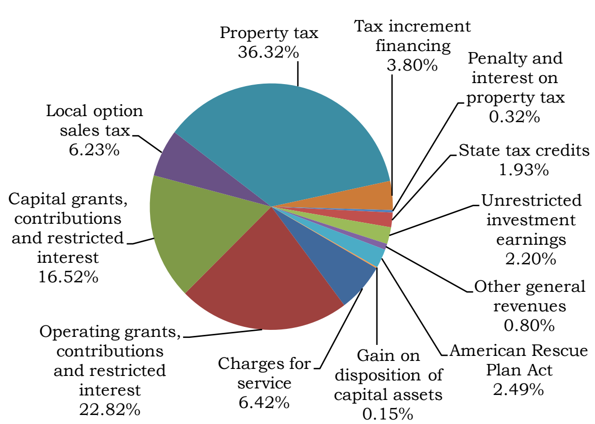
The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased 9.8%, or approximately $3,945,000 over the prior year.

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 $1,163,000, or 10.2%, over the prior year. This increase is primarily due to increases in the amounts held at year end for debt service and secondary roads.

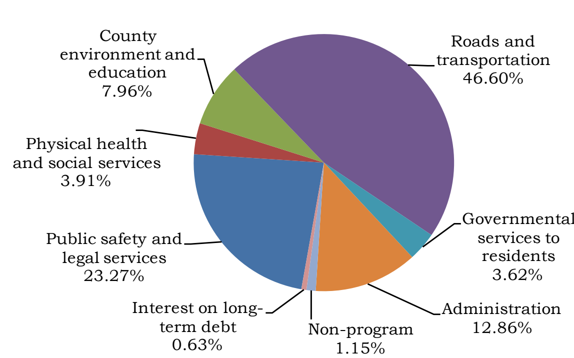
Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased approximately $1,371,000 or 300.0%, over the prior year.

Changes in Net Position of Governmental Activities (Expressed in Thousands)		
	Year ended June 30,	
	2024	2023
Revenues:		
Program revenues:		
Charges for service	$ 1,555	1,458
Operating grants, contributions and restricted interest	5,525	5,082
Capital grants, contributions and restricted interest	3,999	7,308
General revenues:		
Property tax	8,798	7,491
Tax increment financing	919	843
Penalty and interest on property tax	77	73
State tax credits	467	461
Local option sales tax	1,509	1,353
American Rescue Plan Act	602	1,505
Unrestricted investment earnings	532	411
Gain on disposition of capital assets	36	150
Other general revenues	193	161
Total revenues	24,212	26,296
Program expenses:		
Public safety and legal services	4,126	4,093
Physical health and social services	693	769
County environment and education	1,411	1,196
Roads and transportation	8,266	7,290
Governmental services to residents	642	480
Administration	2,280	2,190
Non-program	204	179
Interest on long-term debt	111	129
Total expenses	17,733	16,326
Change in net position	6,479	9,970
Net position beginning of year	51,936	41,966
Net position end of year	$ 58,415	51,936

Revenues by Source



Expenses by Program



Madison County's governmental activities net position increased approximately $6,479,000 during the year. Revenues for governmental activities decreased approximately $2,084,000 from the prior year, including capital grants, contributions and restricted interest which decreased from the prior year approximately $3,309,000, or 45.3%.

The countywide property tax levy rate increased 15.04%, or $0.73189 per $1,000 of taxable valuation and the rural property tax levy rate increased 11.76% or $0.40 per $1,000 of taxable valuation fiscal year 2024. The countywide property tax valuation increased 1.55% and the rural property tax valuation increased 3.03% for fiscal year 2024. Based on the increases for county-wide property tax levy rate, property tax revenue was budgeted to increase approximately $1,249,000.

The County's capital grants, contributions and restricted interest decreased approximately $3,309,000, or 45.3%, from the fiscal year 2023 primarily due to a decrease of approximately $2,464,000 from receiving less contributions of roads and bridges paid for by the Iowa Department of Transportation.

The cost of all governmental activities this year was approximately $17.7 million compared to approximately $16.3 million last year. However, as shown in the Statement of Activities on page 21, the amount taxpayers ultimately financed for these activities was approximately $6.6 million because some of the cost was paid by those directly benefited from the programs (approximately $1.6 million) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately $9.5 million). Overall, the County's governmental program revenues, including intergovernmental aid and charges for service, decreased in fiscal year 2024 from approximately $13,848,000 to approximately $11,079,000. As discussed above, the County received less 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 $14.2 million, an increase of approximately $1.9 million above last year's total of approximately $12.3 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately $412,000, or 4.7%, over the prior year. This increase was primarily due to an increase in property and other tax. Expenditures decreased approximately $1,965,000 or 20.0%, from the prior year to approximately $7,841,000. This decrease was primarily due to the reallocation of payroll expenditures for the ambulance and Sheriff's Office to the Rural Services Fund since more services were provided to rural citizens within the County and the reduction in expenditures of the American Rescue Plan Act funds in the current year. The ending fund balance increased approximately $1,158,000, or 70.8%, over the prior year, from $1,636,195 to $2,794,427.

- Special Revenue, Rural Services Fund revenues increased approximately $499,000, or 13.2%. The primary reason for the increase is due to more property taxes received as a result of an increase in the levy rate. Expenditures increased approximately $630,000, or 41.5%, over the prior year. The increase was primarily due to allocating more payroll expenditures related to the ambulance and Sheriff's Office to the Fund since more services were provided to rural citizens within the County. The ending fund balance decreased approximately $93,000, or 4.9%, from the prior year to $1,791,571.

- Special Revenue, Tax Increment Fund revenues at year end increased approximately $41,000 over the prior year end. Expenditures increased approximately $129,000 over the prior year, primarily due to expenditures for principal debt payments.

- Special Revenue, Secondary Roads Fund revenues decreased approximately $616,000, or 11.5%, from the prior year, primarily the result of a decrease in bridge repair project reimbursements. Expenditures increased approximately $115,000, or 1.7%. The ending fund balance increased 4.2% or approximately $302,000 over the prior year to an ending balance of $7,445,875.

BUDGETARY HIGHLIGHTS

Over the course of the year, Madison County amended its budget three times. The first amendment, made on September 26, 2023, resulted in increased budgeted disbursements for the public safety and legal services, physical health and social services, county environment and education, administration and capital projects functions for ambulance equipment service agreement, employee insurance coverage changes, Community Development Block Grant disbursements and receipts, American Rescue Plan Act funds, litigation disbursements, grant disbursements and receipts for courthouse construction and Iowa Communities Assurance Pool Grant disbursements and receipts. The second amendment, made on January 23, 2024, 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 and administration functions for Human Resources and Services Administration refund, Ground Emergency Medical Transportation payments, opioid settlement disbursements, conservation expendable trust disbursements, cyber security grant disbursements, election computers, comprehensive plan disbursements, House File 718 budget hearing mailing disbursements, utilities and maintenance disbursements, fiscal year 2022 audit disbursements, Southern Iowa Council of Governments dues increase, workers compensation premium increase and litigation costs. The third amendment, made on May 14, 2024, resulted in increased budgeted disbursements for public safety and legal services, physical health and social services, county environment and education and administration functions for medical exams, building costs, equipment, grant disbursements and insurance changes. There was also a decrease in the government services to residents function for the reduced disbursements related to not providing additional compensation to the County Auditor for also serving as the Budget Director.

The County's receipts were approximately $621,000 more than budgeted, a variance of 3.3%. The most significant variance resulted from the County receiving increased property and other county taxes.

Total disbursements were approximately $4,067,000 less than the amended budget. This was primarily due to the County spending approximately $1,080,000 less than budgeted for roads and transportation, due to projects being delayed until the next fiscal year, and $1,348,000 less than budgeted for capital projects due to the County over estimating the cost and delays.

Even with the budget amendments, the County exceeded the budgeted amount in the debt service function for the year ended June 30, 2024. In addition, the Board of Supervisors did not approve appropriations for the year, so all departments exceeded the amounts appropriated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, Madison County had approximately $50.3 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 $3,128,000, or 6.6% over last year.

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

	June 30, 2024	June 30, 2023
Land	$ 1,839	1,839
Intangibles	104	104
Construction in progress	15,645	15,767
Buildings and improvements	4,014	4,147
Equipment and vehicles	5,069	4,641
Right-to-use leased assets	15	31
Infrastructure	23,631	20,660
Total	$ 50,317	47,189
This year's major additions included (in thousands):		
Construction in progress	$ 4,373	
Equipment and vehicles	1,354	
Infrastructure	4,495	
Total	$ 5,849	

The County had depreciation expense of $2,610,182 in fiscal year 2024 and total accumulated depreciation of $24,771,677 at June 30, 2024. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2024, Madison County had approximately $6,269,000 of general obligation bonds and other debt outstanding, compared to approximately $7,100,000 at June 30, 2023, as shown below.

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

	June 30, 2024	June 30, 2023
General obligation bonds/notes	$ 6,223	7,014
Lease agreements	15	32
Bank loan	12	29
Installment purchases	19	25
Total	$ 6,269	7,100

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 $92 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 2025 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, 2024 stands at 3.0% versus 3.3% at June 30, 2023. This compares with the State's unemployment rate of 3.0% and the national rate of 4.1% at June 30, 2024.

These indicators were taken into account when adopting the budget for fiscal year 2025. Amounts available for appropriation (i.e., beginning balance plus receipts) in the operating budget are approximately $31.8 million, an increase of 12.24% compared to the final fiscal year 2024 budget. Property tax (benefiting from an increase in assessed valuations) receipts are expected to increase for fiscal year 2025. 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 increase approximately $911,000 over the final fiscal year 2024 budget, primarily in the road and transportation and capital projects functions. The County has added no major new programs or initiatives to the fiscal year 2025 budget.

If these estimates are realized, the County's budgetary operating balance is expected to modestly decrease by the close of fiscal year 2025.

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, 2024

	Governmental Activities
Assets	
Cash, cash equivalents and pooled investments	$ 15,451,568
Receivables:	
Property tax:	
Delinquent	12,319
Succeeding year	9,146,000
Succeeding year tax increment financing	915,000
Penalty and interest on property tax	15,712
Accounts	482,495
Opioid settlement	432,450
Due from other governments	532,247
Lease receivable	4,057
Inventories	612,720
Prepaid postage	15,000
Capital assets, not being depreciated/amortized	17,587,758
Capital assets, net of accumulated depreciation/amortization	32,729,691
Total assets	77,937,017
Deferred Outflows of Resources	
Pension related deferred outflows	1,528,547
OPEB related deferred outflows	33,546
Total deferred outflows of resources	1,562,093

Madison County

Statement of Net Position

June 30, 2024

	Governmental Activities
Liabilities	
Accounts payable	762,476
Accrued interest payable	14,618
Salaries and benefits payable	203,432
Advances from grantors	60,870
Due to other governments	26,746
Unearned revenues	494,037
Long-term liabilities:	
Portion due or payable within one year:	
Lease agreement	3,376
General obligation bonds	679,425
General obligation notes	125,000
Bank loan	12,113
Installment purchases	6,255
Compensated absences	331,393
Total OPEB liability	6,394
Portion due or payable after one year:	
Lease agreement	12,073
General obligation bonds	5,163,429
General obligation notes	255,000
Installment purchases	12,510
Compensated absences	317,823
Total OPEB liability	316,597
Net pension liability	1,951,419
Total liabilities	10,754,986
Deferred Inflows of Resources	
Unavailable property tax revenue	9,146,000
Unavailable tax increment financing revenue	915,000
Pension related deferred inflows	200,089
OPEB related deferred inflows	63,991
Lease related deferred inflows	4,057
Total deferred inflows of resources	10,329,137
Net Position	
Net investment in capital assets	44,033,650
Restricted for:	
Supplemental levy purposes	859,647
Rural services purposes	1,766,759
Secondary roads purposes	7,183,433
Debt service	1,159,839
Opioid settlement	577,457
Other purposes	1,006,084
Unrestricted	1,828,118
Total net position	$ 58,414,987

See notes to financial statements.

Madison County

Madison County

Statement of Activities

Year ended June 30, 2024

		Program Revenues			
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Net (Expense) Revenue and Changes in Net Position
Functions/Programs:					
Governmental activities:					
Public safety and legal services	$ 4,126,534	553,754	238,702	35,738	(3,298,340)
Physical health and social services	693,402	72,347	425,505	-	(195,550)
County environment and education	1,410,837	121,107	247,390	35,563	(1,006,777)
Roads and transportation	8,265,612	89,977	4,575,986	3,882,761	283,112
Governmental services to residents	642,083	465,453	-	-	(176,630)
Administration	2,279,752	36,821	37,375	-	(2,205,556)
Non-program	203,667	215,470	-	45,250	57,053
Interest on long-term debt	110,853	-	-	-	(110,853)
Total	$ 17,732,740	1,554,929	5,524,958	3,999,312	(6,653,541)
General Revenues:					
Property and other county tax levied for					
General purposes					8,500,221
Debt service					297,542
Tax increment financing					918,654
Penalty and interest on property tax					76,690
State tax credits					466,635
Local option sales tax					1,509,630
American Rescue Plan Act					601,878
Unrestricted investment earnings					532,112
Gain on disposition of capital assets					35,926
Miscellaneous					193,088
Total general revenues					13,132,376
Change in net position					6,478,835
Net position beginning of year					51,936,152
Net position end of year					$ 58,414,987

See notes to financial statements.

Madison County
Balance Sheet
Governmental Funds

June 30, 2024

			Special
	General	Rural Services	Tax Increment Financing
Assets			
Cash, cash equivalents and pooled investments	$ 3,256,817	1,727,070	1,140,097
Receivables:			
Property tax:			
Delinquent	7,862	4,089	-
Succeeding year	5,864,000	2,986,000	-
Succeeding year tax increment financing	-	-	915,000
Penalty and interest on property tax	15,712	-	-
Accounts	477,910	750	-
Opioid settlement	-	-	-
Due from other governments	4,469	100,969	-
Due from other funds	128,492	-	-
Lease receivable	4,057	-	-
Inventories	-	-	-
Prepaid postage	15,000	-	-
Advances to other funds	60,000	-	-
Total assets	$ 9,834,319	4,818,878	2,055,097
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	$ 99,659	7,481	-
Salaries and benefits payable	105,017	29,599	-
Advances to grantors	-	-	-
Due to other governments	11,963	205	-
Due to other funds	-	-	-
Unearned revenues	494,037	-	-
Total liabilities	710,676	37,285	-
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	5,864,000	2,986,000	-
Succeeding year tax increment financing	-	-	915,000
Other	461,159	4,022	-
Lease related	4,057	-	-
Total deferred inflows of resources	6,329,216	2,990,022	915,000
Fund balances:			
Nonspendable:			
Inventories	-	-	-
Advance to Internal Service Fund	60,000	-	-
Prepaids	15,000	-	-
Restricted for:			
Supplemental levy purposes	862,225	-	-
Rural services purposes	-	1,791,571	-
Secondary roads purposes	-	-	-
Debt service	-	-	1,140,097
Opioid abatement	-	-	-
Other purposes	3,350	-	-
Unassigned	1,853,852	-	-
Total fund balances	2,794,427	1,791,571	1,140,097
Total liabilities, deferred inflows of resources and fund balances	$ 9,834,319	4,818,878	2,055,097

See notes to financial statements.

Revenue		
Secondary Roads	Nonmajor	Total
6,937,113	1,143,965	14,205,062
-	368	12,319
-	296,000	9,146,000
-	-	915,000
-	-	15,712
1,681	337	480,678
-	432,450	432,450
401,567	25,242	532,247
-	-	128,492
-	-	4,057
579,543	-	579,543
-	-	15,000
-	-	60,000
7,919,904	1,898,362	26,526,560
310,845	2,979	420,964
68,816	-	203,432
60,870	-	60,870
14,578	-	26,746
-	128,492	128,492
-	-	494,037
455,109	131,471	1,334,541
-	296,000	9,146,000
-	-	915,000
18,920	432,812	916,913
-	-	4,057
18,920	728,812	10,981,970
579,543	-	579,543
-	-	60,000
-	-	15,000
-	-	862,225
-	-	1,791,571
6,866,332	-	6,866,332
-	19,380	1,159,477
-	145,007	145,007
-	1,002,734	1,006,084
-	(129,042)	1,724,810
7,445,875	1,038,079	14,210,049
7,919,904	1,898,362	26,526,560

Madison County

Madison County

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

June 30, 2024

Total governmental fund balances (page 23)		$ 14,210,049
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 $75,089,126 and the accumulated depreciation/amortization is $24,771,677.		50,317,449
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.		916,913
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.		879,988
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	$ 1,562,093	
Deferred inflows of resources	(264,080)	1,298,013
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.		(9,207,425)
Net position of governmental activities (page 19)		$ 58,414,987

See notes to financial statements.

Madison County

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

Year ended June 30, 2024

	General	Rural Services	Special Tax Increment Financing
Revenues:			
Property and other county tax	$ 5,655,320	2,845,355	-
Tax increment financing	-	-	918,654
Local option sales tax	-	1,207,704	-
Penalty and interest on property tax	69,026	-	-
Intergovernmental	1,469,750	127,134	-
Licenses and permits	4,397	93,960	-
Charges for service	1,113,336	11,300	-
Use of money and property	565,669	-	-
Miscellaneous	211,210	1,000	-
Total revenues	9,088,708	4,286,453	918,654
Expenditures:			
Operating:			
Public safety and legal services	2,969,822	1,098,226	-
Physical health and social services	633,920	85,513	-
County environment and education	1,053,547	338,362	-
Roads and transportation	-	602,398	-
Governmental services to residents	718,691	2,520	-
Administration	2,465,022	-	-
Debt service	-	-	501,905
Capital projects	-	22,724	-
Total expenditures	7,841,002	2,149,743	501,905
Excess (deficiency) of revenues over (under) expenditures	1,247,706	2,136,710	416,749
Other financing sources (uses):			
Sale of capital assets	7,810	7,650	-
Transfers in	62,577	-	-
Transfers out	(177,059)	(2,237,146)	-
Total other financing sources (uses)	(89,474)	(2,229,496)	-
Change in fund balances	1,158,232	(92,786)	416,749
Fund balances beginning of year	1,636,195	1,884,357	723,348
Fund balances end of year	$ 2,794,427	1,791,571	1,140,097

See notes to financial statements.

Revenue		
Secondary Roads	Nonmajor	Total
-	297,576	8,798,251
-	-	918,654
-	301,926	1,509,630
-	-	69,026
4,693,566	53,039	6,343,489
28,340	-	126,697
12,959	3,470	1,141,065
-	23,057	588,726
14,647	229,080	455,937
4,749,512	908,148	19,951,475
-	154	4,068,202
-	231	719,664
-	26,781	1,418,690
6,705,506	-	7,307,904
-	4,720	725,931
-	249,187	2,714,209
-	402,076	903,981
156,120	30,000	208,844
6,861,626	713,149	18,067,425
(2,112,114)	194,999	1,884,050
-	-	15,460
2,414,205	-	2,476,782
-	(62,577)	(2,476,782)
2,414,205	(62,577)	32,658
302,091	132,422	1,916,708
7,143,784	905,657	12,293,341
7,445,875	1,038,079	14,210,049

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, 2024

Change in fund balances - Total governmental funds (page 27)		$ 1,916,708
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	$ 1,906,533	
Contributed capital assets, contributed by the Iowa Department of Transportation	3,809,858	
Depreciation/amortization expense	(2,610,182)	3,106,209
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.		22,616
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	(488)	
Other	195,210	194,722
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	(17,198)	
Repaid	848,042	830,844
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.		607,532
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	(28,868)	
Pension expense	(24,212)	
OPEB expense	(314,346)	
Interest on long-term debt	1,879	(365,547)
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.		165,751
Change in net position of governmental activities (page 21)		$ 6,478,835

See notes to financial statements.

Madison County

Statement of Net Position
Proprietary Funds

June 30, 2024

	Internal Service
Assets	
Cash and cash equivalents	$ 1,246,506
Accounts receivable	1,817
Inventories	33,177
Total assets	1,281,500
Liabilities	
Accounts payable	341,512
Advance from General Fund	60,000
Total liabilities	401,512
Net Position	
Unrestricted	$ 879,988

See notes to financial statements.

Madison County

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

Year ended June 30, 2024

		Internal Service
Operating revenues:		
Reimbursements from operating funds and employees	$ 2,447,829	
Reimbursements from others	211,926	
Total operating revenues		2,659,755
Operating expenses:		
Medical claims	2,025,251	
Materials and supplies	470,727	2,495,978
Operating income		163,777
Non-operating revenues:		
Interest income		1,974
Net income		165,751
Net position beginning of year		714,237
Net position end of year		$ 879,988

See notes to financial statements.

Madison County

Statement of Cash Flows
Proprietary Funds

Year ended June 30, 2024

	Internal Service
Cash flows from operating activities:	
Cash received from operating fund reimbursements	$ 2,447,988
Cash received from others	211,926
Cash paid to suppliers for goods and services	(2,504,618)
Net cash provided by operating activities	155,296
Cash flows from investing activities:	
Interest on investments	1,974
Net increase in cash and cash equivalents	157,270
Cash and cash equivalents beginning of year	1,089,236
Cash and cash equivalents end of year	$ 1,246,506
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 163,777
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Accounts receivable	159
Inventories	17,945
Accounts payable	(26,585)
Net cash provided by operating activities	$ 155,296

See notes to financial statements.

Madison County

Statement of Fiduciary Net Position
Custodial Funds

June 30, 2024

Assets	
Cash, cash equivalents and pooled investments:	
County Treasurer	$ 1,593,099
Other County officials	111,770
Receivables:	
Property tax:	
Delinquent	34,336
Succeeding year	30,248,000
Accounts	776
Special assessments	27,879
Total assets	32,015,860
Liabilities	
Accounts payable	1,415
Salaries and benefits payable	3,317
Due to other governments	1,399,336
Trusts payable	70,893
Compensated absences	24,298
Total liabilities	1,499,259
Deferred Inflows of Resources	
Unavailable property tax revenue	30,248,000
Net Position	
Restricted for individuals, organizations and other governments	$ 268,601

See notes to financial statements.

Madison County

Statement of Changes in Fiduciary Net Position
Custodial Funds

June 30, 2024

Additions:	
Property and other county tax	$ 28,492,399
State tax credits	1,624,415
Office fees and collections	765,742
Electronic transaction fees	3,133
Drivers license fees	26,925
Auto licenses, use tax and postage	8,650,782
Assessments	13,860
Trusts	711,575
Miscellaneous	622,351
Total additions	40,911,182
Deductions:	
Agency remittances:	
To other funds	410,901
To other governments	39,913,767
Trusts paid out	715,090
Total deductions	41,039,758
Change in net position	(128,576)
Net position beginning of year	397,177
Net position end of year	$ 268,601

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 April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax and tax increment financing receivables have been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which they are levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2022 assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in April 2023.

Penalty and Interest on Property Tax Receivable – Penalty and interest on property tax receivable represents the amount of penalty and interest 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, 2024, 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 are tangible and intangible assets, which include property, furniture and equipment and infrastructure assets are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under "Leases" below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair 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 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

<u>Leases</u> – **County as Lessee** – Madison County is the lessee for a noncancellable lease of equipment. The County has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of $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 and a purchase option price that the County is reasonably certain to exercise.

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

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

County as Lessor – Madison County is a lessor for a noncancellable lease of farmland. 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, the unamortized portion of the net difference between projected and actual earnings on pension plan assets and contributions from the County after the measurement date but before the end of the County's reporting period.

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

Unearned Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Unearned revenue in the government-wide and 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, 2024. 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.

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, 2024, disbursements exceeded amounts budgeted in the debt service function. 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, 2024 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 $10,080,763. 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, 2024, the Madison County Covered Bridge Preservation Association, Inc. had the following investments:

Investment	Carrying Amount	Fair Value
Mutual funds	$ 22,317	24,023
Corporate bonds	4,950	4,680
Government bonds	39,007	38,912
Total	$ 66,274	67,615

The Madison County Covered Bridge Preservation Association, 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 Covered Bridge Preservation Association, Inc.'s mutual funds, corporate bonds and government 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, 2024, the Madison County Foundation for Environmental Education, Inc. had the following investments:

Investment	Carrying Amount	Fair Value
Mutual funds	$ 74,205	92,333

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, 2024 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, 2024 as follows:

Receivable Fund	Payable Fund	Amount
General	Capital Projects	$ 128,492

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, 2024 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue:	
	Madison County Foundation for Environmental Education, Inc.	$ 62,577 *
Special Revenue:		
Secondary Roads	General	177,059
	Special Revenue:	
	Rural Services	2,237,146
		2,414,205
Total		$ 2,476,782

* *Transfer from Madison County Foundation for Environmental Education, Inc. 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, 2024 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	$ 1,838,886	-	-	1,838,886
Intangibles, road network	104,029	-	-	104,029
Construction in progress	15,766,824	4,373,280	4,495,261	15,644,843
Total capital assets not being depreciated/amortized	17,709,739	4,373,280	4,495,261	17,587,758
Capital assets being depreciated/amortized:				
Buildings	6,313,188	-	-	6,313,188
Improvements other than buildings	31,147	-	-	31,147
Equipment and vehicles	13,343,051	1,353,912	325,532	14,371,431
Right to use asset	94,115	17,198	94,114	17,199
Infrastructure, road network	32,273,142	4,495,261	-	36,768,403
Total capital assets being depreciated/amortized	52,054,643	5,866,371	419,646	57,501,368
Less accumulated depreciation/amortization for:				
Buildings	2,166,440	132,231	-	2,298,671
Improvements other than buildings	31,147	-	-	31,147
Equipment and vehicles	8,702,524	919,687	320,149	9,302,062
Right to use asset	62,743	33,470	94,114	2,099
Infrastructure, road network	11,612,904	1,524,794	-	13,137,698
Total accumulated depreciation/amortization	22,575,758	2,610,182	414,263	24,771,677
Total capital assets being depreciated/amortized, net	29,478,885	3,256,189	5,383	32,729,691
Governmental activities capital assets, net	$ 47,188,624	7,629,469	4,500,644	50,317,449

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	$ 304,420
Physical health and social services	6,378
County environment and education	85,681
Roads and transportation	2,111,200
Governmental services to residents	3,467
Administration	99,036
Total depreciation/amortization expense - governmental activities	$ 2,610,182

(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, 2024 is as follows:

Fund	Description	Amount
General	Services	$ 11,963
Special Revenue:		
Rural Services	Services	205
Secondary Roads		14,578
Total for governmental funds		$ 26,746
Custodial:		
County Offices	Collections	$ 41,253
Agricultural Extension Education		3,939
County Assessor		7,307
Schools		251,275
Community Colleges		11,811
Corporations		91,156
Townships		62,884
County Hospital		43,019
Special Assessments		35,461
Auto License and Use Tax		567,359
Other		283,872
Total for custodial funds		$ 1,399,336

(7) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2024 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	Total OPEB Liability	Total
Balance beginning 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
Increases	17,198	-	-	-	-	-	-	557,525	545,048	57,799	1,177,570
Decreases	33,514	17,024	251,249	415,000	85,000	40,000	6,255	528,657	-	9,432	1,386,131
Balance end of year	15,449	12,113	772,854	5,070,000	260,000	120,000	18,765	649,216	1,951,419	322,991	9,192,807
Due within one year	$ 3,376	12,113	254,425	425,000	85,000	40,000	6,255	331,393	-	6,394	1,163,956

Lease Agreements

On August 4, 2023, the County entered into a lease agreement for a Treasurer's office mailing system. An initial lease liability was recorded in the amount of $9,376. The agreement requires quarterly payments of $484 over five years with an initial payment made November 4, 2023, for $484, with an implicit interest rate of 1.25% and final payment due July 30, 2028. During the year ended June 30, 2024, principal and interest paid were $1,369 and $83, respectively.

On March 30, 2024, the County entered into a lease agreement for an Auditor's office mailing system. An initial lease liability was recorded in the amount of $7,822. The agreement requires quarterly payments of $404 over five years with an initial payment made June 30, 2024, for $404, with an implicit interest rate of 1.25% and final payment due March 29, 2029. During the year ended June 30, 2024, principal and interest paid were $380 and $24, respectively.

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

Year Ending June 30,	Mailing System Principal	Mailing System Interest	Mailing System Total	Mailing System Principal	Mailing System Interest	Mailing System Total
2025	$ 1,846	90	1,936	$ 1,530	86	1,616
2026	1,869	67	1,936	1,549	67	1,616
2027	1,893	43	1,936	1,569	47	1,616
2028	1,916	20	1,936	1,589	27	1,616
2029	483	1	484	1,205	7	1,212
Total	$ 8,007	221	8,228	$ 7,442	234	7,676

Year Ending June 30,	Total Principal	Total Interest	Total Total
2025	$ 3,376	176	3,552
2026	3,418	134	3,552
2027	3,462	90	3,552
2028	3,505	47	3,552
2029	1,688	8	1,696
Total	$ 15,449	455	15,904

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, 2024, the County paid principal of $17,024 and interest of $976 on the loan. A summary of the County's June 30, 2024 bank loan indebtedness is as follows:

Year Ending June 30,	Bank Loan Issued Jun 15, 2020 Interest Rates	Principal	Interest
2025	3.35%	$ 12,113	406

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, 2024, the County paid principal of $251,249 and interest of $12,811 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, 2024, the County paid principal of $415,000 and $86,905 of interest on the bonds.

A summary of the County's June 30, 2024 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
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		-	-	1.15	455,000	48,005
2030-2034		-	-	1.65-1.25	2,365,000	150,815
2035		-	-	1.70	495,000	8,415
Total		$ 772,854	19,401		$ 5,070,000	469,855

Year	Total		
Ending June 30,	Principal	Interest	Total
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	455,000	48,005	503,005
2030-2034	2,365,000	150,815	2,515,815
2035	495,000	8,415	503,415
Total	$ 5,842,854	489,256	6,332,110

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, 2024, the County paid principal of $85,000 and interest of $6,900 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, 2024, the County paid principal of $40,000 and interest of $3,915 on the notes.

A summary of the County's June 30, 2024, 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
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		$ 260,000	10,500		$ 120,000	5,880

Year Ending June 30,	Total		
	Principal	Interest	Total
2025	$ 125,000	8,140	133,140
2026	125,000	5,460	130,460
2027	130,000	2,780	132,780
Total	$ 380,000	16,380	396,380

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, 2024, 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, 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, 2024. A summary of the County's June 30, 2024 equipment purchase agreement indebtedness is as follows:

Year Ending June 30,	Tasers
2025	$ 6,255
2026	6,255
2027	6,255
Total	$ 18,765

(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 2024, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriff, Deputies and the County each contributed 8.51% of covered payroll, for a total rate of 17.02%. Protection Occupation members contributed 6.21% of covered payroll and the County contributed 9.31% of covered payroll for a total rate of 15.52%.

The County's contributions to IPERS for the year ended June 30, 2024 totaled $607,532.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the County reported a liability of $1,951,419 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2023, the County's proportion was 0.043234%, which was a decrease of 0.006010% over its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense of $314,346. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 496,233	9,500
Changes of assumptions	-	87,138
Net difference between projected and actual earnings on IPERS' investments	344,610	-
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	80,172	103,451
County contributions subsequent to the measurement date	607,532	-
Total	$ 1,528,547	200,089

$607,532 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, 2025. 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
2025	$ (24,018)
2026	(223,418)
2027	804,459
2028	141,406
2029	22,497
Total	$ 720,926

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2023 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, 2023 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2023 valuation were based on the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	4.56%
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
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)	$ 5,808,645	1,951,419	(1,281,960)

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, 2024.

(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, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Active employees	94
Total	95

Total OPEB Liability – The County's total OPEB liability of $322,991 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions – The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2024)	2.60% per annum.
Rates of salary increase (effective June 30, 2024)	3.25% to 16.25% average, including inflation.
Discount rate (effective June 30, 2024)	3.65% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2024)	9.00% initial rate decreasing by 0.20% annually to an ultimate rate of 4.00%.

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 PubG-2010 Employee Table, Generational using MP-2021. Annual retirement probabilities are from the PubG-2010 Healthy Annuitant, Generational using MP-2021.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	$ 274,624
Changes for the year:	
Service cost	31,156
Interest	11,541
Differences between expected and actual experiences	5,272
Changes in assumptions	9,830
Benefit payments	(9,432)
Net changes	48,367
Total OPEB liability end of year	$ 322,991

Changes of assumptions reflect an increase due to updating the Society of Actuaries Getzen Model for 2023 and higher anticipated medical trend in the short-term combined with a decrease due to updated demographic assumptions as used in the July 1, 2023 IPERS valuation.

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	$ 350,342	322,991	297,436

Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be it were calculated using healthcare cost trend rates that are 1% lower (8.00%) or 1% higher (10.00%) than the current healthcare cost trend rates.

	1% Decrease (8.00%)	Healthcare Cost Trend Rate (9.00%)	1% Increase (10.00%)
Total OPEB liability	$ 282,244	322,991	371,315

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2024, the County recognized OPEB expense of $24,212. At June 30, 2024, 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	$	10,932	51,521
Changes in assumptions		22,614	12,470
Total	$	33,546	63,991

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
2025	$	(8,936)
2026		(8,770)
2027		(7,727)
2028		(3,836)
2029		(2,685)
Thereafter		1,509
	$	(30,445)

(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 803 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 and law enforcement liability. There have been no reductions in insurance coverage from prior years.

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

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

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2024 were $244,492.

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

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

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2024, no liability has been recorded in the County's financial statements. As of June 30, 2024, 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, 2024 was $2,116,344.

Amounts payable from the Employee Group Health Fund at June 30, 2024 total $323,590, 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 $811,783 at June 30, 2024 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	$ 296,295
Incurred claims (including claims incurred but not reported at June 30, 2024)	1,978,039
Payments:	
Payments on claims during the fiscal year	1,950,744
Unpaid claims end of year	$ 323,590

(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, 2024 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	$ 121,865
City of Earlham	Chapter 404 tax abatement program	56,881
City of Patterson	Urban renewal and economic development projects	3,845

(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
2025	$ 4,057	68	4,125

(15) Construction Commitment

The County entered a contract including change orders with Breiholz Construction in the amount of $3,966,258 for the Madison County Courthouse Exterior and Entry Renovations. As of June 30, 2024, costs of $3,763,648 on the project have been incurred. The $202,610 balance remaining on the project at June 30, 2024, will be paid as work on the project progresses.

(16) Deficit Fund Balance

The Capital Projects fund had a deficit balance of $129,042 at June 30, 2024. 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) Subsequent Events

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, 2024

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	$ 11,216,317	-	11,216,317
Penalty and interest on property tax	74,626	-	74,626
Intergovernmental	5,835,568	-	5,835,568
Licenses and permits	129,071	-	129,071
Charges for service	1,106,582	-	1,106,582
Use of money and property	588,821	18,333	570,488
Miscellaneous	456,060	92,064	363,996
Total receipts	19,407,045	110,397	19,296,648
Disbursements:			
Public safety and legal services	4,088,037	-	4,088,037
Physical health and social services	712,620	-	712,620
County environment and education	1,365,715	16,657	1,349,058
Roads and transportation	7,020,120	6,091	7,014,029
Governmental services to residents	733,245	-	733,245
Administration	2,939,400	-	2,939,400
Debt service	903,431	-	903,431
Capital projects	208,498	-	208,498
Total disbursements	17,971,066	22,748	17,948,318
Excess (deficiency) of receipts over (under) disbursements	1,435,979	87,649	1,348,330
Other financing sources, net	(47,117)	(62,577)	15,460
Change in balances	1,388,862	25,072	1,363,790
Balance beginning of year	12,816,200	465,290	12,350,910
Balance end of year	$ 14,205,062	490,362	13,714,700

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net
Original	Final	Variance
10,441,078	10,841,078	375,239
67,255	67,255	7,371
5,626,428	5,843,216	(7,648)
92,171	92,171	36,900
1,167,610	1,167,610	(61,028)
144,275	444,275	126,213
70,803	219,936	144,060
17,609,620	18,675,541	621,107
4,402,955	4,503,103	415,066
994,489	1,023,948	311,328
1,177,764	1,397,605	48,547
8,093,920	8,093,920	1,079,891
773,888	813,041	79,796
3,118,668	3,724,996	785,596
902,321	902,321	(1,110)
1,551,338	1,556,338	1,347,840
21,015,343	22,015,272	4,066,954
(3,405,723)	(3,339,731)	(3,445,847)
12,000	12,000	3,460
(3,393,723)	(3,327,731)	(3,442,387)
7,199,222	7,199,222	5,151,688
3,805,499	3,871,491	1,709,301

Madison County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2024

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	$ 19,407,045	544,430	19,951,475
Expenditures	17,971,066	96,359	18,067,425
Net	1,435,979	448,071	1,884,050
Other financing sources, net	(47,117)	79,775	32,658
Beginning fund balances	12,816,200	(522,859)	12,293,341
Ending fund balances	$ 14,205,062	4,987	14,210,049

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 amendments increased budgeted disbursements by $999,929. 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, 2024, disbursements exceeded the amount budgeted in the debt service function for the year ended June 30, 2024. 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 Ten Years*
(In Thousands)

Required Supplementary Information

	2024	2023	2022	2021
County's proportion of the net pension liability (asset)	0.043234%	0.037224%	0.410036% **	0.051975%
County's proportionate share of the net pension liability (asset)	$ 1,951	1,406	(1,416)	3,651
County's covered payroll	$ 6,408	5,924	5,737	5,384
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	30.45%	23.73%	(24.68)%	67.81%
IPERS' net position as a percentage of the total pension liability (asset)	90.13%	91.40%	100.81%	82.90%

* 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.

2020	2019	2018	2017	2016	2015
0.046238%	0.046659%	0.046394%	0.046179%	0.042667%	0.039541%
2,678	2,953	3,090	2,906	2,108	1,568
5,021	4,808	4,485	4,285	4,129	4,034
53.34%	61.42%	68.90%	67.82%	51.05%	38.87%
85.45%	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

		2024	2023	2022	2021
Statutorily required contribution	$	607	599	556	543
Contributions in relation to the statutorily required contribution		(607)	(599)	(556)	(543)
Contribution deficiency (excess)	$	-	-	-	-
County's covered payroll	$	6,512	6,408	5,924	5,737
Contributions as a percentage of covered payroll		9.32%	9.35%	9.39%	9.46%

See accompanying independent auditor's report.

2020	2019	2018	2017	2016	2015
513	482	439	411	394	384
(513)	(482)	(439)	(411)	(394)	(384)
-	-	-	-	-	-
5,384	5,021	4,808	4,485	4,285	4,129
9.53%	9.60%	9.13%	9.16%	9.19%	9.30%

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%.

Madison County

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

For the Last Seven Years
Required Supplementary Information

	2024	2023	2022	2021
Service cost	$ 31,156	23,146	26,156	22,288
Interest cost	11,541	10,586	5,830	6,002
Difference between expected and actual experiences	5,272	(28,366)	10,445	(17,553)
Changes in assumptions	9,830	(2,268)	(17,044)	976
Benefit payments	(9,432)	(8,713)	(4,022)	(4,177)
Net change in total OPEB liability	48,367	(5,615)	21,365	7,536
Total OPEB liability beginning of year	274,624	280,239	258,874	251,338
Total OPEB liability end of year	$ 322,991	274,624	280,239	258,874
Covered-employee payroll	$ 5,792,880	4,926,244	5,273,853	4,460,199
Total OPEB liability as a percentage of covered-employee payroll	5.6%	5.6%	5.3%	5.8%

See accompanying independent auditor's report.

2020	2019	2018
19,381	19,567	20,911
7,802	9,543	8,204
(27,042)	-	-
(3,500)	6,435	(4,683)
(4,392)	(6,903)	(4,368)
(7,751)	28,642	20,064
259,089	230,447	210,383
251,338	259,089	230,447
4,780,740	4,297,238	4,497,640
5.3%	6.0%	5.1%

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

The 2024 valuation implemented the following refinements as a result of a new actuarial opinion dated June 30, 2024:

- 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, 2024	3.65%
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, 2024

				Special
	County Recorder's Records Management	Resource Enhancement and Protection	Covered Bridge	Local Option Sales Tax
Assets				
Cash, cash equivalents and pooled investments	$ 44,841	25,847	1	407,686
Receivables:				
Property tax:				
Delinquent	-	-	-	-
Succeeding year	-	-	-	-
Accounts	337	-	-	-
Opioid settlement	-	-	-	-
Due from other governments	-	-	-	25,242
Total assets	$ 45,178	25,847	1	432,928
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ -	581	-	1,617
Due to other funds	-	-	-	-
Total liabilities	-	581	-	1,617
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	-	-	-	-
Other	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted for:				
Debt service	-	-	-	-
Other purposes	45,178	25,266	1	431,311
Opioid abatement	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	45,178	25,266	1	431,311
Total liabilities and fund balances	$ 45,178	25,847	1	432,928

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	3,426	332,542	157,820	145,238	19,374	-	1,143,965
-	-	-	-	-	368	-	368
-	-	-	-	-	296,000	-	296,000
-	-	-	-	-	-	-	337
-	-	-	-	432,450	-	-	432,450
-	-	-	-	-	-	-	25,242
7,190	3,426	332,542	157,820	577,688	315,742	-	1,898,362
-	-	-	-	231	-	550	2,979
-	-	-	-	-	-	128,492	128,492
-	-	-	-	231	-	129,042	131,471
-	-	-	-	-	296,000	-	296,000
-	-	-	-	432,450	362	-	432,812
-	-	-	-	432,450	296,362	-	728,812
-	-	-	-	-	19,380	-	19,380
7,190	3,426	332,542	157,820	-	-	-	1,002,734
-	-	-	-	145,007	-	-	145,007
-	-	-	-	-	-	(129,042)	(129,042)
7,190	3,426	332,542	157,820	145,007	19,380	(129,042)	1,038,079
7,190	3,426	332,542	157,820	577,688	315,742	-	1,898,362

Madison County

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

Year ended June 30, 2024

	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	-	-	-	301,926
Intergovernmental	-	11,862	-	-
Charges for service	3,470	-	-	-
Use of money and property	1,807	2,917	-	-
Miscellaneous	-	-	-	14,383
Total revenues	5,277	14,779	-	316,309
Expenditures:				
Operating:				
Public safety and legal services	-	-	-	-
Physical health and social services	-	-	-	-
County environment and education	-	4,033	-	-
Governmental Services	4,720	-	-	-
Administration	-	-	-	249,187
Debt Service	-	-	-	92,400
Capital Projects	-	-	-	-
Total expenditures	4,720	4,033	-	341,587
Excess (deficiency) of revenues over (under) expenditures	557	10,746	-	(25,278)
Other financing sources:				
Transfers	-	-	-	-
Change in fund balances	557	10,746	-	(25,278)
Fund balances (deficits) beginning of year	44,621	14,520	1	456,589
Fund balances (deficits) end of year	$ 45,178	25,266	1	431,311

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
-	-	-	-	-	297,576	-	297,576
-	-	-	-	-	-	-	301,926
-	-	-	-	-	16,177	25,000	53,039
-	-	-	-	-	-	-	3,470
-	-	11,880	6,453	-	-	-	23,057
-	-	12,982	79,082	77,383	-	45,250	229,080
-	-	24,862	85,535	77,383	313,753	70,250	908,148
-	154	-	-	-	-	-	154
-	-	-	-	231	-	-	231
-	-	6,091	16,657	-	-	-	26,781
-	-	-	-	-	-	-	4,720
-	-	-	-	-	-	-	249,187
-	-	-	-	-	307,976	1,700	402,076
-	-	-	-	-	-	30,000	30,000
-	154	6,091	16,657	231	307,976	31,700	713,149
-	(154)	18,771	68,878	77,152	5,777	38,550	194,999
-	-	-	(62,577)	-	-	-	(62,577)
-	(154)	18,771	6,301	77,152	5,777	38,550	132,422
7,190	3,580	313,771	151,519	67,855	13,603	(167,592)	905,657
7,190	3,426	332,542	157,820	145,007	19,380	(129,042)	1,038,079

Madison County

Combining Schedule of Net Position
Internal Service Funds

June 30, 2024

	Fuel	Supplies	Employee Group Health	Flex	Unemployment Insurance	Total
Assets						
Cash and cash equivalents	$ 86,332	11,548	1,135,373	5,779	7,474	1,246,506
Accounts receivables	1,817	-	-	-	-	1,817
Inventories	33,177	-	-	-	-	33,177
Total assets	121,326	11,548	1,135,373	5,779	7,474	1,281,500
Liabilities						
Accounts payable	17,518	404	323,590	-	-	341,512
Advance from General Fund	60,000	-	-	-	-	60,000
Total liabilities	77,518	404	323,590	-	-	401,512
Net Position						
Unrestricted	$ 43,808	11,144	811,783	5,779	7,474	879,988

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, 2024

	Fuel	Supplies	Employee Group Health	Flex	Unemployment Insurance	Total
Operating revenues:						
Reimbursements from operating funds	$ 462,026	10,512	1,975,291	-	-	2,447,829
Reimbursements from others	21,930	414	141,053	48,529	-	211,926
Total operating revenues	483,956	10,926	2,116,344	48,529	-	2,659,755
Operating expenses:						
Medical claims	-	-	1,978,039	47,212	-	2,025,251
Materials and supplies	460,082	10,645	-	-	-	470,727
Total operating expenses	460,082	10,645	1,978,039	47,212	-	2,495,978
Operating income	23,874	281	138,305	1,317	-	163,777
Non-operating revenues:						
Interest income	-	-	1,974	-	-	1,974
Net income	23,874	281	140,279	1,317	-	165,751
Net position beginning of year	19,934	10,863	671,504	4,462	7,474	714,237
Net position end of year	$ 43,808	11,144	811,783	5,779	7,474	879,988

See accompanying independent auditor’s report.

Madison County

Madison County

Combining Schedule of Cash Flows
Internal Service Funds

Year ended June 30, 2024

	Fuel	Supplies	Employee Group Health	Flex	Unemployment Insurance	Total
Cash flows from operating activities:						
Cash received from operating fund reimbursements	$ 462,185	10,512	1,975,291	-	-	2,447,988
Cash received from others	21,930	414	141,053	48,529	-	211,926
Cash paid to suppliers for goods and services	(496,421)	(10,241)	(1,950,744)	(47,212)	-	(2,504,618)
Net cash provided (used) by operating activities	(12,306)	685	165,600	1,317	-	155,296
Cash flows from investing activities:						
Interest on investments	-	-	1,974	-	-	1,974
Net increase (decrease) in cash and cash equivalents	(12,306)	685	167,574	1,317	-	157,270
Cash and cash equivalents beginning of year	98,638	10,863	967,799	4,462	7,474	1,089,236
Cash and cash equivalents end of year	$ 86,332	11,548	1,135,373	5,779	7,474	1,246,506
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income	$ 23,874	281	138,305	1,317	-	163,777
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Changes in assets and liabilities:						
Accounts receivable	159	-	-	-	-	159
Inventories	17,945	-	-	-	-	17,945
Accounts payable	(54,284)	404	27,295	-	-	(26,585)
Net cash provided (used) by operating activities	$ (12,306)	685	165,600	1,317	-	155,296

See accompanying independent auditor's report.

Madison County

Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2024

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	$ -	3,939	172,313	251,275
Other county officials	111,770	-	-	-
Receivables:				
Property tax:				
Delinquent	-	366	485	22,616
Succeeding year	-	273,000	362,000	18,345,000
Accounts	776	-	-	-
Special assessments	-	-	-	-
Total assets	112,546	277,305	534,798	18,618,891
Liabilities				
Accounts payable	400	-	68	-
Salaries and benefits payable	-	-	3,317	-
Due to other governments	41,253	3,939	7,307	251,275
Trusts payable	70,893	-	-	-
Compensated absences	-	-	15,927	-
Total liabilities	112,546	3,939	26,619	251,275
Deferred Inflows of Resources				
Unavailable revenues	-	273,000	362,000	18,345,000
Net Position				
Restricted for individuals, organizations and other governments	$ -	366	146,179	22,616

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	County Hospital	Special Assessment	Auto License and Use Tax	Other	Total
11,811	91,156	62,884	43,019	17,493	567,359	371,850	1,593,099
-	-	-	-	-	-	-	111,770
1,163	4,851	614	4,236	-	-	5	34,336
884,000	6,649,000	513,000	3,161,000	-	-	61,000	30,248,000
-	-	-	-	-	-	-	776
-	-	-	-	27,879	-	-	27,879
896,974	6,745,007	576,498	3,208,255	45,372	567,359	432,855	32,015,860
-	-	-	-	-	-	947	1,415
-	-	-	-	-	-	-	3,317
11,811	91,156	62,884	43,019	35,461	567,359	283,872	1,399,336
-	-	-	-	-	-	-	70,893
-	-	-	-	-	-	8,371	24,298
11,811	91,156	62,884	43,019	35,461	567,359	293,190	1,499,259
884,000	6,649,000	513,000	3,161,000	-	-	61,000	30,248,000
1,163	4,851	614	4,236	9,911	-	78,665	268,601

Madison County

Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2024

	County Offices	Agricultural Extension Education	County Assessor	Schools
Additions:				
Property and other county tax	$ -	268,148	335,698	17,224,317
State tax credits	-	16,078	20,565	864,091
Office fees and collections	765,742	-	-	-
Electronic transaction fees	-	-	-	-
Drivers license fees	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	711,575	-	-	-
Miscellaneous	-	104	555	6,645
Total additions	1,477,317	284,330	356,818	18,095,053
Deductions:				
Agency remittances:				
To other funds	410,901	-	-	-
To other governments	351,326	284,636	378,384	18,114,485
Trusts paid out	715,090	-	-	-
Total deductions	1,477,317	284,636	378,384	18,114,485
Changes in net position	-	(306)	(21,566)	(19,432)
Net position beginning of year	-	672	167,745	42,048
Net position end of year	$ -	366	146,179	22,616

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	County Hospital	Special Assessment	Auto License and Use Tax	Other	Total
800,832	6,310,028	481,941	2,928,746	-	-	142,689	28,492,399
41,028	485,489	22,264	173,452	-	-	1,448	1,624,415
-	-	-	-	-	-	-	765,742
-	-	-	-	-	-	3,133	3,133
-	-	-	-	-	26,925	-	26,925
-	-	-	-	-	8,650,782	-	8,650,782
-	-	-	-	13,860	-	-	13,860
-	-	-	-	-	-	-	711,575
306	7,738	-	1,138	-	-	605,865	622,351
842,166	6,803,255	504,205	3,103,336	13,860	8,677,707	753,135	40,911,182
-	-	-	-	-	-	-	410,901
842,978	6,827,501	504,198	3,106,436	63,648	8,677,707	762,468	39,913,767
-	-	-	-	-	-	-	715,090
842,978	6,827,501	504,198	3,106,436	63,648	8,677,707	762,468	41,039,758
(812)	(24,246)	7	(3,100)	(49,788)	-	(9,333)	(128,576)
1,975	29,097	607	7,336	59,699	-	87,998	397,177
1,163	4,851	614	4,236	9,911	-	78,665	268,601

Madison County

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

For the Last Ten Years

		2024	2023	2022	2021
Revenues:					
Property and other county tax	$	8,798,251	7,496,676	8,485,254	8,158,595
Tax increment financing		918,654	843,573	646,507	409,542
Local option sales tax		1,509,630	1,352,823	1,543,397	1,237,380
Penalty and interest on property tax		69,026	77,195	58,160	99,906
Intergovernmental		6,343,489	7,626,410	6,511,218	6,932,913
Licenses and permits		126,697	122,264	110,165	115,893
Charges for service		1,141,065	1,037,311	1,252,930	1,329,839
Use of money and property		588,726	475,423	69,750	146,449
Miscellaneous		455,937	695,214	698,759	604,453
Total	$	19,951,475	19,726,889	19,376,140	19,034,970
Expenditures:					
Operating:					
Public safety and legal services	$	4,068,202	4,280,510	3,881,548	3,694,274
Physical health and social services		719,664	804,037	805,339	820,705
Mental health		-	-	408,597	427,676
County environment and education		1,418,690	1,721,072	3,538,110	1,015,314
Roads and transportation		7,307,904	6,694,456	5,967,882	5,808,059
Governmental services to residents		725,931	518,393	710,080	656,595
Administration		2,714,209	3,713,296	2,359,504	1,721,666
Debt service		903,981	771,227	774,637	297,156
Capital projects		208,844	1,232,934	3,908,535	5,089,162
Total	$	18,067,425	19,735,925	22,354,232	19,530,607

See accompanying independent auditor's report.

2020	2019	2018	2017	2016	2015
7,397,669	7,092,175	6,600,333	5,645,590	5,245,036	5,102,423
137,672	-	-	-	-	-
948,350	947,157	808,020	853,834	828,022	782,964
32,037	59,906	53,485	49,664	50,976	68,799
5,463,645	5,932,260	5,303,295	5,391,755	5,763,728	4,303,079
100,323	101,681	96,566	85,924	82,113	77,368
1,135,675	570,144	1,218,947	1,121,149	1,011,350	999,314
158,276	206,682	142,559	130,423	89,402	80,382
590,731	640,939	266,032	95,988	422,754	84,568
15,964,378	15,550,944	14,489,237	13,374,327	13,493,381	11,498,897
3,395,215	3,468,241	3,113,642	2,987,974	2,676,285	2,621,374
751,978	782,149	741,567	702,013	813,304	787,797
685,877	27,585	385,828	375,970	462,688	1,093,759
1,056,747	919,717	882,096	803,659	801,043	776,979
6,294,586	5,976,770	5,490,965	5,597,445	5,269,385	4,961,120
642,647	593,046	482,907	532,604	545,440	440,382
1,634,734	1,474,351	1,232,719	1,036,588	960,458	1,037,060
135,353	137,027	137,999	109,080	108,730	95,365
701,098	1,330,748	1,837,896	1,015,015	586,530	330,927
15,298,235	14,709,634	14,305,619	13,160,348	12,223,863	12,144,763

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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, 2024, 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, 2024. Accordingly, we were unable to satisfy ourselves as to the fund balances by fund as of June 30, 2024.

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 2024-001 through 2024-005 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 2024-006 through and 2024-020 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, 2024 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

Madison County

Schedule of Findings

Year ended June 30, 2024

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2024-001 Segregation of Duties

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

Condition – 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, Sheriff 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.	Conservation Board, 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 reports were 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 noted and the Covered Bridge Preservation Association have 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 Chief Deputy will continue to be responsible for the bank reconciliation duties and will not prepare or sign checks unless and in the highly unlikely event that I'm absent and a check needs to be signed immediately. This will allow the Chief Deputy to continue recording and documenting monies coming into the Sheriff's Office and it will segregate the duties for the recording and reconciling from the person preparing the checks. The Senior Deputy will continue to reconcile the monies received log in separation of the Chief Deputy.

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 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.

Environmental Education is handled by our Naturalist, Natural Resources is handled by our Natural Resource Specialist, Park & Recreation is handled by our Park Manager and the Director oversees all employees and operations. So, I would consider our system for internal control a good system that provides adequate segregation of duties.

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 – I, the current County Treasurer, will review the procedures and make changes to improve internal control as appropriate and possible within thee limited number of staff that we have.

Conclusion – Responses acknowledged. The County offices should continue to review controls to obtain the maximum internal control possible.

2024-002 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:

- Construction in progress was understated by $51,391 and equipment additions and a related payable were understated by $195,000. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

- Insurance reimbursements were recorded by the County as negative expenditures ultimately understating expenditures and revenues by $46,301. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

- Prepaid expenditures of $15,000 for postage was not properly recorded. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

- Accounts receivable of $13,790 for various grants were not properly recorded by the County.

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 additions and deletions, reimbursements, prepaids, payables and receivables are identified and properly reported in the County's financial statements.

Responses –

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

Treasurer – I, the current County Treasurer, agree with the recommendations and will help implement procedures to ensure all applicable items are properly identified, recorded and reported in the County's financial statements.

Conclusion – Response accepted.

2024-003 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 since May 2023. As part of the audit, we worked with the County Treasurer to perform a bank reconciliation; however, we were unable to complete the reconciliation due to the unreliable records of the County. The County Treasurer was not properly clearing checks and deposits in the County's banking system as the amounts clear the bank, therefore, an accurate outstanding check list or deposits in transit listing was not available. We were unable to determine the variance, if any, between the bank balance and the book balance as of June 30, 2024.

Cause – The County Treasurer discontinued performing comprehensive bank to book reconciliations and updating the County's general ledger and banking system timely. The County did not take action to remedy the issues.

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. This process should include clearing items from the banking module. 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.

Response – I, the current County Treasurer, will implement monthly bank reconciliations, including clearing items and independent review with documented approval, once current records are brought up to date.

Conclusion – Response accepted.

2024-004 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 County Treasurer in a timely manner to ensure they are deposited in the County's bank account. The deposits should then be recorded in the County's general ledger and deposited in the appropriate bank account in a timely manner.

Condition – Twenty-two receipts totaling $71,358 for the Board of Health, Conservation Department and Veteran's Affair were not deposited timely. These receipts were deposited by the County Treasurer's Office between 27 and 96 days from the State of Iowa warrant date.

In addition, for four of twenty miscellaneous receipts tested, we were unable to trace to a bank deposit ticket, since adequately detailed records were not maintained. Six of twelve miscellaneous receipts tested were not deposited within 30 days or we were unable to determine if the deposit was made in a timely manner.

Cause – Policies have not been established, and procedures have not been implemented to require departments to provide deposits to the County Treasurer's Office timely and for the County Treasurer's Office to process cash and checks in a timely manner.

Effect – The checks and cash could have been lost, destroyed or misappropriated and the County may not have been detected and corrected in the normal course of operations.

Recommendation – The County should adopt and enforce policies and procedures requiring checks and cash receipts to be taken to the County Treasurer for deposit within a specified period of time and for the County Treasurer to record and deposit the funds timely.

Response – Better procedures have been established and implemented. Detailed records have been adequately maintained.

Conclusion – Response accepted.

2024-005 County Treasurer's Undeposited Receipts

Criteria – An effective internal control system provides for internal controls related to ensuring proper accounting for all funds and receipts received by the County Treasurer to ensure they are deposited timely and intact in the appropriate County's bank account. The deposits should then be recorded in the County's general ledger.

Condition – Deposits of cash and checks were not made timely by the County Treasurer. During review of the County's bank statements, we noted thirty-nine separate deposits totaling $4,409,686 made on October 10, 2023. We were unable to determine the dates these checks were received due to lack of detailed records maintained by the County Treasurer. In addition, we noted forty separate deposit slips for cash totaling $73,152 deposited at the bank on August 30, 2024. The handwritten dates on the deposit slips ranged from June 27, 2024 to August 26, 2024.

On December 4, 2024, a cash count was performed during our audit fieldwork. Cash, coin and checks totaling $221,260 were on hand in the County Treasurer's Office. Of the total, $137,013 related to property taxes, motor vehicle, drivers' licenses and other miscellaneous receipts with the dates of the checks ranging from September 30, 2024 to December 2, 2024. The remaining $84,247 of the cash and coin could not be associated with a particular receipt or customer. The source and date of receipt was undeterminable. The County Treasurer's Office began depositing these receipts in the weeks following the cash count.

Cause – The County Treasurer's Office was not recording receipts in the general ledger or making daily deposits to the bank.

Effect – The undeposited cash, coin and checks could have been lost, destroyed or misappropriated and the situation may not have been detected and corrected in the normal course of operations.

Recommendation – The County Treasurer should establish and enforce policies and procedures requiring cash, coin and check to be recorded in the County's system and taken to the bank for deposit timely and intact.

Response – Improved procedures have been established and implemented.

Conclusion – Response accepted.

2024-006 Property Tax Reconciliation and Abatements

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 2024. In addition, while the Board of Supervisor minutes document approval of tax abatements, sufficient supporting documenting of the dollar amount for each abatement was not maintained.

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 receivable. In addition, policies and procedures have not been established to document the approval of specific tax abatements and the dollar amount for each.

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. Lack of supporting documentation and approval of tax abatements also increase the risk of misstatement.

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. Sufficient detailed support should be maintained for tax abatements including the Board of Supervisor approval.

Response – I, the current County Treasurer, agree with the recommendation and will implement property tax reconciliations, including timely investigation of differences, independent review with documented approval and retention of supporting documentation for abatements.

Conclusion – Response accepted.

2024-007 Unrecorded Interest

Criteria - An effective internal control system provides for internal controls related to ensuring proper recording of interest and the reliability and accuracy of the County's financial statements.

Condition – The County earned interest of $16,662 on certificates of deposits which were not properly accrued in the County's books for the year ended June 30, 2024. In addition, the County's IPAIT account earned $42,068 in interest for June 2024. The interest was not properly recorded by the County Treasurer. Adjustments were not made to the financial statements.

Cause – Policies have not been designed, and procedures have not been implemented to ensure interest is properly recorded and accrued to the appropriate fiscal year ensuring the County's financial statements are accurate and reliable.

Effect – Lack of proper recording interest resulted in the misstatement of financial statements. Without properly implementing procedures in the future, misstatements may not be detected and corrected on a timely basis in the normal course of operations.

Recommendation – To improve financial accountability and control, interest should be properly recorded.

Response – I, the current County Treasurer, will work to ensure interest is properly recorded.

Conclusion – Response accepted.

2024-008 Separately Maintained Records for County Conservation

Criteria – An effective internal control system provides for internal controls related to ensuring the timely deposit of all incoming cash and checks with the County Treasurer. In addition, 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 – The County Conservation Department maintained a checking account separate from the County Treasurer records. The account was utilized for camping and facility rental revenues. The transactions were reported to the County Treasurer periodically and balances periodically transferred into the County's checking account. However, the balance of the Conservation checking account of $53,540 at the end of the fiscal year was not included in the County's records.

In addition, monthly reconciliations of book to bank balances were not prepared by the County Conservation Department. As part of the audit, we worked with the County Conservation Department to perform a bank reconciliation.

Cause – The County Conservation Department did not transfer certain receipts to the County Treasurer's Office at fiscal yearend. Policies have not been designed, and procedures have not been implemented to ensure bank reconciliations are prepared.

Effect – Untimely transfer and recording of the County Conservation Department's receipts could result in undeposited, unrecorded or misstated revenues and receivables. The lack of the 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 – Policies and procedures should be established to ensure receipts are deposited with the County Treasurer in a timely manner. The year-end balance of the separate checking account maintained by the County Conservation Department should be included in the County's records.

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.

Response – The revenue deposit system at Madison County Conservation has been in place for several years and is continuously refined to maintain both efficiency and transparency.

Online reservations for shelters and camping are processed through a statewide county conservation system, with funds deposited directly into a checking account held at a local financial institution. Self-registration camping revenues are collected and deposited monthly during the April to October camping season, in addition to online deposits from previous months, which are reconciled with budgeted amounts.

Madison County Conservation continues to collaborate with the County Treasurer and Auditor to further streamline and strengthen the revenue deposit process.

Madison County Conservation will consider a procedure for implementing bank reconciliations, due to processing delays reconciliation can be challenging. We are a small staff of force employees operating out of a rural office having reconciliations reviewed by an independent person/reviewer is not feasible.

Conclusion – Response acknowledged. The County Conservation should consider utilizing currently available staff from other Departments to obtain the maximum internal control possible under the circumstances.

2024-009 Public Health Reconciliations

Criteria – An effective internal control system provides for internal controls related to maintaining delinquent account listings, reconciling billings, collections and delinquent accounts and comparing collections to deposits to ensure proper recording of receipts, the propriety of adjustments and write-offs and the propriety of delinquent account balances. Independent review of reconciliations can help ensure the accuracy of recorded amounts.

Condition – Monthly reconciliations of billing, collection and delinquent accounts were not properly prepared by the County Public Health Department.

Cause – Policies have not been designed, and procedures have not been implemented to ensure billing, collection and delinquent account reconciliations are prepared.

Effect – Lack of preparation of billing, collection and delinquent account 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 billing, collection and delinquent account 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.

Response – Public Health procedure is to notate receivables on the reconciliation form after we have received the MISC receipt from the County Treasurer. Public Health was not receiving their needed documentation in a timely manner. The County Treasurer's Office was given deposits, and it would take weeks to months to get the MISC receipt to Public Health, even though follow-up emails and calls were made numerous times asking for the information.

The County now has a 28E with Warren County, who now acts as our fiscal agent, so this will resolve this concern in the future.

Conclusion – Response accepted.

2024-010 Ambulance Service Reconciliations

Criteria – An effective internal control system provides for internal controls related to reconciling the ambulance billings, collections and accounts receivable balances maintained by the service organization to ensure the accuracy of ambulance service collections and receivables.

Condition – The County contracts with an outside company to bill and collect ambulance service receipts. The ambulance services receipts are deposited into the County’s bank account and the outside company bills for their administrative fee. During the year ended June 30, 2024, the County Treasurer’s Office was not providing the necessary information to the service organization in order to perform their monthly close out, reconcile payments and perform the next month’s billings timely.

Cause – Policies have not been established for the County Treasurer to provide the necessary information to the service organization to reconcile the ambulance billings, collections and receivable balances.

Effect – The County Treasurer's Office lack of review and untimely reconciliation of information with the service organization 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 County Treasurer's Office and the Ambulance Department should work with the service organization to complete monthly reconciliations of the billing, collection and account balances. 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 – I, the current County Treasurer, agree with this recommendation and will work with the Ambulance Department and service organization to ensure monthly reconciliations of billing, collections and account balances are completed in a timelier manner.

Conclusion – Response accepted.

2024-011 Lease and Subscription-Based Information Technology Arrangements

Criteria – Governmental Accounting Standards Board Statement No. 87 is the lease accounting standard that was implemented during fiscal year 2022. The requirements require the reporting of certain right-to-use lease arrangements and liabilities which were previously not reported. Governmental Accounting Standards Board Statement No. 96, Subscription Based Information Technology Arrangements (SBITA), was implemented during fiscal year 2023. The new requirements require the reporting of certain right-to-use subscription-based IT arrangements and liabilities which were previously not reported.

Condition – The County has not adopted a formal policy for identifying, evaluating, and accounting for right-to-use lease arrangements and liabilities as required by GASB Statement No. 87 or Subscription-Based Information Technology Arrangements (SBITAs) as required by GASB Statement No. 96.

Cause – Management has not developed or implemented the necessary procedures to comply with the new standards.

Effect – The entity is at risk of noncompliance with accounting standards, which could lead to a material misstatement in the financial statements if significant leases or SBITAs are not properly accounted for.

Recommendation – We recommend management adopt a formal policy for reviewing leases and IT-related contracts. This policy should include a process for identifying leases and SBITAs, assessing materiality, and implementing the proper accounting treatment, including capitalization of the tangible and intangible right-to-use asset and a corresponding liability.

Response – Steps to resolve findings that there is no formal policy in place to address the handling of GASB 87 and 96 will be taken as of May 2026 in familiarizing the current County Auditor with these standards and researching drafts for presentation to the Board of Supervisors and adoption by calendar year 2026 end.

Conclusion – Response accepted.

2024-012 Capital Assets

Criteria – An effective internal control system provides for internal controls related to ensuring proper accounting for all capital assets, including additions and deletions, by maintaining appropriate accounting records and ensuring the records are reviewed by an independent person.

Condition – During the fiscal year, one capital asset with an original book value of $53,860 was traded-in for $8,000 but was not removed from the capital asset listing. Adjustments were subsequently made by the County to properly report.

In addition, for three fully depreciated junked capital assets with a total original value of $20,080, the County did not maintain supporting documentation of the asset deletion approval. The County did not have a policy in place for capital asset deletions in regard to approval for the disposal, sale, trade or junking of assets.

Cause – Management has not established policies for requiring approval for the deletions of assets.

Effect – Lack of documented approval of capital asset deletions, increases the risk of misstatement which may not be detected and corrected on a timely basis in the normal course of operations.

Recommendation – The County should establish procedures to ensure all deletions of capital assets are approved by an appropriate department head.

Response – Upon taking office in September 2025, documents representing 2025 and 2026 capital asset acquisitions and dispositions were caught up by November through reaching out to the primary department (Secondary Roads) to get copies of all documents. I, the current County Auditor, further reached out to the Auditor of State's Office who sent me an updated spreadsheet which was being utilized instead of our software program, Vision. Steps will be taken once we are fully staffed to create and implement a policy and process to ensure this does not happen in the future.

Conclusion – Response accepted.

2024-013 County Treasurer's Petty Cash/Change Fund Policy

Criteria – Internal controls over safeguarding petty cash and change funds 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 petty cash and change funds from error or misappropriation. Such processes including establishing policies addressing proper petty cash and change fund use including the requirement for supporting documentation. A petty cash and change fund should be maintained on an imprest basis in which petty cash and change funds are maintained at a fixed, authorized amount and all distributions from the petty cash and change fund are documented with a vendor receipt.

Condition – The County Treasurer utilizes a petty cash and change fund; however, the County Treasurer did not have a policy for petty cash and change fund specifying proper usage, allowable disbursements, approvals and maximum dollar amount to be maintained in the petty cash and change fund. Periodic surprise cash counts were not performed by the Board of Supervisors.

Cause – Policies and procedures have not been designed and implemented to ensure sufficient records are maintained to properly account for petty cash and change funds. A petty cash and change fund policy has not been developed addressing proper petty cash and change fund use including the requirement for supporting documentation.

Effect – This condition could result in unrecorded disbursements and the opportunity for misappropriation.

Recommendation – The County should formalize a petty cash fund and change fund policy establishing proper usage, allowable disbursements, approvals and maximum dollar amount to be maintained in the petty cash fund and change fund. The County Board of Supervisors should periodically perform and document surprise cash counts.

Response – I, the current County Treasurer, have formalized and implemented a petty cash and change fund policy establishing proper usage, allowable disbursements, approval requirements and maximum fund balances.

In addition, the Board of Supervisors will work with the County Auditor and the County Treasurer to create a policy that includes surprise cash counts by a Board of Supervisor.

Conclusion – Response accepted.

2024-014 Emergency Management Services Grant

Criteria – An effective internal control system provides for internal controls related to ensuring proper reporting on grant funds as required by the award agreements.

Condition – The County Emergency Management Services Department received Coronavirus Aid, Relief, and Economic Security Act (CARES) funds. The award required certain financial reporting to be performed. The County did not meet the reporting requirements. As a result of failure to comply with the terms and conditions of the funding received, the County was required to repay grant funds of approximately $25,000, during the year ending June 30, 2024. The repayment was done through deductions of Medicaid and Medicare reimbursements to the County and one payment of $570 to the United States Department of Treasury.

Cause – The County has not established policies and procedures to track required reporting of grant funds.

Effect – The County was asked to return a material amount of federal grant funds.

Recommendation – The County should establish policies and procedures to track required reporting for grant funds to ensure federal grant awards are not lost in the future.

Response – We agree with this finding and will consider a process to be implemented for the onset of any grant application or award such that in order to proceed the following be identified: source; authorized uses; reporting requirements to whom, by whom, and actual deadlines for reporting.

Conclusion – Response accepted.

2024-015 Computer System Access

Criteria – Properly designed policies and procedures pertaining to control activities over the County's computer system and implementation of the policies and procedures help provide reasonable assurance financial information is safeguarded and reliable and helps ensure compliance with applicable laws and regulations. It also ensures proper access to the system for those individuals with a legitimate need.

Condition – The County did not review user profiles timely to help limit access to those who have a legitimate need and ensure only those individuals with access were still current employees and needed the noted access.

Cause – Written policies and procedures have not been established and implemented to ensure user profiles are reviewed timely for changes and limited to those who have a legitimate need.

Effect – Lack of written policies for computer-based systems could result in a loss of data or compromised data, resulting in unreliable financial information. It could also result in unauthorized access to the various County systems.

Recommendation – The County should develop written policies addressing the County's control over its computer system, including documentation of each individual's profile and access to the necessary systems.

Response – While there were safeguards in place there were no written policies. This needs to be done with "on-boarding"; "off-boarding" procedures as well as the incorporation of IT security and program access incorporated into each job description. This was identified and is on the project list for the County Auditor/IT Director by end of calendar year 2026. I, the current County Auditor, did review all users, access levels of current and previous employees over the last several months. We plan to reduce the number of VPN users in the County and have eliminated "all access" in the County Auditor's office.

In addition, County Supervisor Stancil noted current network and software are designed to only allow access to those on a County computer that is either on the network or via a County VPN client installed on a County computer, as well as having a County login. This is an additional security measure to prevent unauthorized access. Nevertheless, a policy will be put in place to require regular user access reviews and allowable permissions, as well as include disabling all logins as part of the off-boarding process for exiting employees. Both the PC users and VPN user logins will be linked in the future to reduce the chance of one being missed in the offboarding process. Our current IT director is our managed services provider (not the County Auditor).

Conclusion – Response accepted.

2024-016 County Treasurer Payroll Resolutions

Criteria – An effective internal control system provides for internal controls related to ensuring payroll resolutions are adequately reviewed by the Board of Supervisors before approval.

Condition – On January 2, 2024 pay raise recommendations from the County Treasurer's Office were provided to the Board of Supervisors on Resolution 01-02-24A. The Resolution covered pay increases for three employees, incorporating the proposed raises into their future pay. Subsequently, on June 11, 2024, the Board of Supervisors approved Resolution 06-11-2024A to adjust the hourly pay for an employee retroactively from September 13, 2023 to December 23, 2023. This second resolution included the same pay raise which had already been accounted for in the January 2, 2024 resolution, resulting in doubling the pay increase. The County has subsequently corrected for the overpayment in payroll.

Cause – Payroll resolutions provided to the Board of Supervisors included incorrect pay raise calculations. The payroll resolutions were not adequately reviewed by the County Board and elected officials resulting in an incorrect rate being used.

Effect – Lack of adequate review of the payroll resolutions resulted in an incorrect pay rate being used.

Recommendation – The County should ensure the accuracy of all payroll resolutions before approval.

Response – To ensure all hiring resolutions are accurate, the creation of hiring resolutions where pay is disclosed should be done with the supervision of Human Resources and the County Auditor's office.

In addition, County Supervisor Stancil will recommend to the Board of Supervisors that a new policy will be implemented that requires that all payroll resolutions, and any associated supporting documentation (union agreement, code, policy, contract, budget amendment, etc.) be provided to the County Board of Supervisors (and perhaps Human Resources) for review prior to inclusion on the agenda to allow time for corrections before the Board of Supervisors consideration for approval.

Conclusion – Response accepted.

2024-017 Professional Services Agreement

Criteria – An effective internal control system provides for internal controls related to ensuring elected officials and the County Board of Supervisors provide oversight of awarding contracts and approval of payments to contractors.

Condition – During January 2025, the newly elected County Auditor Kaczinski contracted with a consulting firm for professional services. According to the contract, the firm was to streamline workflows, optimize resource allocation and foster a culture of accountability and efficiency. The contract in part stated, the engagement was to focus "on designing and implementing sustainable processes that ensure compliance, improve performance, and support seamless execution of critical tasks, including preparations for the upcoming special election." The contract listed phases one through four with deliverables of a comprehensive assessment report with recommendations for improved workflows and documented election-related processes for immediate application listed for phase one. On February 16, 2025, County Auditor Kaczinski cancelled the contract in an email sent to the firm. The email acknowledged there had not been sufficient time to put together the report. On February 25, 2025, the County paid the firm $7,354 for 29 hours at $250 per hour and $104 for mileage reimbursement.

Cause – The County did not ensure a proper review and approval before entering into a contract, including documentation of the necessity of the contract.

Effect – Lack of proper review and approval of the contract resulted in entering into a contract which may not have the best interest of the County.

Recommendation – The County should develop a policy to ensure all contracts are properly approved and are in the best interest of the County.

Response – The County will review the current contract policy and based on a legal review, determine whether any amendments are necessary.

Conclusion – Response acknowledged. While the Board of Supervisors has authority to set compensation and approve departmental budgets, this budgetary control does not extend to requiring prior approval of all contracts entered into by elected officials. The Board of Supervisors' authority over other elected County officials is limited to specific areas expressly granted by statute. Iowa Courts have recognized that elected officials retain discretion in how they perform their statutory duties within approved budgets, except as otherwise specifically vested in the board by statute. Iowa Code specifically confers the power to "fix the compensation of extra help and clerks appointed by the principal county officers." 331.904. Hiring extra help for a special election requires Board approval of compensation, contracting with a vendor to perform required services may not . The extent of final policymaking authority depends on state law and the nature of the official's function and the service provided. The County should consult with legal counsel to determine necessary approvals.

2024-018 Treasurer DeVos Property Tax and Vehicle Registration

Criteria – An important aspect of internal control is the segregation of duties among individuals to prevent one person from handling duties which are incompatible. The former County Treasurer had control over opening mail, collecting, posting to accounting records, preparing and making bank deposits.

Condition – On June 17, 2024, the County received a notice of returned deposited items listing Amanda DeVos as the payor for the amount of $6,491. According to the County's property tax records former County Treasurer DeVos's personal property tax, penalty and fees were marked paid on May 30, 2024. On February 5, 2025, a family member of the former County Treasurer paid the taxes, penalty and fees on the DeVos' account.

In addition, former County Treasurer DeVos's personal vehicle registration was marked paid in the ARTS system on October 16, 2024. According to other County officials, a check was not received by the County. A note identifying an IOU was found in the County Treasurer's Office. On February 4, 2025, a family member of the former County Treasurer paid the vehicle registration with a cashier's check.

Cause – Lack of adequate segregation of duties among staff in the County Treasurer's Office in addition to an override of management control.

Effect – Lack of proper recording of receipts resulted in misstatement of the financial statements and misappropriation of County funds.

Recommendation – To improve financial accountability and control, receipts should be properly recorded. The County Treasurer's Office should review the operating procedures of their office 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.

Response – Strict rules and regulations have been set to obtain the maximum internal control possible.

Conclusion – Response accepted.

2024-019 Compensatory Time

Criteria – Compensatory time refers to the practice of providing time off in lieu of overtime pay for hours worked beyond the standard workweek. According to section 5.6 of the County Employee Handbook, effective August 1, 2022, in part states, "exempt employees will not be paid for working beyond their regular scheduled hours. Non-exempt employees are entitled to payment for overtime…"

Condition – Between January 2025 to August 2025, an exempt salaried employee in the County Auditor's Office was incorrectly paid for compensatory time. The County Auditor's Office employee accumulated 116.75 hours of compensatory time in addition to overtime. This practice of compensating exempt salaried employees with compensatory time has been discontinued. Subsequently, the County employee has reimbursed a portion of excess compensation.

Cause – County officials did not follow standards established in County Employee Handbook; therefore, an exempt salaried employee was inappropriately paid compensatory time and overtime.

Effect – The County incurred additional payroll costs when an exempt salaried employee was improperly paid for hours worked beyond the standard workweek.

Recommendation – The County should follow written policies addressing the County's compensatory time and overtime payments as established in the County Employee Handbook. Policies should be reviewed for clarification and procedures reviewed to ensure policies are being followed.

Response – According to the employee, she maintains she was authorized by the former County Auditor Kaczinski to pay herself out that time. The money has been paid back in full and that employee is no longer employed by the County. Further, as the current County Auditor I have addressed the inappropriate treatment of extra hours when worked by salaried persons as "Comp-Time".

Conclusion – Response accepted.

2024-020 Credit Card Purchases and Lease

Criteria - According to the County Credit Card and Charge Account Policy, all departmental credit cards or charge accounts and credit limits must be pre-approved by the Board of Supervisors prior to issuance. According to Code of Iowa section 331.301, the County Board of Supervisors may authorize a lease payable from the general fund.

Condition – In December 2023 the County Treasurer opened a credit card in the County's name without prior approval of the Board of Supervisors. The County Treasurer utilized the card for purchases, $51 of which did not include adequate support. Also, interest and late charges of $15 were incurred due to untimely payments. All charges made on the County Treasurer's credit card were reviewed as part of the audit.

In addition, on July 31, 2023, the County Treasurer entered into a contract to lease a postage machine without Board of Supervisors' approval.

Cause – The County Treasurer did not follow County Credit Card and Charge Account Policy or the Code of Iowa which required prior approval of the Board of Supervisors to obtain a credit card in the County's name and enter into a lease agreement.

Effect – Lack of enforcement of policies and procedures to regulate the issuance and use of credit cards and entering into lease agreements could result in unauthorized and unsupported transactions and the opportunity for misappropriation.

Recommendation – The County should enforce policies and procedures requiring prior approval of the Board of Supervisors before credit cards are opened in the County's name or County departments enter into a lease.

Response – Since taking office January 2023, I (County Treasurer DeVos) have never been provided with or told where to locate the County policies or procedures. Therefore, I was unaware of any policy being place and decided to open a credit card for the Treasurer's Office. In doing so, my thought was I could avoid always having to go to the Auditor's Office asking to use the card, as I was having trouble being able to use it anyways. I also figure that way with it being a County card we would not be charged the sales tax. After using the card, I submitted a claim to the Auditor's Office to have the monthly payment made, it was at this time that the County Auditor decided to not pay the statement and bring up a policy I was not aware of. In doing so interest and late penalties applied that would not have if it would have been paid when the claim was turned in. After having a meeting with the County Attorney and being provided with the credit card policy I let her know I would never have opened a credit card if I knew I had to get prior approval and was willing to cancel the card.

The Board of Supervisors will implement a policy requiring Board of Supervisor approval for all contracts, including lease agreements and license renewals, and also add this policy to the Handbook. The current policy being considered is more stringent than what the County Auditor recommended in order to ensure sufficient oversight.

Conclusion – Response acknowledged. The County should ensure leases are entered into properly.

Madison County

Schedule of Findings

Year ended June 30, 2024

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Other Findings Related to Required Statutory Reporting:

2024-A Certified Budget – Disbursements during the year ended June 30, 2024 exceeded the amounts budgeted in the debt service function at year end. In addition, appropriations were not approved by the Board of Supervisors during the fiscal year; therefore, disbursements in all departments exceeded the amounts appropriated.

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

Chapter 331.434(6) of the Code of Iowa 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.

Response – We will take steps to amend the budget prior to disbursements exceeding the budget. Appropriations will be approved by the Board of Supervisors in the future.

Conclusion – Response accepted.

2024-B Questionable Expenditures – 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 dated April 25, 1979 since the public benefits to be derived have not been clearly documented. The expenditures are detailed as follows:

Paid to	Purpose	Amount
Menards	Candy paid out of LOST funds	$ 36

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.

Recommendation – The County should determine and document the public purpose served by these disbursements 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 – This is clearly a coding error that should have been corrected in a monthly review – and if the disbursement did not meet the public purpose doctrine, the money should have been repaid by the person making the purchase.

Conclusion – Response accepted.

2024-C <u>Travel Expense</u> – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2024-D <u>Business Transactions</u> – Business transactions between the County and County officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Thaddeus Smith, Executive Director of County Veteran Affairs, independent contractor	Building repair and maintenance	$ 3,435
Don Kinney, Deputy in Sheriff's Office, owner of Don Kinney Construction	Office and data equipment processing	500

The transactions with Don Kinney Construction and Thaddeus Smith do not appear to represent a conflict of interest in accordance with Chapter 331.342(1)(j) of the Code of Iowa since the total transactions were not more than $6,000 during the year.

2024-E <u>Restricted Donor Activity</u> – No transactions were noted between the County, County officials, County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

2024-F <u>Bond Coverage</u> – 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.

2024-G <u>Board Minutes</u> – No transactions were found that we believe should have been approved in the Board minutes but were not.

2024-H <u>Deposits and Investments</u> – 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.

2024-I <u>Resource Enhancement and Protection Certification</u> – 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).

2024-J <u>Annual Urban Renewal Report</u> – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.

2024-K Financial Condition – The Capital Projects Fund had a deficit balance of $129,042 at June 30, 2024.

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

Response – When asked about the negative balance, it was explained that there was guidance given to the County Auditor's office to post revenue for Capital Projects to one fund; and the expenditures to another. This was observed by a mentor County Auditor shortly after taking office. Further investigation on the current County Auditor's part is warranted.

Conclusion – Response accepted.

2024-L Property Tax on County Owned Farmland – Chapter 427.1(2) of the Code of Iowa states the property of a County, when devoted to public use and not held for pecuniary profit, shall not be taxed. The County holds farmland which is leased out annually for profit and the County does not remit property tax on the farmland leased for profit.

Recommendation – The County should remit property tax on the farmland leased for profit.

Response – We will investigate this situation with the County Assessor to determine the best course of action in determining the location and leased amount.

Conclusion – Response accepted.

2024-M Tax Payments to Local Taxing Districts – Chapter 331.552 of the Code of Iowa spells out the general duties of the County Treasurer. Specifically, Chapter 331.552.29 of the Code of Iowa, states the County Treasurer "Send, before the fifteenth day of each month, the amount of tax revenue, special assessments, and other moneys collected for each tax-certifying or tax-levying public agency in the county for direct deposit into the depository or financial institution and account designated by the governing body of the public agency." During the year ending June 30, 2024, three out of twelve tax payments were not sent to the public agencies by the 15th of the month.

Based on complaints from several local taxing districts within the area, tax distributions to the local taxing districts were not paid timely, as required by the Code of Iowa. However, due to inadequate recordkeeping, we were unable to trace or verify the accuracy of and timeliness of payments during the year ended June 30, 2024.

In addition, during August 2024 County Treasurer DeVos set up a tax apportionment payment totaling $165,735. In error, the amount was duplicated in the banking system and, therefore, paid to entities twice. Corrections for the overpayment were made in subsequent months.

Recommendation – The County should adopt and enforce policies and procedures requiring tax payments to be remitted timely, as required by the Code of Iowa.

Response – Policies are in place for tax payments to be remitted in a timely manner as required by the Code of Iowa.

Conclusion – Response accepted.

2024-N Tax Increment Financing Payments During the Year Ending June 30, 2025 – During the months of September through November 2024 the County did not appropriately allocate the tax incrementing financing payments to local taxing districts. According to email communications from the City of Winterset, the City received $258,082 in tax increment financing payments which were due to other taxing districts. The error was a result of County Treasurer DeVos not properly identifying the correct TIF taxing districts fund number in the County's computer system. Only the fund number assigned to Winterset was used. Therefore, only Winterset was paid the TIF collections received. The County has subsequently worked with local taxing districts to resolve the matter.

Recommendation – The County should ensure procedures are in place to appropriately allocate tax increment financing funds to the local taxing districts in the future.

Response – Procedures have been reviewed and are in place to ensure that appropriate tax increments are allocated to the correct funds.

Conclusion – Response accepted.

Staff

This audit was performed by:

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