



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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March 14, 2023

To: The Officials of Madison County
Madison County
16 E Ninth Street
Anderson, IN 46016

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Madison County. We have reviewed the audit report opined upon by RSM US, LLP, Independent Public Accountants, for the period January 1, 2020 to December 31, 2020. Per the *Independent Auditor's Report*, the financial statements present fairly, in all material respects, the respective financial position of the General Fund and the aggregate remaining fund information of Madison County as of December 31, 2020, 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.

Because of the significance of the matter described in the Basis for Adverse Opinion on Aggregate Discretely Presented Component Units paragraph of the *Independent Auditor's Report*, which may be found on pages i-iii, the financial statements do not present fairly the financial position of the aggregate discretely presented component units of the County, as of December 31, 2020, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. We refer the reader to the Basis for Adverse Opinion on Aggregate Discretely Presented Component Units paragraph for more information.

As discussed in the Basis for Qualified Opinions on Governmental Activities paragraph of the *Independent Auditor's Report*, the auditors were unable to obtain sufficient appropriate audit evidence related to the inventory and historical cost of the County's capital assets, accumulated depreciation, depreciation expense, and net investment in capital assets portion of net position because the records were incomplete. Consequently, they are unable to conclude the recorded amounts are fairly stated, in all material respects, in the governmental activities financial statement as of December 30, 2020. We refer the reader to the Basis for Qualified Opinions on Governmental Activities paragraph for more information.

In our opinion, RSM US, LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the findings in the report. The findings appear on pages 10-15 of the Federal Compliance Report which directly follows the financial report. Please refer to the Schedule of Findings and Questioned Costs for further detail. Management's Corrective Action Plan appears at the end of the report.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

MADISON COUNTY, INDIANA

ANNUAL FINANCIAL REPORT

December 31, 2020

MADISON COUNTY, INDIANA
ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2020

TABLE OF CONTENTS

<u>Description</u>	<u>Page(s)</u>
Independent Auditors Report.....	i – iii
Management's Discussion and Analysis	iv – xiii
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	1
Statement of Activities.....	3
Fund Financial Statements:	
Balance Sheet – Governmental Funds	4
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	5
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	6
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	7
Statement of Net Position – Proprietary Fund.....	8
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund.....	9
Statement of Cash Flows – Proprietary Fund	10
Statement of Fiduciary Net Position – Fiduciary Funds	11
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	12
Notes to Financial Statements.....	13 – 67
Required Supplementary Information:	
Schedule of the County's Proportionate Share of the Net Pension Liability – Public Employees' Retirement Fund	68
Schedule of County Contributions – Public Employees' Retirement Fund	69
Schedule of the Changes in the County's Net Pension Liability and Related Ratios – Sheriff's Retirement Plan.....	70
– Sheriff's Benefit Plan	71
Schedule of County Contributions – Sheriff's Retirement Plan.....	72
– Sheriff's Benefit Plan	73
Schedule of Investment Returns – Sheriff's Retirement Plan.....	74
– Sheriff's Benefit Plan	75
Schedule of Changes in the County's Total OPEB Liability and Related Ratios	76
Budgetary Comparison Schedules:	
– Non GAAP Budgetary Basis - General Fund	77 – 81
– Budget/GAAP Reconciliation - General Fund	82
Notes to Required Supplementary Information	83 – 88

MADISON COUNTY, INDIANA
ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2020

TABLE OF CONTENTS

<u>Description</u>	<u>Page(s)</u>
Supplementary Information:	
Nonmajor Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds	89
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	90
Nonmajor Special Revenue Funds:	
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	91 – 103
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	104 – 114
Nonmajor Debt Service Funds:	
Combining Balance Sheet – Nonmajor Debt Service Funds	115
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds.....	116
Nonmajor Capital Projects Funds:	
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	117 – 118
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds	119 – 120
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position – Pension Trust Funds	121
Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds.....	122
Combining Statement of Fiduciary Net Position – Custodial Funds	123 – 125
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	126 – 130



Independent Auditor’s Report

RSM US LLP

Board of Commissioners
Madison County, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Madison County as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified, qualified and adverse audit opinions.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Aggregate Discretely Presented Component Units	Adverse
Major Fund – General Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

As discussed in Note 1 A, Management has omitted the discretely presented non-fiduciary component units that meet GASB Codification Section 2600: Reporting Entity and Component Unit Presentation and Disclosure, requirements for discrete presentation by the County. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses of the aggregate discretely presented component units has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the County, as of December 31, 2020, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinions on Governmental Activities

As discussed in Note 1 A, accounting principles generally accepted in the United States of America require capital assets to be recorded at historical cost, or estimated historical cost if actual amounts are unavailable, and depreciated over their estimated useful lives in the governmental activities financial statements. The County's capital assets at historical cost, accumulated depreciation, net investment in capital assets portion of net position, and depreciation expense are recorded at \$648,712,215, \$400,758,479, 237,497,814 and \$12,175,880 respectively for Governmental Activities as of and for the year ended December 31, 2020. We were unable to obtain sufficient appropriate audit evidence related to the inventory and historical cost of the County's capital assets, accumulated depreciation, depreciation expense, and net investment in capital assets net position because the records were incomplete. Consequently, we are unable to conclude the recorded amounts are fairly stated, in all material respects in the governmental activities financial statement as of December 30, 2020.

Qualified Opinions

In our opinion, except for the matters described in the "Basis for Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of Madison County as of December 30, 2020, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund and the aggregate remaining fund information of Madison County as of December 31, 2020, 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.

Emphasis of Matter

As discussed in Note III H, the January 1, 2020 net position of the governmental activities and the January 1, 2020 fund balance of the General Fund and the aggregate remaining fund information have been restated for the correction of errors. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, including management's discussion and analysis, schedule of the County's proportionate share of net pension liability, schedules of County contributions, schedules of the changes in the County's net pension liability and related ratios, schedules of investment returns, schedule of changes in the County's total OPEB liability and related ratios, budgetary comparison information and related notes to required supplementary information as included in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Madison County's basic financial statements. The accompanying supplementary information which includes schedules of combining financial statements - nonmajor governmental funds, combining financial statements - nonmajor special revenue funds, combining financial statements - nonmajor debt service funds, combining financial statements - nonmajor capital projects fund, combining financial statements - fiduciary funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information as listed in the table of contents 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2022, 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 Madison 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.

RSM US LLP

Chicago, Illinois
December 29, 2022

MADISON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Madison County, Indiana, (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the calendar year ended December 31, 2020. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent calendar year by \$241,304 (net position).
- The County's total net position decreased by \$1,985 as compared to the 2019 total net position.
- As of the close of the current calendar year, the County's governmental funds reported combined ending fund balances of \$32,906 an increase of \$6,257 in comparison with the prior year. Approximately 32.77% of the total amount in the combined ending fund balances, \$10,782 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current Calendar year, the fund balance for the general fund was \$10,789 which represented 27.85% of total general fund expenditures, excluding transfers out.
- The County's total bond related debt decreased by \$855 (9.24%) during the current calendar year. The net change was the result of principal payments on existing debt. The County did not issue new bonds in the calendar year.

Overview of the Financial Statements

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector business.

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

The statement of activities presents information showing how the government's net position changed during the most recent calendar year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future calendar periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, highways and streets, health and welfare and culture and recreation.

The government-wide financial statements can be found on pages 1-3 of this report.

MADISON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The County maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund. Data for the remaining County governmental funds are combined into a single, aggregated presentation. Individual fund data for non-major governmental funds is provided in the form of combining statements elsewhere in the report. The County adopts an annual appropriated budget for its general fund, certain special revenue funds, debt service funds and certain capital projects funds. Budgetary comparison schedules have been provided for the general fund, COIT fund, and County Public Safety Fund in the required supplementary information.

The governmental fund financial statements can be found on pages 4-7 of this report.

Proprietary funds. The County has a proprietary fund for internal services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses the internal service fund to account for medical insurance. Because these services benefit the governmental-type functions, they have been included within the governmental activities on the Statement of Net Position in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 8-10 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 11-12 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-67 of this report.

MADISON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budgets for its major funds as well as a reconciliation between the budget schedules and fund financial statements. In addition, the County's funding progress for its obligation to provide pension and other post-employment benefits to certain employees is included as supplementary information. Required supplementary information can be found on pages 68-88 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgets. Combining and individual fund statements and schedules can be found pages on 89-130 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the County, assets exceeded liabilities by \$241,304 at the close of the most recent calendar year.

By far the largest portion, \$237,498 (98.42%), of the County's net position reflects the investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed statement of County net position:

Madison County, Indiana, Net Position – Governmental Activities

	As of December 31,	
	2020	2019
Current and other assets	\$ 65,175	\$ 57,190
Capital assets	247,954	390,025
Total assets	313,129	447,215
Deferred outflow of resources	5,362	3,252
Long-term liabilities	45,962	49,172
Other liabilities	4,915	2,542
Total liabilities	50,877	51,714
Deferred inflow of resources	26,310	24,917
Net investment in capital assets	237,498	377,618
Restricted net position	21,756	18,605
Unrestricted net position	(17,950)	(22,387)
Total net position	\$ 241,304	\$ 373,836

MADISON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

At the end of the current calendar year, the County can report a positive balance in net position. The same situation held true for the prior calendar year.

Governmental Activities

The following table provides a summary of changes in net position for the County.

Madison County, Indiana, Changes in Net Position – Governmental Activities

	For the Year Ended December 31,	
	2020	2019
Revenues:		
Program Revenues:		
Charges for service	\$ 12,171	\$ 6,437
Operating grants and contributions	13,568	8,454
General Revenues:		
Property taxes	23,479	22,727
Income taxes	13,670	15,432
Other taxes	2,079	1,785
Unrestricted grants	8,950	9,455
Investment income	270	549
Donations	-	24
Miscellaneous	7,391	24,140
Total revenues	<u>81,578</u>	<u>89,003</u>
Expenses:		
General government	36,425	50,165
Public safety	21,547	25,134
Highways and streets	19,060	19,551
Health and welfare	5,050	4,135
Community development	1,204	-
Culture and recreation	7	7
Sanitation	94	155
Interest expense	206	12
Total expenses	<u>83,593</u>	<u>99,159</u>
Change in net position	(1,985)	(10,156)
Net position-beginning	373,836	383,992
Net position-restated	<u>243,289</u>	
Net position at December 31	<u>\$ 241,304</u>	<u>\$ 373,836</u>

MADISON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County's net position from governmental activities, including the statement of net position decreased by \$1,985 or .53% in 2020, over the net position of 2019. Notable changes in governmental activities revenues and expenses in 2020 compared to 2019 include the following:

- Program revenues (charge for services) reported a total amount of \$12,171. The total amount is, comprised of general government revenue of \$10,762, public safety revenue of \$1,049, and health and welfare revenue of \$360.
- Program revenues (operating grants and contributions) reported a total amount of \$13,568. The total amount is comprised of general government revenue of \$2,811, public safety revenue of \$3,989, highway and streets revenue of \$1,046, and health and welfare revenue of \$5,722.
- Property tax revenues in 2020 were \$23,479 and are reported net of circuit breaker tax credits. Income taxes and other taxes reported \$13,699, and \$2,079, respectively.
- Other general revenue \$16,611 included unrestricted grants and contributions of \$8,950, investment income of \$270, and miscellaneous revenue of \$7,391.
- General government expenses reported a total amount of \$36,425.
- Public safety expenses reported a total amount of \$21,547.
- Highway and streets expenses reported a total amount of \$19,060.
- Health and welfare expenses reported a total amount \$5,051.
- Culture and recreation expenses reported a total amount \$7
- Sanitation expenses reported a total amount \$94
- Interest on debt service reported a total amount \$206.

The County's overall cash and investments position is \$33,307, with the general fund having a cash and investment balance of \$8,524.

The County's property tax rate, \$.7225 for 2020 was a slight decrease from \$.7481 for 2019, per \$100 of assessed value. The stability of the tax rate is reflection of stable to growing assessed values and levies remaining within parameters allowed for statewide annual levy growth.

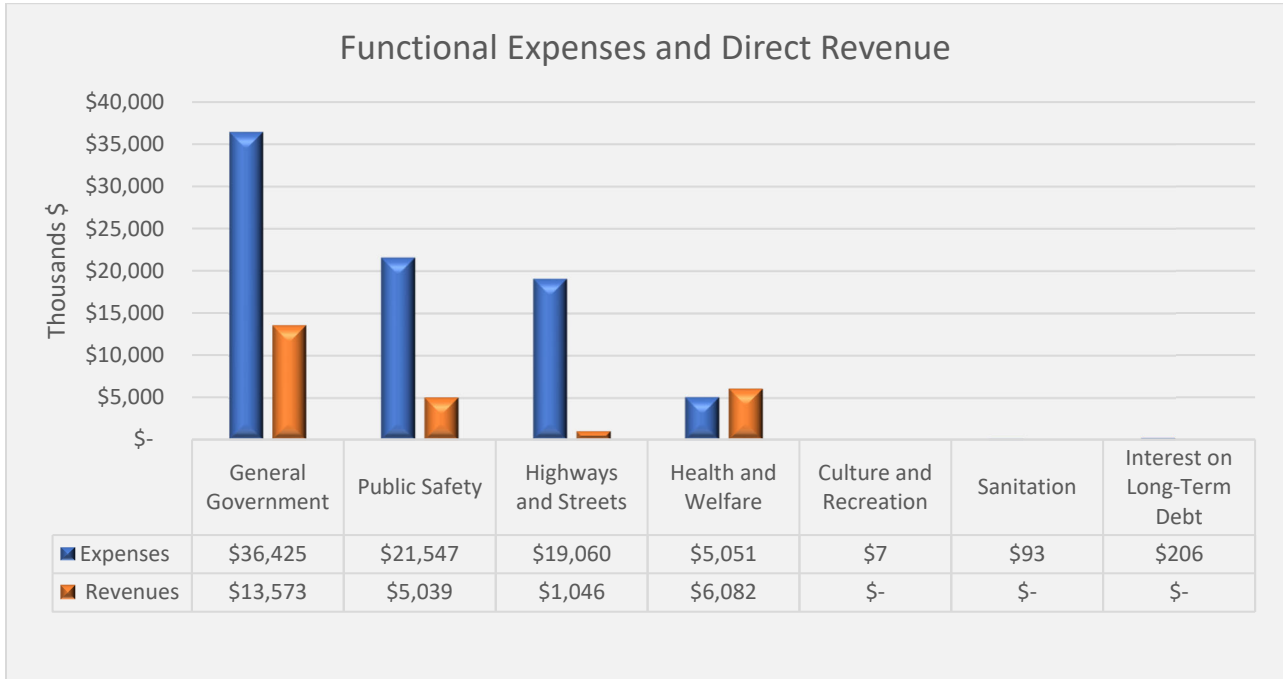
MADISON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following displays the Expenses and Program Revenues of the County's governmental activities:

Program Revenue and Expenses – Governmental Activities

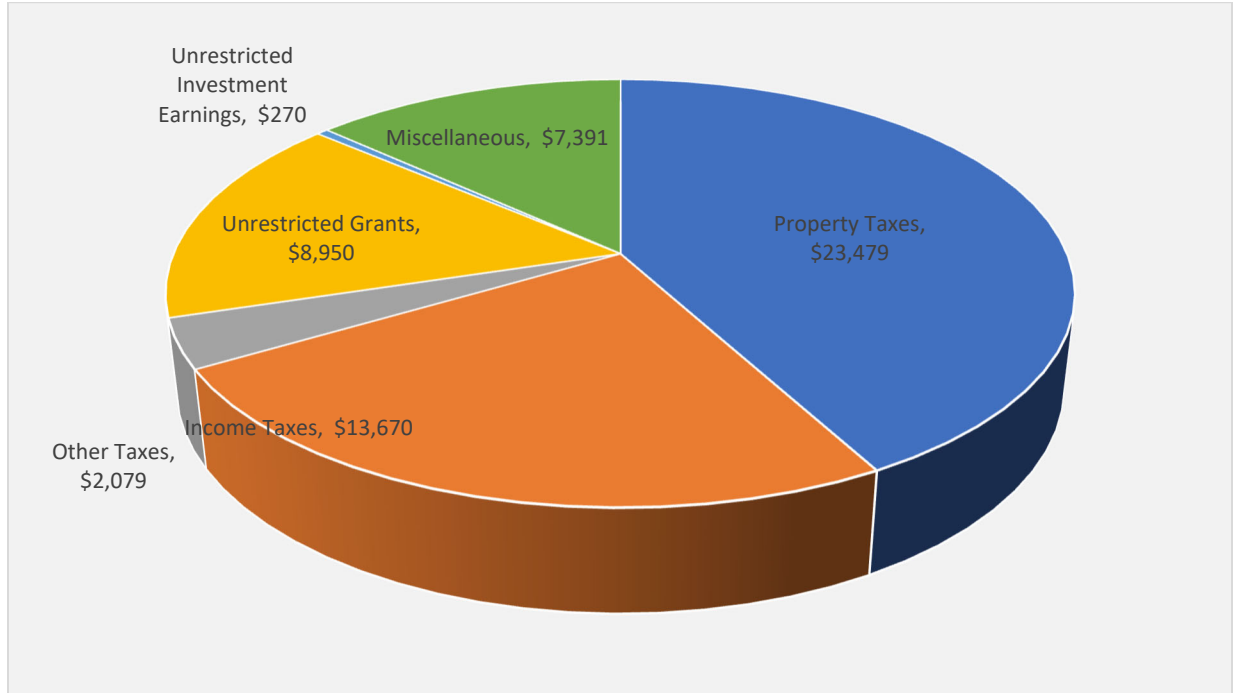
Taxes, as in prior years, were the County's major source of revenue supporting its activities, primarily in the area of public safety, health and welfare and general government. Other sources of revenue consisted primarily of unrestricted investment earnings and miscellaneous revenue. The following table displays program revenues as compared to program expenses. Deficits in programs are made up by general revenues.



MADISON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following displays the General Revenues by source for the County's governmental activities. General revenues are used to help offset funding shortfalls related to governmental functions detailed in the preceding graph:



Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful to assess the County's financial requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the calendar year.

Fund balances are the differences between assets and liabilities in a governmental fund. The nonspendable fund balance includes amounts that are not in spendable form or amounts that are required to be maintained intact. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external providers, such as grant providers or bondholders, as well as amounts that are restricted constitutionally or through legislation. Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision-making authority. Assigned fund balance applies to amounts that are intended for specific purposes as expressed by governing body or authorized official and applies to remaining resources in any governmental fund other than the general fund. Unassigned fund balances include all amounts not contained in other classifications for the general fund and deficit fund balances in any other governmental fund.

As of the end of the current calendar year, the County's governmental funds reported combined ending fund balances of \$32,906 an increase of \$6,257 in comparison with the prior year. The fund balance has restricted fund balance of \$21,756, committed fund balance of \$361, assigned fund balance of \$7, and unassigned fund balance of \$10,782 (See page 35)

MADISON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The general fund is the chief operating fund of the County. At the end of the current calendar year, unassigned fund balance of the general fund was \$10,782 while the total fund balance totaled \$10,789. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures of \$38,742 excluding transfers. Unassigned fund balance represents 27.83% of total general fund expenditures, while total fund balance represents 27.84% of that same amount.

The fund balance of the County general fund had an increase of \$521 during the current calendar year. Key factors in this increase are as follows:

- Operating revenues exceeded operating expenditures by \$372 during 2020.
- General Fund revenues include net property taxes of \$20,230; Income tax of \$10,969; intergovernmental revenues, \$4,172; charges for services, \$1,432; investment income of \$267; fines, forfeitures and penalties of \$1,893; and other revenue of \$150.
- Major general fund expenditures include general government, \$22,961; public safety, \$13,059; health and welfare, \$1,960; capital outlay, \$354; debt service, \$408.

General Fund Budgetary Highlights

The County submits annual budgets to align planned spending with available revenues to ensure operational accountability over County resources. This process correlates with longer term calendar planning to help ensure that the County can continue to provide services in all economic conditions. Assumptions used at the time of budget adoption are adjusted during the ensuing year through additional appropriations or budget reductions as circumstances dictate.

The final General Fund budget had a planned excess of revenues over expenditures of \$3,053 and actual excess of \$770 including other financing sources. Below is a summary of the key highlights of the budget.

- The final budgeted revenue, \$42,807, for the general fund comprised of property taxes of \$24,814, other taxes of \$10,377, licenses and permits of \$210, intergovernmental of \$4,842, charges for services of \$1,213, fine and forfeits of \$1,060, interest of \$80, and miscellaneous of \$211.
- The final General Fund budgeted expenditures of \$39,754 were distributed across multiple county departments, for the general fund comprised of general government \$23,305, public safety of \$14,329, and Health and Human Services of \$2,120.
- During the year on a budgetary basis, revenues exceeded expenditures, excluding other financing sources (uses) for the general fund in the amount of \$621.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental activities as 2020 amounts to \$247,954 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure.

Major capital asset events during the current calendar year included the following:

- Additions of capital assets during 2020 included machinery and equipment of \$1,089.
- Deletions of capital assets during 2020 included machinery and equipment of \$7,067.

MADISON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table displays the County's capital assets.

Madison County, Indiana, Capital Assets

	Governmental Activities	
	2020	2019
Land	\$ 5,986	\$ 5,986
Buildings	26,277	26,277
Improvements	408	408
Infrastructure	603,033	603,033
Machinery and equipment	13,008	18,986
 Total capital assets	 648,712	 654,690
Accumulated depreciation	(400,758)	(395,521)
 Net capital assets	 \$ 247,954	 \$ 259,169

Long-term obligations. At the end of the current calendar year, the County had outstanding total long-term obligations related liabilities (net of unamortized premiums and discounts) of \$45,963. Of this amount, \$7,525 relates to revenue bond debt.

The remainder of the County's long-term obligations consist of \$503 related to a capital lease, \$15,592 of other postemployment benefits, \$869 of loans payable and \$19,233 of net pension liability. The following table reflects the County's long-term obligations:

Madison County, Indiana, Long-Term Obligations

	As of December 31,	
	2020	2019
Revenue bonds	\$ 8,400	\$ 9,312
 Sub-total	 8,400	 9,312
Compensated absences	2,193	2,067
Capital leases	649	164
Other postemployment benefits	15,592	12,819
Net pension liability	19,233	21,879
Loans payable	1,359	2,931
Premiums	48	-
 Sub-total	 39,074	 39,860
 Less current portion	 (1,511)	 (1,968)
 Total long-term obligations	 \$ 45,963	 \$ 47,204

MADISON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County's total long-term obligations decreased by \$1,241 during the current calendar year.

- Debt decreased during the year due to scheduled principal payments on all outstanding bonds and capital leases.
- Obligations associated with compensated absences increased by \$126.
- Other postemployment benefits increased by \$2,773 as a result of updated actuarial studies performed for the County.
- Net pension liability for pensions decreased by \$2,646 as a result of updated actuarial studies performed for the County.
- Obligations associated with loans payable decreased by \$1,572 as a result of scheduled payments.

The County maintains a long-term rating of "AA-" on its county option income tax bonds with a property tax backup (which are rated as a general obligation security) assigned by S&P Global Ratings.

Additional information of the County's long-term debt can be found on pages 32-33 in Notes to the Financial Statements of this report.

Economic Factors and Next Year's Budget and Rates

- The 2020 tax rates for the County decreased from \$.7481 in 2019 to a rate of \$.7225 per \$100 in assessed value. Overall, the County's assessed value increased by \$252,081 (7.12%) from \$3,539,716 in 2019 to \$3,791,797 in 2020. The increase in assessed value allowed for the County to decrease the tax rate.
- Property tax is the County's largest source of revenue. Local Income Tax (LIT) is the second largest source of the County's current governmental revenues. These funds can be used for capital projects as well as ongoing operating expenses.
- State-wide property tax caps (based upon a percent of gross AV by property class) became effective in 2009. For the 2020 budget year, the loss to the County due to the caps is \$6,102 (22.27% of the property tax levy). 2021 expected losses of revenue due to circuit breaker is \$6,208 (or 21.76% of the property tax levy). Expenditure restraints and revenue diversification have been used to offset this loss.

All the above factors were considered in preparing the County's budget for the 2020 calendar year.

Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Madison County Auditor's office located at 16 E 9th St #205, Anderson, IN 46016.

MADISON COUNTY, INDIANA

STATEMENT OF NET POSITION December 31, 2020

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 33,243,202
Receivables:	
Interest	13,375
Taxes	29,789,842
Accounts	543,710
Intergovernmental	647,163
Prepaid items	520,526
Restricted assets:	
Cash and cash equivalents	63,340
Capital assets:	
Land	5,985,100
Other capital assets, net of depreciation	241,968,636
Net pension asset	<u>354,288</u>
Total assets	<u>313,129,182</u>
Deferred outflows of resources:	
Pension related	2,984,392
OPEB related	<u>2,377,848</u>
Total deferred outflows of resources	<u>5,362,240</u>

See notes to financial statements

MADISON COUNTY, INDIANA

STATEMENT OF NET POSITION

December 31, 2020

(Continued)

	<u>Primary Government Governmental Activities</u>
Liabilities	
Accounts payable	\$ 1,806,942
Accrued payroll and withholdings payable	1,278,935
Accrued interest payable	46,920
Claims payable	271,791
Noncurrent liabilities:	
Due within one year:	
Loans payable	490,046
Revenue bonds	875,000
Capital lease obligations	145,670
Due in more than one year:	
General obligation bonds (net of discounts, premiums)	-
Loans payable	869,288
Revenue bonds (net of discounts, premiums)	7,572,581
Capital lease obligations	503,337
Compensated absences	2,192,586
Net pension liability	19,232,727
Total OPEB liability	<u>15,591,636</u>
Total liabilities	<u>50,877,459</u>
Deferred inflows of resources:	
Pension related	4,003,932
Property Taxes	<u>22,305,903</u>
Total deferred inflows of resources	<u>26,309,835</u>
Net Position	
Net investment in capital assets	237,497,814
Net position - restricted for:	
Public safety	5,161,368
Highways and streets	1,701,425
Health and welfare	4,759,118
Culture and recreation	2,800
Economic development	831,870
Capital projects	2,180,362
Debt service	63,340
General government	7,055,630
Net position - unrestricted	<u>(17,949,599)</u>
Total net position	<u>\$ 241,304,128</u>

See notes to financial statements

MADISON COUNTY, INDIANA

STATEMENT OF ACTIVITIES For The Year Ended December 31, 2020

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General government	\$ 36,425,055	\$ 10,761,877	\$ 2,810,899	\$ (22,852,279)
Public safety	21,546,767	1,049,430	3,989,159	(16,508,178)
Highways and streets	19,060,393	-	1,045,760	(18,014,633)
Health and welfare	5,050,483	360,077	5,721,858	1,031,452
Community development	1,204,107	-	-	(1,204,107)
Culture and recreation	7,238	-	-	(7,238)
Sanitation	93,938	-	-	(93,938)
Interest on long term debt	205,604	-	-	(205,604)
Total Governmental Activities	83,593,585	12,171,384	13,567,676	(57,854,525)
General Revenues				
Taxes:				
Property taxes				23,479,410
Income taxes				13,699,521
Other taxes				2,079,025
Grants and contributions not restricted to specific programs				8,950,424
Investment income				269,833
Donations				216
Miscellaneous				7,390,861
Total General Revenues and Transfers				55,869,290
Change in Net Position				(1,985,235)
Net position - beginning as previously stated				373,836,060
Adjustment to net position - (See Note III.H)				(130,546,697)
Net position - beginning as restated				243,289,363
Net Position- end of year				\$ 241,304,128

See notes to financial statements

MADISON COUNTY, INDIANA

BALANCE SHEET - GOVERNMENTAL FUNDS December 31, 2020

	County General	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 8,523,791	\$ 22,031,679	\$ 30,555,470
Receivables:			
Taxes	26,391,452	3,398,390	29,789,842
Interest	13,302	-	13,302
Accounts	216,609	327,101	543,710
Intergovernmental	136,419	510,744	647,163
Restricted assets:			
Cash and cash equivalents	-	63,340	63,340
Total assets	35,281,573	26,331,254	61,612,827
Liabilities, deferred inflows of resources and fund balances			
Liabilities:			
Accounts payable	560,289	1,030,524	1,590,813
Accrued payroll and withholdings payable	896,629	382,306	1,278,935
Interfund payable	60,060	-	60,060
Total liabilities	1,516,978	1,412,830	2,929,808
Deferred inflows of resources:			
Property taxes	22,975,206	2,801,942	25,777,148
Fund balances:			
Restricted	-	21,755,913	21,755,913
Committed	-	360,569	360,569
Assigned	7,090	-	7,090
Unassigned	10,782,299	-	10,782,299
Total fund balances	10,789,389	22,116,482	32,905,871
Total liabilities, deferred inflows of resources and fund balances	\$ 35,281,573	\$ 26,331,254	\$ 61,612,827

See notes to financial statements

MADISON COUNTY, INDIANA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2020

Fund balance - governmental funds		\$ 32,905,871
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Land and construction in progress	\$ 5,985,100	
Other capital assets, net of depreciation	<u>241,968,636</u>	247,953,736
Prepaid items are not current financial resources and, therefore, are not reported in the governmental funds.		520,526
Pension liability is not paid from current financial resources and, therefore, is not shown in the governmental funds.		
Net pension asset	\$ 354,288	
Net pension liability	<u>(19,232,727)</u>	(18,878,439)
Deferred outflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the statement of net position		2,984,392
Deferred inflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the statement of net position		(4,003,932)
Unavailable revenues are revenues not available to pay current liabilities and, therefore, are not reported as revenues in the governmental funds		3,471,245
Internal service funds are used by management to charge the costs of insurance to General and Highway Funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.		2,259,945
Total OPEB liability is not paid from current financial resources and, therefore, is not shown in the governmental funds.		(15,591,636)
Deferred outflows of resources on OPEB related items are not recognized in the governmental funds, but are recorded in the statement of net position		2,377,848
Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(2,192,586)
Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the governmental funds.		(46,920)
Long-term liabilities, including capital leases, are not due and payable in the current period and, therefore, are not reported in the governmental funds:		(649,007)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Loans payable	\$ (1,359,334)	
Revenue bonds	(8,400,000)	
Premium on bonds	<u>(47,581)</u>	<u>(9,806,915)</u>
Net position of governmental activities		<u>\$ 241,304,128</u>

See notes to financial statements

MADISON COUNTY, INDIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For The Year Ended December 31, 2020

	County General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Taxes:			
Property	\$ 20,230,457	\$ 3,248,953	\$ 23,479,410
Income	10,968,923	2,538,056	13,506,979
Other	-	2,079,025	2,079,025
Intergovernmental	4,171,970	18,346,130	22,518,100
Charges for services	1,432,269	1,889,295	3,321,564
Investment income	267,037	879	267,916
Fines, forfeitures and penalties	1,893,094	191,020	2,084,114
Other	149,580	7,000,495	7,150,075
Total revenues	39,113,330	35,293,853	74,407,183
Expenditures:			
Current:			
General government	22,960,810	5,711,479	28,672,289
Public safety	13,058,895	8,874,258	21,933,153
Highways and streets	-	7,400,670	7,400,670
Health and welfare	1,959,956	3,187,718	5,147,674
Sanitation	-	95,709	95,709
Community development	-	1,204,107	1,204,107
Debt service:			
Principal	320,000	2,106,977	2,426,977
Interest	88,138	218,252	306,390
Capital outlay:			
General government	247,567	12,939	260,506
Public safety	106,024	42,121	148,145
Highways and streets	-	498,224	498,224
Health and welfare	296	181,431	181,727
Total expenditures	38,741,686	29,533,885	68,275,571
Excess (deficiency) of revenues over (under) expenditures	371,644	5,759,968	6,131,612
Other financing sources (uses):			
Transfers in	167,924	1,844,830	2,012,754
Transfers out	(18,564)	(1,868,537)	(1,887,101)
Total other financing sources and uses	149,360	(23,707)	125,653
Net change in fund balances	521,004	5,736,261	6,257,265
Fund balance, beginning as previously stated	7,679,946	18,659,529	26,339,475
Adjustment to fund balance - See Note III.H	2,588,439	(2,279,308)	309,131
Fund balances - beginning as restated	10,268,385	16,380,221	26,648,606
Fund balances - ending	\$ 10,789,389	\$ 22,116,482	\$ 32,905,871

See notes to financial statements

MADISON COUNTY, INDIANA

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2020

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds (Statement of Revenues, Expenditures, and Changes in Fund Balances)	\$	6,257,265
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlays	\$	1,088,605
Depreciation expense		<u>(12,175,877)</u> (11,087,272)

Only the loss on the disposal of capital assets is reported in the Statement of Activities, however, in governmental funds, the proceeds from the disposal increases financial resources. Thus the change in net position differs from the fund balance by the cost of the capital assets disposed:

Cost of assets disposed of	\$	(7,066,559)
Accumulated depreciation on disposed assets		<u>6,938,859</u> (127,700)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Principal payments	\$	855,000
Amortization of bond discount/premium		9,369
Principal paid on loans		1,571,977
Proceeds from capital leases		(538,036)
Principal paid on capital lease		<u>52,802</u> <u>1,951,112</u>

Expenses in the Statement of Activities that do not use current financial resources are not reported as expenses in the funds:

Deferred outflows of resources: pension related		614,509
Deferred outflows of resources: OPEB related		1,495,558

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Deferred inflows of resources: pension related		(1,709,835)
Deferred inflows of resources: Unavailable revenue		192,542

Compensated absences reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds.		(125,174)
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Prepays amortized in the Statement of Activities require the use of current financial resources and, therefore, are reported as expenditures in governmental funds when paid.		(23,238)
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Accrued interest reported in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		91,417
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Pension obligations reported in the Statement of Activities does not require the use of current resources, and therefore, are not reported as expenditures in governmental funds		2,803,367
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OPEB obligation reported in the Statement of Activities does not require the use of current resources and, therefore, are not reported as expenditures in governmental funds.		(2,772,877)
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		<u>455,091</u>
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Change in net position of governmental activities (Statement of Activities)	\$	<u>(1,985,235)</u>
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See notes to financial statements

MADISON COUNTY, INDIANA

STATEMENT OF NET POSITION - PROPRIETARY FUND December 31, 2020

	<u>Internal Service Funds</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 2,687,732
Receivables:	
Interest	<u>73</u>
Total assets	<u>2,687,805</u>
Liabilities	
Current liabilities:	
Claims payable	271,791
Accounts payable	<u>156,069</u>
Total liabilities	<u>427,860</u>
Net Position	
Restricted	<u>2,259,945</u>
Total net position	<u>\$ 2,259,945</u>

See notes to financial statements

MADISON COUNTY, INDIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND

For The Year Ended December 31, 2020

	Internal Service Funds
Operating revenues:	
Charges for services	\$ 6,765,706
Miscellaneous	<u>117,266</u>
Total operating revenues	<u>6,882,972</u>
Operating expenses:	
Insurance claims and expenses	6,420,155
Administrative expenses	<u>7,726</u>
Total operating expenses	<u>6,427,881</u>
Change in net position	455,091
Net position - beginning	<u>1,804,854</u>
Net position - ending	<u>\$ 2,259,945</u>

See notes to financial statements

MADISON COUNTY, INDIANA

STATEMENT OF CASH FLOWS - PROPRIETARY FUND For The Year Ended December 31, 2020

	<u>Internal Service Fund</u>
Cash flows from operating activities:	
Receipts from interfund charges for self insurance	\$ 6,912,830
Payments for insurance claims	<u>(6,487,764)</u>
Net cash provided by operating activities	<u>425,066</u>
Net increase in cash and cash equivalents	425,066
Cash and cash equivalents, January 1	<u>2,262,666</u>
Cash and cash equivalents, December 31	<u>\$ 2,687,732</u>
Reconciliation of operating income to net cash used by operating activities:	
Operating income	\$ 455,091
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in liabilities	(59,883)
Decrease in accounts receivable	<u>29,858</u>
Total adjustments	<u>(30,025)</u>
Net cash provided by operating activities	<u>\$ 425,066</u>

See notes to financial statements

MADISON COUNTY, INDIANA

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS December 31, 2020

	Private-Purpose Trust Funds	Pension Trust Funds	Custodial Funds
Assets			
Cash and cash equivalents	\$ 23,440	\$ 1,491,275	\$ 14,136,847
Receivables:			
Taxes	-	-	99,605,874
Accounts Intergovernmental	-	20,445	12,802
Interest	-	12,338	-
Interfund	-	-	60,060
Total receivables	-	32,783	100,082,391
Investments at fair value:			
Fixed income securities	-	5,041,674	-
Domestic and foreign equities	-	9,309,583	-
Total investments	-	14,351,257	-
Total assets	23,440	15,875,315	114,219,238
Liabilities, deferred inflows of resources, and net position			
Liabilities			
Payable - net benefits due and unpaid/(overpaid)	-	(2,439)	-
Accounts payable and other liabilities	-	-	11,631,642
Due to broker for unsettled trades	-	6,850	-
Due to other governments	-	-	7,757,163
Total liabilities	-	4,411	19,388,805
Deferred inflows of resources			
Property taxes	-	-	92,624,131
Net position - restricted for:			
Congressional school trust	23,440	-	-
Pensions	-	15,870,904	-
Individuals, organizations, and other governments	-	-	2,206,302
Total net position	\$ 23,440	\$ 15,870,904	\$ 2,206,302

See notes to financial statements

MADISON COUNTY, INDIANA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS

For The Year Ended December 31, 2020

	Private-Purpose Trust Funds	Pension Trust Funds	Custodial Funds
Additions			
Contributions:			
Employer contributions	\$ -	\$ 1,277,647	\$ -
Employee contributions	-	76,087	-
Other	46,879	-	-
Total contributions	46,879	1,353,734	-
Investment income:			
Interest	-	297,930	-
Net increase in fair value of investments	-	1,544,309	-
Less investment expense	-	(90,737)	-
Total investment income	-	1,751,502	-
Taxes collected for other governments	-	-	182,480,898
Other additions	-	-	19,383,067
Total additions	46,879	3,105,236	201,863,965
Deductions			
Taxes paid to other governments	-	1,271,659	182,248,725
Administrative expense	-	39,443	-
Other activities	46,879	-	18,978,935
Transfers to other funds	-	-	-
Total deductions	46,879	1,311,102	201,227,660
Change in fiduciary net position	-	1,794,134	636,305
Net position, beginning as previously stated	23,440	14,076,770	-
Adjustment to net position - (See Note III.H)	-	-	1,569,997
Net position, beginning as restated	23,440	14,076,770	1,569,997
Net position, ending	\$ 23,440	\$ 15,870,904	\$ 2,206,302

See notes to financial statements

MADISON COUNTY, INDIANA

INDEX TO NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE	Page
I Summary of Significant Accounting Policies	14
A. Reporting Entity	14
B. Government-Wide and Fund Financial Statements	15
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	18
D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance	19
1. Deposits and Investments	19
2. Receivables	21
3. Inventories and Prepaid Items	21
4. Restricted Assets	21
5. Capital Assets	22
6. Deferred Outflows of Resources	22
7. Compensated Absences	23
8. Long-Term Obligations	23
9. Deferred Inflows of Resources	24
10. Net Position/Fund Balance Classifications	24
11. Postemployment Benefits Other Than Pensions (OPEB)	26
12. Pensions	26
II Stewardship, Compliance, and Accountability	26
A. Budgetary Information	26
III Detailed Notes on All Funds	27
A. Deposits and Investments	27
B. Capital Assets	30
C. Interfund Transfers	31
D. Long-Term Obligations	32
E. Lease Disclosures	34
F. Net Position/Fund Balances	35
G. Restatement of Fund Balances/Net Position	36
IV Other Information	37
A. Employees' Retirement System	37
B. Risk Management	60
C. Commitments and Contingencies	61
D. Other Postemployment Benefits	61
E. Subsequent Events	64
F. Tax Abatement	66
G. Effect of New Accounting Standards on Current-Period Financial Statements	68

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Madison County, Indiana (primary government of the County) was established under the laws of the State of Indiana. The primary government operates under a council-commissioner form of government and provides the following services: public safety (police and fire), highways and streets, health, welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the Madison County, Indiana, conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the County. The reporting entity for the County consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and the organization can provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on the primary government and the organization can provide specific financial benefits to, or impose specific financial burdens on, the primary government.

Component units are reported using one of three methods, discrete presentation, blended, or fiduciary. Generally, discretely presented component units should be reported in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

The County does not report any blended component units.

Discretely Presented Component Units

The County has identified the following entities as component units. Financial information is not maintained for these entities in accordance with Accounting Principles Generally Accepted in the United States of America. Accordingly, these component units have been excluded from the County's financial reporting entity.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Discretely Presented Component Units (cont.)

Independence Fire District

The Independence Fire Protection District (the District) provides fire protection services to the residents of Madison County. The County appoints the majority of the Fire District's Board and approves the District's budget. The District does not issue separate financial statements.

Alexandria-Monroe Public Library

The Alexandria - Monroe Public Library is a legally separate organization. The County appoints a voting majority of the Board and is able to impose its will. The Library does not issue separate financial statements.

North Madison County Public Library

The North Madison County Public Library is a legally separate organization. The County appoints a voting majority of the Board and is able to impose its will. The Library does not issue separate financial statements.

Pendleton Community Public Library

The Pendleton Community Public Library is a legally separate organization. The County appoints a voting majority of the Board and is able to impose its will. The Library does not issue separate financial statements.

Fiduciary Component Units

Madison County Sheriff Retirement and Sheriff Benefit Plans

The Madison County Sheriff Retirement and Sheriff Benefit Plans are organized as a trust. The County appoints a voting majority of the Board and have a benefit burden relationship.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*. This statement establishes criteria for reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. This standard was implemented December 31, 2020.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Direct expenses are clearly identifiable with a specific function or segment. 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 or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and proprietary funds combined.
- c. In addition, any other governmental fund that the County believes is particularly important to financial statement users may be reported as a major fund.

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 and major individual enterprise funds are reported as separate columns in the fund financial statements.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The County reports the following major governmental funds:

General Fund - accounts for the County's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

The County reports the following governmental fund types:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Debt Service Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

In addition, the County reports the following fund types:

Internal Service Funds - used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost-reimbursement basis.

Private-Purpose Trust Funds - used to account for and report any trust arrangement not properly reported in a pension trust fund or investment trust fund under which principal and income benefit individuals, private organizations, or other governments.

Pension Trust Funds - used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

Custodial Funds - used to account for and report assets controlled by the County and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension and OPEB expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recognized as revenues in the year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the County is earned the resources and the amounts are available. Amounts owed to the County which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, income tax, intergovernmental revenue, miscellaneous taxes, public charges for services, and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

The proprietary funds distinguish operating revenues and expenses from nonoperating 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 internal service fund are charges to departments and employees. Operating expenses for proprietary funds include the cost of sales and services, and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE

1. Deposits and Investments

For purposes of the statement of cash flows, the County considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Nonparticipating certificates of deposit, demand deposits and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost.

Debt securities are reported at fair value. Debt securities are defined as securities backed by the full faith and credit of the United States Treasury or fully insured or guaranteed by the United States or any United States government agency. The County also invests in equity securities that are reported at fair value.

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement.

Indiana Code 5-13-9 authorizes the County to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE (cont.)

1. Deposits and Investments (cont.)

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of or interest in an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50 percent of the funds held by the County and available for investment.

The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise; or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the County may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the County's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current fair value.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note IV.A No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note III. A. for further information.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE (cont.)

2. Receivables

Property taxes levied are collected by the County Treasurer and are distributed to the primary government in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by January 15. These rates were based upon the preceding year's January 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the primary government prior to December 31 of the year collected. Delinquent property taxes outstanding at year end for governmental funds are recorded as a receivable with an offset to deferred inflows of resources – unavailable revenue since the amounts are not considered available.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

3. Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the consumption method of accounting.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE (cont.)

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and infrastructure assets and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	40-60 Years
Machinery and equipment	5-25 Years
Vehicles	5-10 Years
Land	N/A Years
Infrastructure	50 Years

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time. The County is reporting deferred outflows for other post employment benefits and pension related items.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE (cont.)

7. Compensated Absences

County employees earn paid time off as follows:

Vacation Leave - Full time employees accrue vacation leave at rates from 80 to 160 hours per year based upon the number of years of service. Employees must use available paid vacation within 12 months of the date in which it was earned. Unused vacation time may only be carried forward for up to an additional 90 days, if approved in writing. Earned vacation that has not been used is paid upon termination of employment

Personal Time - Full time employees are granted 16 hours of personal time on January 1st of each year. Personal leave must be used by the end of the calendar year in which it was allotted or it is forfeited. Personal time that has not been used is not paid upon termination of employment.

Sick Leave - Regular full time employees earn sick leave at a rate of 8 hours for every full month of services, credited at the end of the month. Earned, unused sick leave benefits will be carried forward to the next benefit year. Employees may accumulate unused sick leave benefits to a maximum of 960 hours. Full time employees, who have 5 or more years of service, are eligible for reimbursement of accrued, unused sick days following the departure, ranging from 25 percent to 100 percent reimbursement of the total sick days accrued.

Paid time off leave is accrued when incurred in the government-wide statements and is reported as a liability in the Statement of Net Position. A liability for these amounts is reported in the governmental funds only if they matured, for example as a result of employee resignations and retirements. Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Compensated absences for governmental activities typically have been liquidated from the general fund.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2020, are determined on the basis of current salary rates and include salary related payments.

8. Long-Term Obligations

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE (cont.)

8. Long-Term Obligations/Conduit Debt (cont.)

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

9. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time. The County is reporting deferred inflows for pension related items and revenue related to taxes receivable.

10. Net Position/Fund Balance Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE (cont.)

10. Equity Classifications (cont.)

Fund Statements (cont.)

- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance) of the County Council or County Commissioners. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the County Council or County Commissioners that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Council may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The County considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the County would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note III. F. for further information.

Fiduciary fund net position is classified as restricted for individuals, organizations, and other governments on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income, and the County believes it is in compliance with all significant restrictions.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE (cont.)

11. Postemployment Benefits Other Than Pensions (OPEB)

The County obtains actuarial valuation reports for its post-employment benefit plan (other than pensions) and records the total OPEB liability as required under GASB Statement No. 75.

12. Pensions

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions expense, information about the fiduciary net position of the Sheriff Retirement Plans, and the Indiana Public Employees' Retirement Fund (the Plans), and additions to and deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with benefit terms. Pension investments are reported at fair value.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Annual budgets are adopted on the cash basis which is not consistent with accounting principles generally accepted in the United States. All annual appropriations lapse at fiscal year-end.

On or before August 31, the County Auditor submits to the County Council a proposed operating budget for the year commencing the following January 1. Prior to adoption the budget is advertised and public hearings are conducted by the County Council to obtain taxpayer comments. In September of each year, the County Council through the passage of an ordinance approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the County Auditor receives approval of the Indiana Department of Local Government Finance.

Indiana law restricts the County's maximum tax levy, with certain adjustments and expectations. If the advertised budget, for funds for which property taxes are levied or for which highway use taxes are received, exceeds the spending and tax limits of the state control laws, an excess levy may be granted by the Indiana Department of Local Government Finance.

The primary government's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the County Council. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of General Fund. The legal level of budgetary control is by object and department within the General Fund and by object for all other budgeted funds.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the Statement of Net Position and Balance Sheet as cash and cash equivalents. The deposits and investments of the pension trust funds are held separately from those of other funds.

The County's deposits and investments at year end were comprised of the following:

	Carrying Value	Bank and Investment Balances	Associated Risks
Checking accounts	\$ 47,433,451	\$ 49,127,749	Custodial Credit Risk
Certificates of deposit	32,878	32,878	Custodial Credit Risk
Equity securities	9,309,583	9,309,583	Custodial Credit Risk
Money market accounts	1,491,274	1,497,553	Custodial Credit Risk
Mutual funds - other than bonds	5,041,675	5,041,675	None
Petty cash	500	-	N/A
 Total Deposits and Investments	 \$ 63,309,361	 \$ 65,009,438	
 Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 33,243,202		
Restricted cash and investments	63,340		
Per statement of net position - fiduciary funds			
Pension trust funds	15,842,532		
Custodial funds	14,136,847		
Private purpose trust funds	23,440		
 Total Deposits and Investments	 \$ 63,309,361		

Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds, and has a principal office or branch that qualifies to receive public funds of the political subdivision. The County's deposit policy for custodial credit risk is to comply with Indiana Code 5-13-8-1. All bank balances were insured by the Federal Deposit Insurance Fund or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is 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.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

The valuation methods for recurring fair value measurements are as follows:

- Level 1 - Fixed income and equity securities are valued using unadjusted quoted prices in active markets for those securities.
- Level 2 - Fixed income securities are valued using a proprietary matrix technique. This pricing technique defines the primary source and secondary sources to be used if the primary source does not provide a value. The valuation techniques may include market participant's assumptions, quoted prices for similar securities, benchmark yield curves, including but not limited to treasury benchmarks, LIBOR and swap curves, market corroborated inputs, and other data inputs. Equity securities are valued using bid evaluations.
- Level 3 - Fixed income securities are valued using proprietary information. Equity securities are valued using proprietary information and independent appraisals. This results in using one or more valuation techniques, such as the market approach and or the income approach, for those securities for which sufficient and reliable data is available. Within this level, the use of the market approach generally consists of using comparable market transactions or other data, while the use of the income approach generally consists of the net present value of estimated future cash flows.

Investment Type	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equity Securities/Stocks	\$ 9,309,582	\$ -	\$ -	\$ 9,309,582
Mutual Funds - Other Than Bonds	5,041,675	-	-	5,041,675
Money Markets	1,491,274	-	-	1,491,274
Total	\$ 15,842,531	\$ -	\$ -	\$ 15,842,531

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to the County.

The County follows state laws and regulations regarding investments. The County does not have an additional policy regarding custodial credit risk.

The County does not have any deposits that have custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Investments (cont.)

The County follows state laws and regulations regarding investments. The County does not have an additional policy regarding custodial credit risk.

The County does not have any investments that have custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The County has investments in Mutual funds - other than bonds, which are exposed to credit risk. Ratings are not available for these investments.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County follows a policy on concentration of credit risk for the Sheriff Pension investments. For other investments, the County follows state laws and regulations. No additional policies exist. The County does not have any concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2020, the County's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)	
		Less than 1 Year	1-2 Years
Mutual Funds - Other than bonds	\$ 5,041,675	\$ 5,041,675	\$ -
Totals	<u>\$ 5,041,675</u>	<u>\$ 5,041,675</u>	<u>\$ -</u>

See Note I.D.1. for further information on deposit and investment policies.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

Governmental funds report deferred inflows of resources in connection with taxes for which the County has an enforceable legal claim but have been levied for a subsequent fiscal year. Deferred inflows are also reported in governmental funds for revenues that are received outside of the period of availability. At the end of the current fiscal year, the various components of *deferred inflows* reported in the governmental funds were as follows:

Taxes Receivable	\$ 22,958,578
Unavailable Revenues	<u>2,818,570</u>
 Total Deferred Inflows for Governmental Funds	 <u><u>\$ 25,777,148</u></u>

B. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Restatement	Additions	Deletions	Ending Balance
Governmental Activities					
Capital assets not being depreciated					
Land	\$ 177,500	\$ 5,807,600	\$ -	\$ -	\$ 5,985,100
Total Capital Assets Not Being Depreciated	<u>177,500</u>	<u>5,807,600</u>	<u>-</u>	<u>-</u>	<u>5,985,100</u>
Capital assets being depreciated					
Buildings	26,277,440	-	-	-	26,277,440
Improvements Other Than Buildings	408,667	-	-	-	408,667
Machinery and Equipment	18,739,819	246,228	1,088,604	7,066,558	13,008,093
Infrastructure	609,437,303	(6,404,388)	-	-	603,032,915
Total Capital Assets Being Depreciated	<u>654,863,229</u>	<u>(6,158,160)</u>	<u>1,088,604</u>	<u>7,066,558</u>	<u>642,727,115</u>
Total Capital Assets	<u>655,040,729</u>	<u>(350,560)</u>	<u>1,088,604</u>	<u>7,066,558</u>	<u>648,712,215</u>
Less: Accumulated depreciation for					
Buildings	(19,293,196)	-	(522,069)	-	(19,815,265)
Improvements Other Than Buildings	(40,096)	-	(8,173)	-	(48,269)
Machinery and Equipment	(13,418,886)	(153,985)	(972,414)	6,938,858	(7,606,427)
Infrastructure	(232,264,013)	(130,351,281)	(10,673,224)	-	(373,288,518)
Total Accumulated Depreciation	<u>(265,016,191)</u>	<u>(130,505,266)</u>	<u>(12,175,880)</u>	<u>6,938,858</u>	<u>(400,758,479)</u>
Net Capital Assets Being Depreciated	<u>389,847,038</u>	<u>(136,663,426)</u>	<u>(11,087,276)</u>	<u>127,700</u>	<u>241,968,636</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 390,024,538</u></u>	<u><u>\$ (130,855,826)</u></u>	<u><u>\$ (11,087,276)</u></u>	<u><u>\$ 127,700</u></u>	<u><u>\$ 247,953,736</u></u>

See Note III.G for information on restatement.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General Government	\$ 762,016
Public Safety	141,869
Highways and Streets	11,241,413
Health and Welfare	23,344
Culture and Recreation	<u>7,238</u>
Total Governmental Activities Depreciation Expense	<u><u>\$ 12,175,880</u></u>

C. INTERFUND TRANSFERS

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Nonmajor Funds	\$ 45,899	To support operations
Nonmajor Funds	General Fund	18,564	To support operations
General Fund	Custodial Funds	122,025	To support operations
Nonmajor Funds	Custodial Funds	3,628	To support operations
Nonmajor funds	Nonmajor funds	<u>1,822,638</u>	To support operations
Total - Fund Financial Statements		2,012,754	
Less: Government-wide eliminations		<u>(2,012,754)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ -</u></u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
Revenue bonds	\$ 9,255,000	\$ -	\$ 855,000	\$ 8,400,000	\$ 875,000
Loans payable	2,931,311	-	1,571,977	1,359,334	490,046
(Discounts)/Premiums	56,951	-	9,370	47,581	-
Sub-totals	<u>12,243,262</u>	<u>-</u>	<u>2,436,347</u>	<u>9,806,915</u>	<u>1,365,046</u>
Other Liabilities					
Compensated absences	2,067,412	125,174	-	2,192,586	-
Capital leases	163,773	538,036	52,802	649,007	145,670
Other postemployment benefits	12,818,758	2,772,878	-	15,591,636	-
Net pension obligation	21,879,134	-	2,646,407	19,232,727	-
Total Other Liabilities	<u>36,929,077</u>	<u>3,436,088</u>	<u>2,699,209</u>	<u>37,665,956</u>	<u>145,670</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 49,172,339</u>	<u>\$ 3,436,088</u>	<u>\$ 5,135,556</u>	<u>\$ 47,472,871</u>	<u>\$ 1,510,716</u>

Debt service payments are being made from the General Fund, County Public Safety Fund, Statewide 911 fund, and the debt service funds. Compensated absences, OPEB, and net pension liabilities will be liquidated in future periods primarily by the General Fund.

Revenue Debt

Governmental activities revenue bonds are payable from revenues derived from income tax revenues.

The County has pledged future income tax revenues, net of specified operating expenses, to repay revenue bonds issued in 2017. Proceeds from the bonds provided financing for the costs of construction of improvements to the Madison County Government Center. The bonds are payable solely from local income tax revenues and are payable through 2028. Annual principal and interest payments on the bonds are expected to require 3.94 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$3,060,980. Principal and interest paid for the current year and total net revenues was \$408,372 and \$10,377,171, respectively.

The County has pledged future income tax revenues, net of specified operating expenses, to repay revenue bonds issued in 2015. Proceeds from the bonds provided financing for the county wide public safety radio system. The bonds are payable from County Option Income Tax (COIT) revenues, and are payable through 2030. To the extent that the COIT revenues are insufficient, the Bonds will be payable from an ad valorem property tax. Annual principal and interest payments on the bonds are expected to require 28.47 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$6,469,351. Principal and interest paid for the current year and total net revenues were \$684,168 and \$2,402,178, respectively.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2020, consists of the following:

Governmental Activities Revenue Debt

Revenue Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020
COIT Revenue Bonds, Series 2015	2/6/15	1/15/2030	2%-3%	\$ 8,500,000	\$ 5,675,000
Local Income Tax Revenue Bonds	12/21/17	1/15/2028	2.98%	3,500,000	<u>2,725,000</u>
Total Governmental Activities - Revenue Debt					<u><u>\$ 8,400,000</u></u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities Revenue Debt	
	Principal	Interest
2021	\$ 875,000	\$ 217,180
2022	894,000	196,336
2023	914,000	175,009
2024	935,000	152,991
2025	961,000	129,680
2026-2030	<u>3,821,000</u>	<u>259,135</u>
Totals	<u><u>\$ 8,400,000</u></u>	<u><u>\$ 1,130,331</u></u>

Loans Payable

Other Bonds or Notes or Loans Payable at December 31, 2020 consist of the following:

Governmental Activities Loans Payable	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020
Star Bank Building	3/6/17	7-1-2017	3.6%	\$ 675,000	\$ 503,216
AT&T	12/1/17	6-30-2023	2.72%	1,495,001	708,220
General Obligation Note, Series 2015B	9/11/15	7/15/2021	1.90%	1,600,000	<u>147,898</u>
Total Governmental Activities Loans Payable					<u><u>\$ 1,359,334</u></u>

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. LONG-TERM OBLIGATIONS (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Loans Payable	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 490,046	\$ 36,967
2022	352,231	25,354
2023	214,026	14,969
2024	71,676	10,445
2025	74,343	7,778
2026-2030	157,012	7,240
Totals	<u>\$ 1,359,334</u>	<u>\$ 102,753</u>

E. LEASE DISCLOSURES

Lessee - Capital Leases

The primary government has entered into various capital leases for vehicles and office equipment. There are assets reported as capital assets that are under capital lease arrangements. The total value of assets under capital lease is \$632,086, with accumulated depreciation in the amount of \$17,265, for a book value of \$614,821. Future minimum lease payments under these capital leases as of December 31, 2020 are as follows for the primary government:

<u>Years</u>	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	\$ 145,670	\$ 15,689	\$ 161,359
2022	140,710	10,307	151,017
2023	128,248	7,165	135,413
2024	121,165	4,480	125,645
2025	113,214	1,742	114,956
Totals	<u>\$ 649,007</u>	<u>\$ 39,383</u>	<u>\$ 688,390</u>

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2020, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 5,985,100
Other capital assets, net of accumulated depreciation	241,968,636
Less: Long-term debt outstanding	(9,806,915)
Less: Capital lease obligations	<u>(649,007)</u>
Total Net Investment in Capital Assets	<u><u>\$ 237,497,814</u></u>

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2020, include the following:

	General Fund	Nonmajor Funds	Totals
Fund Balances			
Restricted for:			
Health and Welfare	\$ -	\$ 4,759,118	\$ 4,759,118
Culture and Recreation	-	2,800	2,800
Economic Development	-	831,870	831,870
Highways and Streets	-	1,701,425	1,701,425
Public Safety	-	5,161,368	5,161,368
Capital Projects	-	2,180,362	2,180,362
Debt Service	-	63,340	63,340
Other	-	7,055,630	7,055,630
Sub-total	<u>-</u>	<u>21,755,913</u>	<u>21,755,913</u>
Committed to:			
Sanitation	-	271,285	271,285
Other	-	89,284	89,284
Sub-total	<u>-</u>	<u>360,569</u>	<u>360,569</u>
Assigned to:			
General Government	<u>7,090</u>	<u>-</u>	<u>7,090</u>
Sub-total	<u>7,090</u>	<u>-</u>	<u>7,090</u>
Unassigned:			
	<u>10,782,299</u>	<u>-</u>	<u>10,782,299</u>
Total Fund Balances	<u><u>\$ 10,789,389</u></u>	<u><u>\$ 22,116,482</u></u>	<u><u>\$ 32,905,871</u></u>

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. RESTATEMENT OF FUND BALANCES/NET POSITION

Fund balance has been restated to correct an error in reporting funds as Special Revenue funds instead of Custodial funds in error, reporting of income taxes receivable in the wrong fund, and an error in reporting beginning taxes receivable.

General Fund

General Fund balance - December 31, 2019 (as reported)	\$ 7,679,946
Add: Correction of error in reporting income taxes receivable	1,729,528
Correction of error in reporting property tax receivable	<u>858,911</u>
Fund Balance - December 31, 2019 (as restated)	<u>\$ 10,268,385</u>

Aggregate Remaining Fund Information:

Nonmajor Governmental Funds

Nonmajor Governmental Funds balance - December 31, 2019 (as reported)	\$ 18,659,529
Less: Correction of error in reporting funds as Special Revenue instead of Custodial	(549,780)
Correction of error in reporting income taxes receivable	<u>(1,729,528)</u>
Fund Balance - December 31, 2019 (as restated)	<u>\$ 16,380,221</u>

Custodial Funds Net Position - December 31, 2019 (as reported)	\$ -
Add: Correction of error to report net position for funds	<u>1,569,997</u>
Net Position - December 31, 2019 (as restated)	<u>\$ 1,569,997</u>

Governmental Activities:

Governmental Activities Net Position - December 31, 2019 (as reported)	\$ 373,836,060
Add: Correction of error in reporting property tax receivable	858,911
Less: Adjustments Related to Capital Asset Balances (See Note III.C)	(130,855,828)
Adjustment to correct error in reporting of funds as Special Revenue instead of Custodial	<u>(549,780)</u>
Net Position - December 31, 2019 (as restated)	<u>\$ 243,289,363</u>

Net position has been restated to adjust capital asset balances for the following:

- During the County's annual inventory process, machinery and equipment was identified that was purchased in years prior to 2020 that had not been capitalized.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. RESTATEMENT OF FUND BALANCES/NET POSITION (cont.)

- A new engineering company was utilized for the road asset inventory and their methods and procedures resulted in a modification needed to the beginning balance of infrastructure assets.
- There was an error estimating depreciation for infrastructure assets in the prior year that had to be restated.
- A new database was provided for land values for County owned property. The amount of land assets was restated to agree with the updated database.

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

	<u>Net Pension Liability(Asset)</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
PERF	\$ 11,981,905	\$ 2,505,407	\$ 2,993,983
Sheriff's Retirement Plan	7,250,822	477,945	747,351
Sheriff's Benefit Plan	<u>(354,288)</u>	<u>1,040</u>	<u>262,598</u>
Total	<u>\$ 18,878,439</u>	<u>\$ 2,984,392</u>	<u>\$ 4,003,932</u>

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund

Plan description. The County participates in the Public Employees' Retirement Fund, a cost-sharing multiple-employer defined benefit plan effective July 1, 2013 based on 35 IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2-11(b). PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. Political subdivisions mean a county, city, town, township, political body corporate, public school corporation, public library, public utility of a county, city, town, township, and any department of, or associated with, a county, city, town, or township, which department receives revenue independently of, or in addition to, funds obtained from taxation. There are two (2) tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is the My Choice Retirement Savings Plan for Public Employees (My Choice). Details of the PERF Hybrid Plan are described below.

PERF Hybrid Plan Description. The PERF Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, IC 5-10.3, and IC 5-10.5. There are two (2) aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the Public Employees' Hybrid Members Defined Contribution Account (DC Account), formerly known as the Annuity Savings Account (ASA), which that supplements the defined benefit at retirement.

Contributions. Members are required to contribute 3 percent of their annual covered salary to their defined contribution account. The primary government is required to contribute at an actuarially determined rate. The rate for 2020 is 11.20 percent. The contribution requirements of plan members and the primary government are established and may be amended by the INPRS Board of Trustees. The actuarial amount, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PERF plan from the County were \$2,401,128 for the calendar year ended December 31, 2020.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

Retirement Benefits. The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's a DC Account. Pension benefits vest after 10 years of creditable service. The vesting period is eight (8) years for certain elected officials. Members are immediately vested in their DC account. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's DC account, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested PERF members leaving a covered position, who wait 30 days after termination, may withdraw their DC account and will not forfeit creditable service or a full retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the DC Account. A nonvested member who terminates employment prior to retirement may withdraw his/her DC Account after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four (4) consecutive calendar quarters. The same calendar quarter may not be included in two (2) different groups. For PERF members who serve as an elected official, the highest one (1) year (total of four (4) consecutive quarters) of annual compensation is used. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's annual compensation.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100 percent of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

Disability and Survivor Benefits. The PERF Hybrid Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

Retirement Benefits – My Choice. Members are required to participate in My Choice. The My Choice DC Account consists of the member's contributions, set by statute at three (3) percent of compensation as defined by IC 5-10.2-3-2 for PERF, plus the interest/earnings or losses credited to the member's account. The employer may elect to make the contributions on behalf of the member. The County has elected to make the contributions on behalf of the member. In addition, under certain conditions, members may elect to make additional voluntary contributions of up to 10 percent of their compensation into their DC Account. A member's contributions and interest credits belong to the member and do not belong to the State or political subdivision.

Net Pension Liability

At December 31, 2020, the County reported a liability of \$11,981,904 for its proportionate share of the net pension liability. The County's proportion of the total was measured on the ratio of the wages reported by employers relative to the collective wages of the plan. This basis of allocation measures the proportionate relationship of an employer to all employers and is consistent with the manner in which contributions to the pension plan are determined. The plan does not have a special funding situation, as there is not a nonemployer contributing entity legally responsible for making contributions that are used to provide pension benefits to members of the pension plan. At June 30, 2020 the County's proportion was 0.39670 percent, a decrease of 0.01218 percent from 0.40888 percent at June 30, 2019. The net pension liability for fiscal year 2020 is calculated as set forth in the following table:

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Liability (cont.)

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 212,285	\$ 160,872
Changes in assumptions	-	2,496,528
Net differences between projected and actual earnings on pension plan investments	1,025,458	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	84,183	336,583
Employer contributions subsequent to the measurement date	<u>1,183,481</u>	<u>-</u>
Totals	<u>\$ 2,505,407</u>	<u>\$ 2,993,983</u>

\$1,183,481 reported as deferred outflows related to pension resulting from the Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2021	\$ (1,262,256)
2022	(555,303)
2023	(290,089)
2024	435,590
Total	(1,672,058)

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Liability (cont.)

Pension Expense. The County recognized pension expense for the following proportionate share of pension expense:

Pension Expense		
Proportionate share of plan pension expense	\$	964,958
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions		<u>(37,347)</u>
Total	\$	<u>927,611</u>

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Liability (cont.)

Key Methods and Assumptions. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Measurement Date	June 30, 2020
Valuation Date:	
Assets:	June 30, 2020
Liabilities:	June 30, 2019 - Member census data as of June 30, 2019 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2019 and June 30, 2020. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2019 to the June 30, 2020 measurement date.
Actuarial Cost Method:	Entry Age Normal (Level percent of payroll)
Experience Study Date	Period of 5 years ended June 30, 2019
Investment Rate of Return	6.75%, net of investment expense, including inflation
Cost of Living Increases	2020-2021 - 13th check Beginning January 1, 2022- 0.40% Beginning January 1, 2034 - 0.50% Beginning January 1, 2039 - 0.60%
Salary increases, including inflation:	2.50% - 4.25% based on age
Inflation	2.25%
Mortality:	
Healthy:	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019.
Disabled:	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019.
Funding policy location	www.in.gov/inprs/files/INPRS_Funding_Policy.pdf

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Liability (cont.)

Change in Assumptions. The future salary increase assumption changed from an age-based table ranging from 2.50 percent to 4.25 percent to a service-based table ranging from 2.75 percent to 8.75 percent.

The mortality assumption changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience and was updated from an age- and service-based table to an age based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously 33 percent of actives were assumed to commence benefits with early retirement while 67 percent were assumed to wait for unreduced retirement eligibility.

The termination assumption was updated based on recent experience. For state members the tables were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based table. For members in political subdivisions earning less than \$20,000, the sex-distinct age-based table was maintained and the rates were updated based on experience.

The disability assumption was updated based on recent experience. The marital assumption was updated based on recent experience. 80 percent of male members and 65 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 75 percent of male members and 60 percent of female members were assumed to be married or to have a dependent beneficiary.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

Plan Amendments. There were no changes in the plan provisions during the fiscal year.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Liability (cont.)

Long Term Return Expectation. The long-term return expectation has been determined by using a building-block approach and assumes a time horizon, as defined by INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established and the long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

<u>Global Asset Class</u>	<u>Long-Term Expected Rate of Return (Geometric Basis)</u>	<u>Target Asset Allocation</u>
Public Equity	4.4%	22.0%
Private Markets	7.6	14.0
Fixed Income - Ex Inflation-Linked	1.9	20.0
Fixed Income - Inflation-Linked	0.5	7.0
Commodities	1.6	8.0
Real Estate	5.8	7.0
Absolute Return	2.9	10.0
Risk Parity	5.5	12.0

Discount rate. The discount rate used to measure the total pension liability was 6.75 percent as of June 30, 2020 and is equal to the long-term expected return on plan investments. The projection of cash flows used to determine the discount rate assumed the contributions from employers and, where applicable, from members, would at the minimum be made at the actuarially determined required rates, computed in accordance with the current funding policy adopted by the Board, and contributions required by the State of Indiana (the nonemployer contributing entity) would be made as stipulated by Indiana statute. Projected inflows from investment earnings were calculated using the 6.75 percent long-term assumed investment rate of return. Based on those assumptions, each defined benefit pension plan's Fiduciary Net Position were projected to be available to make all projected future benefit payments of current plan members, therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the TPL for each plan.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Liability (cont.)

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
County's proportionate share of the net pension liability	\$19,534,579	\$11,981,904	\$5,665,925

Detailed information about the pension plan's fiduciary net position is available in the separately issued INPRS Comprehensive Annual Financial Report and Actuarial Valuations. These reports can be found at:

https://www.in.gov/inprs/files/2020ActuarialReport_PERF.pdf
https://www.in.gov/inprs/files/INPRSConsolidatedAR_FY20.pdf

Sheriff's Retirement Plan

Plan description. The Madison County, Indiana Sheriff Retirement Plan (Plan) is a single-employer defined benefit pension plan established to provide retirement, termination/severance, disability, and survivor benefits for a person employed by the Madison County, Indiana Sheriff's Department (Employer) as a County Policeman, Sheriff, or Deputy Sheriff with full police power (Employee), as such terms are used in Indiana Code. Indiana Code 36-8-10-12 grants the authority to the Employer and a trustee to establish and amend the benefit terms to the Plan with approval of the county fiscal body. The Plan was established on July 1, 1971 and is administered by the Committee. The composition of the Committee, according to the Plan legal document, shall be the Sheriff and the Merit Board, (the Merit Board per IC 36-8-10-3, consists of five members, three members appointed by the Sheriff and two members elected by a majority vote of the members of the county police force). The Plan does not issue a stand alone report.

At December 31, 2020, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	47
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	42
Total	95

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sheriff's Retirement Plan (cont.)

Benefits Provided. The plan provides that the monthly retirement benefit shall be a pension payable for the member's lifetime equal to two and one-half percent (2-1/2 percent) of the member's average monthly wage received during the highest paid five (5) calendar years before retirement (such calendar years do not need to be consecutive) plus one dollar (\$1.00); this sum multiplied by the member's years of credited service up to twenty (20) years; plus an additional two percent (2 percent) of the member's average monthly wage, as outlined above, multiplied by the member's years of credited service in excess of twenty (20) years up to an additional eight (8) years. Members are eligible to retire as of normal retirement for an unreduced benefit upon attainment of age fifty-five (55) and completion of at least ten (10) years of credited service.

A reduced early retirement benefit is available to member with at least twenty (20) years of credited service any time after attainment of age forty-five (45) with a reduction factor of five-twelfths percent (5/12 percent) for each month by which the early retirement date precedes what would have been the normal retirement date.

A member who continues employment beyond his normal retirement age shall be eligible for a late retirement benefit upon actual retirement equal to the member's benefit earned in accordance to the normal retirement formula with credit given for subsequent service (provided that the twenty-eight (28) year credited service maximum shall not be exceeded in computing the benefit).

The severance benefit payable to a member prior to completion of ten (10) years of credited service (eight (8) years of credited service for participants hired prior to December 1, 2014) is a lump sum payment of the net amount of contributions (including interest) plus the amount transferred by the member for the purchase of credited service. After completion of ten (10) years of credited service (eight (8) years of credited service for participants hired prior to December 1, 2014), a member may elect to receive either a lump sum, as outlined above, or a monthly benefit equal to the amount earned under the normal retirement benefit formula, using credited service as of his date of severance, with payments commencing on the member's normal retirement date.

If a member separates employment due to disability, he shall receive a lump sum payment of the net amount of contributions (including interest) plus the amount transferred by the member or the purchase of credited service.

In the event a married or unmarried member who has not yet completed ten (10) years of credited service (eight (8) years of credited service for participants hired prior to December 1, 2014) dies prior to the commencement of any benefit from the Plan, the designated beneficiary shall be entitled to receive a death benefit which shall be a lump sum equal to his net amount of contributions (including interest) and a plus the amount transferred by the member for the purchase of credited service.

In the event an unmarried member who has completed ten (10) years of credited service (eight (8) years of credited service for participants hired prior to December 1, 2014) dies prior to the commencement of any benefit from the Plan, the designated beneficiary shall be entitled to a lump sum equal to the net amount of contributions (including interest) and a monthly death benefit of two hundred forty (240) monthly payments that would have been payable to the member if he had severed employment on the date of death and elected a life annuity with two hundred forty (240) guaranteed payments payable at his normal retirement date.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sheriff's Retirement Plan (cont.)

In the event a married member who has completed ten (10) years of credited service (eight (8) years of credited service for participants hired prior to December 1, 2014), the surviving spouse shall be entitled to a lump sum equal to the net amount of contributions (including interest) and a monthly survivor annuity commencing on the date specified by the spouse, but not earlier than the member's early retirement date nor later than the member's normal retirement date, in the amount that would have been payable had the member severed employment and commenced receipt of his retirement benefits in the form of an actuarial equivalent one hundred percent (100 percent) joint and survivor annuity on the date elected by the surviving spouse.

A member who retired as of an early, normal, or late retirement date (including member who have actually retired through the DROP), who have attained age fifty-five (55) as of July 1 of the calendar year in which benefits are increased, and who is in pay status as of the last day of the preceding calendar year shall be eligible for a cost of living adjustment applied until the earlier of the member's death or attainment of age sixty-two (62). The cost of living adjustment shall be a percentage increase in the eligible retiree's monthly benefit equal to the percentage increase, if any, in the average of the Consumer Price Index prepared by the United States Department of Labor for the first three (3) months of the payment calendar year over the average for the same three (3) months of the preceding calendar year. However, the annual percentage increase shall not exceed two percent (2 percent).

Contributions. The Employer intends to contribute to the Plan each year such amounts as may be required to operate the Plan on a sound actuarial basis. The minimum annual contribution by the department must be sufficient, as determined by the pension engineers, to prevent deterioration in the actuarial status of the trust fund during the year. According to IC 36-8-10-12(e), if the department fails to make minimum contributions for three (3) successive years, the pension trust terminates and the trust fund shall be liquidated. For the year ending December 31, 2020, the mandatory member contribution rate (per the Plan's legal document) was 3.00 percent of annual pay and the actuarially determined Employer's contribution rate was 52.46 percent of annual payroll, \$1,239,457 of which was contributed by the County.

Investment policy. The pension plan's policy regarding the allocation of invested assets is established and may be amended by the Committee (per Plan legal document) by a majority vote of its members. It is the policy of the Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over the short time spans. The Committee's revised the asset allocation policy on August 22, 2012:

<u>Asset Class</u>	<u>Target Asset Allocation %</u>
Equities	50%
Fixed income	40%
Nontraditional assets	10%

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sheriff's Retirement Plan (cont.)

Rate of Return. For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan expense was 12.93 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program. The Deferred Retirement Option Program (DROP) for the Plan was established on January 1, 2007 pursuant to the Plan's legal document and is governed by the Employer and a trustee. Members of the Plan that are eligible to retire with an unreduced benefit may elect to accumulate a DROP benefit while continuing to work. At the time of their election, the member executes an irrevocable election to retire on a DROP retirement date and remain in active service, but the member does not contribute to the fund during the DROP period.

A member who has attained age fifty-five (55) and completed at least ten (10) years of service (age fifty-five (55) for participants hired prior to December 1, 2014) may irrevocably elect to enter the DROP for a period not longer than five (5) years and shall not extend beyond the date the member is credited with twenty-eight (28) years of service. From the date the member enters the DROP, he will not be credited with any additional years of service. The member's DROP frozen benefit will be equal to the monthly pension benefit calculated under the standard benefit formula based upon the member's salary and years of credited service as of the DROP entry date. Upon actual severance of employment by retirement at any time after the DROP entry date, the member will receive their DROP benefit accumulation in the available form/option elected by the member in addition to the DROP frozen benefit to be paid as a monthly annuity. As of December 31, 2020, the County does not hold a balance pursuant to the DROP.

Net Pension Liability

The components of the net pension liability of the Plan at December 31, 2020 were as follows:

Total pension liability	\$ 22,240,015
Plan fiduciary net position	<u>(14,989,192)</u>
Plan's net pension liability	<u>\$ 7,250,823</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>67.40%</u>

Pension Expense of the Plan. Pension expense of \$1,083,901 was recognized for fiscal year ending December 31, 2020.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sheriff's Retirement Plan (cont.)

Significant Actuarial Assumptions. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Measurement Date	December 31, 2020
Valuation Date	
Assets	December 31, 2020
Liabilities	December 31, 2020, Actual member census data as of December 31, 2020 was used in the valuation
Inflation Rate	3.00% per annum
Future Salary increases	4.00% per annum, (3.00% for inflation and 1.00% for seniority)
Investment Rate of Return	6.75%, net of pension plan investment expenses, including inflation
Cost of Living	2.00% per annum
Mortality Assumption	Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2020 (separate employee, retiree, contingent survivor, and disabled retiree tables and male and female tables)

Discount Rate. The discount rate used to measure the total pension liability was 6.75% as of December 31, 2020 and is equal to the long-term expected return on plan investments. The projected cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with IC 38-8-10-12(e) to prevent the deterioration in the actuarial status of the trust. The future contribution assumption was based upon review of recent employer contribution history compared to the corresponding actuarially determined contributions.

Based on this assumption, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the net pension liability of the plan, calculated using the discount rate of 6.75 percent, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
Total pension liability	\$ 24,847,052	\$ 22,240,014	\$ 20,050,398
Plan fiduciary net position	(14,989,192)	(14,989,192)	(14,989,192)
Totals	<u>\$ 9,857,860</u>	<u>\$ 7,250,822</u>	<u>\$ 5,061,206</u>

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sheriff's Retirement Plan (cont.)

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Initial Amortization Period	Initial Balance	Annual Recognition	December 31 Balance
Liability Experience losses(gains)				
Base for year ending 12-31-2020	4.536	\$ 76,187	\$ 16,796	\$ 59,391
Base for year ending 12-31-2019	4.559	211,642	46,423	118,796
Base for year ending 12-31-2018	4.848	(84,422)	(17,414)	(32,180)
Base for year ending 12-31-2017	5.194	226,688	43,644	52,112
Base for year ending 12-31-2016	5.364	(52,174)	(9,727)	(3,539)
Base for year ending 12-31-2015	5.562	(195,312)	(19,737)	-
Change in assumptions				
Base for year ending 12-31-2020	4.536	(56,071)	(12,361)	(43,710)
Base for year ending 12-31-2019	4.559	315,673	69,242	177,189
Base for year ending 12-31-2018	4.848	(14,540)	(2,999)	(5,543)
Base for year ending 12-31-2017	5.194	306,501	59,011	70,457
Base for year ending 12-31-2016	5.364	(201,457)	(37,557)	(13,672)
Base for year ending 12-31-2015	5.562	597,904	60,414	-
Investment losses(gains)				
Base for year ending 12-31-2020	5.000	(748,085)	(149,617)	(598,468)
Base for year ending 12-31-2019	5.000	(984,516)	(196,903)	(590,710)
Base for year ending 12-31-2018	5.000	1,607,333	321,467	642,932
Base for year ending 12-31-2017	5.000	(512,313)	(102,463)	(102,461)
Base for year ending 12-31-2016	5.000	814,124	162,824	-
Totals			<u>\$ 231,043</u>	<u>\$ (269,406)</u>

The balances as of December 31, 2020 of the deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2021	\$ 57,617
2022	97,649
2023	(277,431)
2024	(147,241)
Total	<u>\$ (269,406)</u>

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sheriff's Retirement Plan (cont.)

Amortization Periods. The changes in total pension liability due to liability experience losses/(gains) and changes in assumptions for the most current year have been amortized over 4.536 years, the average remaining service of all members with any liability in the plan as of January 1, 2020. The change in net pension liability due to investment losses/(gains) has been amortized over 5.000 years as prescribed.

Assumption changes. The changes in assumptions for base year ending December, 31,2020 reflect the change from the use of the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male and female tables) to the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2020 (separate employee, retiree, contingent survivor, and disabled retiree tables and male and female tables).

Sheriff's Benefit Plan

Plan description. The Madison County, Indiana Sheriff Benefit Plan (Plan) is a single-employer defined benefit pension plan established to provide disability, death, and survivor/dependent benefits for a person employed by the Madison County, Indiana Sheriff's Department (Employer) as a County Policeman, Sheriff, or Deputy Sheriff with full police power (Employee), as such terms are used in Indiana Code. Indiana Code 36-8-10 Sections 14, 15, 16, and 17 grant the authority to the Employer and trustee to establish and amend the benefit terms to the Plan with the approval of the county fiscal body. The Plan was established on July 1, 1971 and is administered by the Committee. The composition of the Committee, according to the Plans legal document, shall be the Sheriff and the Merit Board (the Merit Board, per IC 36-8-10-3, consist of five members, three members appointed by the Sheriff and two members elected by the majority vote of the members of county police force). The Plan does not issue a separate stand alone report.

At December 31, 2020, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	36
Active plan members	<u>42</u>
Total	<u><u>82</u></u>

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sheriff's Benefit Plan (cont.)

If an eligible member becomes disabled, the benefit payable prior to age sixty-five (65) shall be determined in accordance with the contract issued by the insurance company provided for the member by the Plan. A member receiving an insurance benefit who attains his sixty-fifth (65th) birthday, whereupon the benefit provided under the insurance contract terminates, shall be entitled to a monthly benefit from the Plan for life in the amount of the monthly benefit to which the member would have been entitled under the Retirement Plan had he remained in service until his normal retirement date and continued to earn a salary at the same rate that was in effect as of the date the disability commenced.

Each eligible member shall be insured by a life insurance contract in the face amount of twenty-five thousand dollars (\$25,000), with a matching amount of accidental death insurance. The purchase and maintenance of the insurance contract is provided by the Plan.

In the event that an eligible member dies prior to the termination of his employment for whatever reason or after his actual retirement as of an early, normal, or late retirement date or for reason of his disability, there shall be payable a two hundred dollar (\$200) monthly benefit to such member's surviving spouse to whom he was married on the date of his death or on the date of his retirement, if earlier, for the spouse's remaining lifetime.

In addition to the surviving spouse's death benefit, a monthly benefit shall be payable on behalf of each dependent child under the age of eighteen (18) years of such deceased member in an amount equal to thirty dollars (\$30) per month. The dependent child's monthly benefit will cease upon the earlier of the child's eighteenth (18th) birthday or date of death.

Contributions. The Employer intends to contribute to the Plan each year such amounts as may be required to operate the Plan on a sound actuarial basis. The minimum annual contribution by the County must be sufficient, as determined by the pension engineers, to prevent deterioration in the actuarial status of the trust fund during the year. According to IC 36-8-10-12(e), if the County fails to make minimum contributions for three (3) successive years, the pension trust terminates and the trust fund shall be liquidated. For the year ending December 31, 2020, the actuarially determined Employer's contribution rate was 1.62% of annual payroll, \$38,190 of which was contributed by the County.

Investment policy. The pension plan's policy regarding the allocation of invested assets is established and may be amended by the Committee (per the Plans legal document) by a majority vote of its members. It is the policy of the Committee to pursue an investment strategy that reduces risk. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over the short time spans. The Committee's revised the asset allocation policy on August 22, 2012:

<u>Asset Class</u>	<u>Target Asset Allocation %</u>
Equities	50%
Fixed income	40%
Nontraditional assets	10%

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sheriff's Benefit Plan (cont.)

Net Pension Asset

The components of the net pension liability of the Plan at December 31, 2020 were as follows:

Total pension liability	\$ 527,424
Plan fiduciary net position	<u>(881,712)</u>
Plan's Net Pension Asset	<u>\$ (354,288)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>167.17%</u>

Pension Expense of the Plan. Pension expense of \$(38,711) was recognized for fiscal year ending December 31, 2020.

Rate of Return. For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan expense was 13.81 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Significant Actuarial Assumptions. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Measurement Date	December 31, 2020
Valuation Date	
Assets	December 31, 2020
Liabilities	December 31, 2020, Actual member census data as of December 31, 2020 was used in the valuation
Inflation Rate	3.00% per annum
Future Salary increases	4.00% per annum, (3.00% for inflation and 1.00% for seniority)
Investment Rate of Return	6.75%, net of pension plan investment expenses, including inflation
Cost of Living	Not Applicable
Mortality Assumption	Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2020 (separate employee, retiree, contingent survivor, and disabled retiree tables and male and female tables)

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent as of December 31, 2020 and is equal to the long-term expected return on plan investments. The projected cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with IC 38-8-10-12(e) to prevent the deterioration in the actuarial status of the trust. The future contribution assumption was based upon review of recent

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sheriff's Benefit Plan (cont.)

employer contribution history compared to the corresponding actuarially determined contributions.

Based on this assumption, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the net pension liability of the plan, calculated using the discount rate of 6.75 percent, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
Total pension liability	\$ 622,667	\$ 527,424	\$ 450,700
Plan fiduciary net position	881,712	881,712	881,712
Totals	\$ (259,045)	\$ (354,288)	\$ (431,012)

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sheriff's Benefit Plan (cont.)

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Initial Amortization <u>Period</u>	<u>Initial Balance</u>	Annual Recognition	<u>December 31 Balance</u>
Liability Experience losses(gains)				
Base for year ending 12-31-2020	5.200	\$ (109,015)	\$ (20,964)	\$ (88,051)
Base for year ending 12-31-2019	5.186	(90,217)	(17,396)	(55,425)
Base for year ending 12-31-2018	5.446	(47,472)	(8,717)	(21,321)
Base for year ending 12-31-2017	5.637	(64,415)	(11,427)	(18,707)
Base for year ending 12-31-2016	5.893	(97,141)	(16,484)	(14,721)
Base for year ending 12-31-2015	6.098	(81,681)	(13,395)	(1,311)
Base for year ending 12-31-2014	6.303	(6,737)	(323)	-
Change in assumptions				
Base for year ending 12-31-2020	5.200	(2,019)	(388)	(1,631)
Base for year ending 12-31-2019	5.186	(17,457)	(3,366)	(10,725)
Base for year ending 12-31-2018	5.446	481	88	217
Base for year ending 12-31-2017	5.637	(5,554)	(985)	(1,614)
Base for year ending 12-31-2016	5.893	173	29	28
Base for year ending 12-31-2015	6.098	49,617	8,137	795
Base for year ending 12-31-2014	6.303	18,818	902	-
Investment losses(gains)				
Base for year ending 12-31-2020	5.000	(51,675)	(10,335)	(41,340)
Base for year ending 12-31-2019	5.000	(60,211)	(12,042)	(36,127)
Base for year ending 12-31-2018	5.000	83,490	16,698	33,396
Base for year ending 12-31-2017	5.000	(25,101)	(5,020)	(5,021)
Base for year ending 12-31-2016	5.000	61,693	12,337	-
Totals			<u>\$ (82,651)</u>	<u>\$ (261,558)</u>

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sheriff's Benefit Plan (cont.)

The balances as of December 31, 2020 of the deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2021	\$ (89,064)
2022	(64,331)
2023	(68,338)
2024	(35,551)
2025	<u>(4,274)</u>
Total	<u>\$ (261,558)</u>

Amortization Periods. The changes in total pension liability due to liability experience losses/(gains) and changes in assumptions for the most current year have been amortized over 5.2 years, the average remaining service of all members with any liability in the plan as of January 1, 2020. The change in net pension liability due to investment losses/(gains) has been amortized over 5.000 years as prescribed.

Assumption Changes. The changes in assumptions for base year ending December 31, 2020 reflect the change from the use of the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male and female tables) to the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2020 (separate employee, retiree, contingent survivor, and disabled retiree tables and male and female tables).

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

***Sheriff's Benefit Plan* (cont.)**

Schedule of Fiduciary Net Position

	Sheriff's Retirement Plan	Sheriff's Benefit Plan
<u>Assets</u>		
Cash and cash equivalents	\$ 1,445,381	\$ 45,894
Receivables:		
Employee contributions	20,445	-
Interest	11,772	566
Investments at fair value:		
Fixed income securities	4,738,494	303,180
Domestic and foreign equities	8,776,154	533,429
Total Assets	<u>14,992,246</u>	<u>883,069</u>
<u>Liabilities</u>		
Payable - net benefits due and unpaid/(overpaid)	(2,439)	-
Due to Brokers(s) for unsettled trades	5,493	1,357
Total Liabilities	<u>3,054</u>	<u>1,357</u>
Net Position Restricted for Pensions	<u>\$ 14,989,192</u>	<u>\$ 881,712</u>

Schedule of Changes in Fiduciary Net Position

	Sheriff's Retirement Plan	Sheriff's Benefit Plan
<u>Additions</u>		
Contributions:		
Employer contributions	\$ 1,239,457	\$ 38,190
Employee contributions	76,087	-
Investment income:		
Interest	269,979	27,951
Net increase in fair value of assets	1,464,912	79,397
Less investment expense	(87,103)	(3,634)
Total Additions	<u>2,963,332</u>	<u>141,904</u>
<u>Deductions</u>		
Benefit payments (including refunds of employee contributions)	1,264,099	7,560
Administrative expense	24,198	15,245
Total Deductions	<u>1,288,297</u>	<u>22,805</u>
Change in fiduciary net position	1,675,035	119,099
Net position, beginning	<u>13,314,157</u>	<u>762,613</u>
Net Position restricted for pensions	<u>\$ 14,989,192</u>	<u>\$ 881,712</u>

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

***Sheriff's Benefit Plan* (cont.)**

Sheriff Retirement Plan

Statement of Changes in Fiduciary Net Pension Liabilities (Assets)			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of December 31, 2019	\$ 21,679,547	\$ (13,314,157)	\$ 8,365,390
Service costs	362,809	-	362,809
Interest	1,441,640	-	1,441,640
Difference between expected and actual experience	76,187	-	76,187
Change in assumptions	(56,071)	-	(56,071)
Benefit payments	(1,264,098)	1,264,098	-
County Contributions	-	(1,239,457)	(1,239,457)
Employee Contributions	-	(76,087)	(76,087)
Net Investment Income	-	(1,647,787)	(1,647,787)
Administrative Expenses	-	24,198	24,198
Net Change	560,467	(1,675,035)	(1,114,568)
Balances as of December 31, 2020	\$ 22,240,014	\$ (14,989,192)	\$ 7,250,822

Sheriff Benefit Plan

Statement of Changes in Fiduciary Net Pension Liabilities (Assets)			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of December 31, 2019	\$ 565,284	\$ (762,613)	\$ (197,329)
Service costs	40,144	-	40,144
Interest	40,590	-	40,590
Difference between expected and actual experience	(109,015)	-	(109,015)
Change in assumptions	(2,019)	-	(2,019)
Benefit payments	(7,560)	7,560	-
County Contributions	-	(38,190)	(38,190)
Net Investment Income	-	(103,714)	(103,714)
Administrative Expenses	-	15,245	15,245
Net Change	(37,860)	(119,099)	(156,959)
Balances as of December 31, 2020	\$ 527,424	\$ (881,712)	\$ (354,288)

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Self Insurance

The primary government has chosen to establish a risk financing fund for risk associated with medical benefits to employees, retirees and dependents. The risk financing fund is accounted for in the Payroll Withholding - Medical fund, an internal service fund, where assets are set aside for claim settlements. Amounts paid into the fund by all participating funds are available to pay claims, reserves, and administrative costs of the program. Interfund premiums are based primarily upon the percentage of each fund's current payroll as it relates to the total payroll and are reported as quasi-external interfund transactions.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of pay-outs and other economic and social factors.

All funds of the county participate in the risk management program. Amounts Payable to the Internal Service fund are based on actuarial estimates necessary to pay prior and current year claims and to establish a reserve. That reserve is accounted for the internal service fund and has a cash balance of \$2,687,732. The amount is currently being reported in restricted net position of the internal service funds.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The County does not allocate overhead costs or other nonincremental costs to the claims liability.

Claims Liability

	<u>Current Year</u>	<u>Prior Year</u>
Unpaid claims - Beginning of Year	\$ 487,743	\$ 1,118,185
Current year claims and changes in estimates	6,204,203	7,189,576
Claim payments	<u>(6,420,155)</u>	<u>(7,820,018)</u>
Unpaid Claims - End of Year	<u>\$ 271,791</u>	<u>\$ 487,743</u>

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the County is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the County attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The County has the following encumbrances outstanding at year end expected to be honored upon performance by the vendor:

General Fund	\$	7,090
Nonmajor funds		13,248

D. OTHER POSTEMPLOYMENT BENEFITS

Plan Description The County administers a single-employer defined benefit healthcare plan. The plan provides health insurance benefits for eligible retirees and their spouses through the County's group health insurance plan, which covers both active and retired members. The county does not retain in a qualifying trust. At December 31, 2020, there were 561 plan members. The County's defined benefit OPEB plan, provides OPEB for all general employees who have reached age 55 with 20 years of service. Retirees contribute a percentage of the medical premium until age 65, at which point they are no longer eligible to remain on the County's plan. The percentage of medical premiums paid by the retiree ranges from 26 percent to 60 percent based on the retiree's age and years of service.

Employees covered by benefit terms. At December 31, 2020, the following employees were covered by the benefit terms:

Retiree Participants	11
Active plan members	<u>550</u>
	<u><u>561</u></u>

TOTAL OPEB LIABILITY

The County's total OPEB liability of \$15,591,636 was measured as of December 31, 2020.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	December 31, 2020
Actuarial Valuation Date	January 1, 2020 with results actuarially projected on a "no gain/no loss" basis to get to the December 31, 2020 measurement date.
Discount Rate	3.26% as of January 1, 2020 and 2.12% as of December 31, 2020
Payroll Growth	Payroll growth rates for general and police employees include a general wage inflation of 2.25%. Merit increases for general employees are based on the most recent Indiana Public Retirement System Public Employees' Retirement Fund actuarial valuation as of June 30, 2019. Merit increases for police employees are based on the most recent Indiana Retirement System 1977 Police Officers' and Firefighters' Retirement Fund actuarial valuation as of June 30, 2019. Merit increases range from .25% to 2% depending on age and job.
Inflation Rate	2.25% per year
Health Care Trend Rates	7.5% in 2021 trending down by .5% until 2027

The discount rate was based on 20 Year Municipal Bond Indices.

Mortality rates were based on Healthy General retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019 Healthy Police retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019.

There was not an experience study conducted for use in the January 1, 2020 actuarial valuation.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balances at December 31, 2019	\$ <u>12,818,758</u>
Changes for the year:	
Service cost	860,080
Interest	441,096
Differences between expected and actual experience	216,337
Changes in assumptions or other inputs	1,554,319
Benefit payments	<u>(298,954)</u>
Net changes	<u>2,772,878</u>
Balances at December 31, 2020	\$ <u>15,591,636</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.26 percent in 2019 to 2.12 percent in 2020.

Sensitivity of the 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-percentage-point lower (1.12 percent) or 1-percentage-point higher (3.12 percent) than the current discount rate:

	1% Decrease (1.12%)	Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB liability	\$ 17,067,098	\$ 15,591,636	\$ 14,220,590

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.50 percent decreasing to 3.50 percent) or 1-percentage-point higher (8.50 percent decreasing to 5.50 percent) than the current healthcare cost trend rates:

	Healthcare Costs		
	1% Decrease (6.5% Decreasing to 3.50%)	Trend Rates (7.5% Decreasing to 4.50%)	1% Increase (8.5% Decreasing to 5.50%)
Total OPEB liability	\$ 13,395,397	\$ 15,591,636	\$ 18,264,237

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

***OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES
RELATED TO OPEB***

For the year ended December 31, 2020, the County recognized an OPEB expense of \$1,576,274. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 194,703
Changes of assumptions or other inputs	<u>2,183,145</u>
Total	<u>\$ 2,377,848</u>

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

Year Ended December 31:

2021	\$ 275,098
2022	275,098
2023	275,098
2024	275,098
2025	275,098
Thereafter	<u>1,002,358</u>
Total	<u>\$ 2,377,848</u>

E. SUBSEQUENT EVENTS

American Rescue Plan

On March 11th, 2021, the American Recovery Plan Act was signed into law. Through the Fiscal Recovery Fund, the County was allocated \$25,325,507. The County will receive fifty percent of the allocation within 60 days from the bill passage date, and the remaining 50 percent will be sent to the County no earlier than one year after the first payment.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

F. TAX ABATEMENT

Under the state statute, IC 6-1.1-12.1 the County provides tax abatements for rehabilitation or redevelopment of real property in economic revitalization areas. Economic revitalization area (ERA) means an area which is within the corporate limits of a city, town or county which has become undesirable for, or impossible of, normal development and occupancy because of lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property. The tax abatements under this statute are for real property tax and personal property tax.

Real Property Tax Abatements (I.C. 6-1.1-12.1)

The abatements are obtained through application by the property owner, approval by the County Council, and a signed agreement between the parties. The agreement is usually for a ten-year period in which the County is willing to forgo tax revenues (real property tax) and the property owner promises to take 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. Each year of the agreement's time frame the property owner must verify that they have met the commitments set forth in the agreement. The County must also agree that the commitments have been met. The County then allows the percentage of reduction to be applied to the eligible assessed value.

Tax Abatements – Personal Property Tax (I.C. 6-1.1-12.1)

The County Council approves the tax abatements for personal property tax. Once approval is granted the taxpayer must file forms with the County Assessor each year of the abatement. The forms used, depending on the type of property, are 103-ERA, State form 52503; CF-1/PP, State form 51765; SB-1/PP, State form 51764; and form 103-EL, State form 52515 that accompanies the ERA. After the forms are filed, the County Assessor calculated the minimum value ratio (MVR) which is the Total True Tax Value, from Schedule A divided by 30 percent of Adjusted Cost, from Schedule A. The adjusted cost is multiplied by the True Tax Value percentage for the property pool by year of purchase of the asset, then times the MVR. Each year of the agreement's time frame the property owner must verify that they have met the commitments set forth in the agreement. The County must also agree that the commitments have been met. The County then allows the reduction in personal property tax to be applied.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

F. TAX ABATEMENT (cont.)

Vacant Building Abatement (I.C. 6-1.1-12.1-4.8)

Up to a two-year real property tax abatement is available to a company, according to local qualifications, based on occupying a building that has been vacant for more than a year. The building must be used for commercial or industrial purposes and be located in a designated Economic Revitalization Area, as designated by the Council. Prior approval of the Council must occur before occupying the facility and the Council determines the time period for the abatement. All of these programs are designed to spur job creation and retention, grow the income and property tax base, support the redevelopment of areas experiencing a cessation of growth, attract and retain businesses in targeted industries, and assist distressed businesses, among other objectives. Minimum eligibility criteria for such abatements vary by program, as noted above, but generally require that an investment in real or personal property be projected to increase assessed value, create or retain jobs and/or promote economic revitalization. In return for such abatements, the County generally commits to permit, zoning and job training assistance. Included in each abatement agreement are provisions specifying certain damages, among which may include a clawback of some or all of the taxes previously abated. If a company ceases operations or announces the cessation of operations at the facility for which the abatement was granted, termination of the abatement agreement is warranted and 100 percent clawback is required. Other clawbacks are calculated based on the highest level of noncompliance among the measured categories for that project.

Impact of Abatements on Revenues

Indiana property tax laws complicate the calculation of the exact impact of property tax abatements on the tax revenues of a given unit of local government. Constraints on the growth of the annual tax levy and constitutional limitations on taxes (also known as property tax caps) are the chief complicating factors. The increase in the annual tax levy is limited to the growth in the 6-year moving average of nonfarm personal income growth, which is known as the Assessed Value Growth Quotient (AVGQ). Statutory property tax caps for homesteads, agricultural and other residential and commercial are equal to 1 percent, 2 percent and 3 percent, respectively, of associated assessed valuations.

The tax rate, which is established for each taxing unit by the Department of Local Government Finance, is based on the tax levy requested by the taxing unit (as limited by the AVGQ) divided by the net assessed value of the property in a physical taxing district. The theory behind the AVGQ is that the costs of government should not be increasing at a greater rate than taxpayer incomes.

Tax abatements are granted on the assessed value of the property abated. The taxpayer's taxes are then calculated based on this reduced assessment, thus resulting in a lower tax liability. But because a given district's tax rate is calculated based on the total net assessed value in the district (net of abatements and other adjustments), the certified levy of each unit in the district is the same as if the abatements had not been granted.

Additionally, to the extent that parcels have reached the constitutional limit of tax liability as a percentage of gross assessed value, the property tax rate caps (circuit breaker credits) reduce the property tax collections of the affected taxing units. The degree to which property tax abatements exacerbate circuit breaker losses differs by parcel and is dependent on the proportion of abated assessed value to total gross assessed value, as well as prevailing property tax rates.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

F. TAX ABATEMENT (cont.)

Impact of Abatements on Revenues (cont.)

The estimated gross amount, on a cash basis by which the County's property tax revenues (payable 2020 taxes) were reduced as a result of the aforementioned County abatement programs, totaled \$1,685,066

While the County has calculated the potential impact of existing tax abatements on its property tax revenues for 2020 to approximate \$1,685,066 the actual extent of lost revenues is something less than this amount and cannot be reasonably determined due to the application of circuit breaker credits.

G. EFFECT OF NEW ACCOUNTING STANDARDS ON FUTURE-PERIOD FINANCIAL STATEMENTS

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

When they become effective, application of these standards will be evaluated as to their impact on current and future financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES' RETIREMENT FUND
 Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability	0.39670%	0.40888%	0.40731%	0.40301%	0.38906%	0.37493%	0.33746%
County's proportionate share of the net pension liability	\$ 11,981,904	\$ 13,513,744	\$ 13,836,505	\$ 17,980,466	\$ 17,657,272	\$ 15,270,532	\$ 8,868,230
County's covered payroll	21,416,498	21,303,000	20,783,200	19,994,088	18,645,931	17,958,344	\$ 16,475,615
County's proportionate share of the net pension liability as a percentage of its covered payroll	56.2%	63.4%	66.6%	89.9%	94.7%	85.0%	53.8%
Plan fiduciary net position as a percentage of total pension liability *	81.4%	80.1%	78.9%	72.7%	71.2%	73.3%	81.1%

Notes:

The plan fiduciary net position as a percentage of total pension liability comes from the INPRS annual report.

The County's covered payroll comes from the County specific report for INPRS.

The amounts presented for each fiscal year were determined as of June 30 (measurement date).

Benefit changes: Pursuant to HEA 109 survivor benefits now require 10 years of creditable service rather than 15 years.

Information is not available prior to 2014.

Additional years will be added until 10 years of historical data is shown.

* Effective January 1, 2018 funds previously known as annuity savings accounts (which had been reported within defined benefit (DB) funds) were recategorized as defined contribution (DC) funds based on Internal Revenue Service Private Letter Rulings PLR-193-2016 and PLR-110249-18. DC member balances previously reported within PERF DB fund total were transferred to the appropriate DC fund as of January 1, 2018.

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF COUNTY CONTRIBUTIONS PUBLIC EMPLOYEES' RETIREMENT FUND Last 10 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 2,401,128	\$ 2,394,771	\$ 2,302,321	\$ 2,187,938
Contributions in relation to the contractually required contributions	<u>(2,401,128)</u>	<u>(2,394,771)</u>	<u>(2,302,321)</u>	<u>(2,187,938)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 21,438,643	\$ 21,381,884	\$ 20,556,438	\$ 19,535,161
Contributions as a percentage of covered payroll*	11.20%	11.20%	11.20%	11.20%

Notes:

The amounts presented for each fiscal year were determined as of December 31.
Information is not available prior to 2017.
Additional years will be added until 10 years of historical data is shown.

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
 SHERIFF'S RETIREMENT PLAN
 Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	\$ 362,809	\$ 353,336	\$ 353,134	\$ 348,190	\$ 371,346	\$ 343,859	\$ 322,783
Interest	1,441,640	1,368,584	1,332,368	1,256,308	1,230,888	1,199,443	1,161,270
Difference between expected and actual experience	76,187	211,642	(84,422)	226,688	(52,174)	(195,312)	(21,267)
Changes in assumptions	(56,071)	315,673	(14,540)	306,501	(201,457)	597,904	448,751
Benefit payments	<u>(1,264,098)</u>	<u>(1,072,717)</u>	<u>(1,023,642)</u>	<u>(1,006,558)</u>	<u>(880,641)</u>	<u>(863,769)</u>	<u>(757,861)</u>
Net change in total pension liability	560,467	1,176,518	562,898	1,131,129	467,962	1,082,125	1,153,676
Total pension liability - beginning of year	<u>21,679,547</u>	<u>20,503,029</u>	<u>19,940,131</u>	<u>18,809,002</u>	<u>18,341,040</u>	<u>17,258,915</u>	<u>16,105,239</u>
Total pension liability - end of year (1)	<u>\$ 22,240,014</u>	<u>\$ 21,679,547</u>	<u>\$ 20,503,029</u>	<u>\$ 19,940,131</u>	<u>\$ 18,809,002</u>	<u>\$ 18,341,040</u>	<u>\$ 17,258,915</u>
Plan fiduciary net position							
County contributions	\$ 1,239,457	\$ 1,223,678	\$ 1,157,071	\$ 1,067,099	\$ 919,349	\$ 762,065	\$ 768,166
Employee contributions	76,087	78,004	79,765	77,395	81,290	80,302	79,965
Net transfers into (out of) trust	-	-	-	-	-	-	(711)
Net investment income	1,647,787	1,758,171	(793,578)	1,232,221	(95,229)	(96,949)	334,766
Benefit payments	(1,264,098)	(1,072,717)	(1,023,642)	(1,006,558)	(880,641)	(863,769)	(757,861)
Administrative expenses	<u>(24,198)</u>	<u>(22,936)</u>	<u>(21,403)</u>	<u>(19,654)</u>	<u>(19,263)</u>	<u>(24,631)</u>	<u>(17,783)</u>
Net change in plan fiduciary net position (2)	1,675,035	1,964,200	(601,787)	1,350,503	5,506	(142,982)	406,542
Plan fiduciary net position - beginning of year	<u>13,314,157</u>	<u>11,349,957</u>	<u>11,951,744</u>	<u>10,601,241</u>	<u>10,595,735</u>	<u>10,738,717</u>	<u>10,332,175</u>
Plan fiduciary net position - end of year	<u>\$ 14,989,192</u>	<u>\$ 13,314,157</u>	<u>\$ 11,349,957</u>	<u>\$ 11,951,744</u>	<u>\$ 10,601,241</u>	<u>\$ 10,595,735</u>	<u>\$ 10,738,717</u>
Net pension liability (asset) - end of year (1) - (2)	<u>\$ 7,250,822</u>	<u>\$ 8,365,390</u>	<u>\$ 9,153,072</u>	<u>\$ 7,988,387</u>	<u>\$ 8,207,761</u>	<u>\$ 7,745,305</u>	<u>\$ 6,520,198</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>67.40%</u>	<u>61.41%</u>	<u>55.36%</u>	<u>59.94%</u>	<u>56.36%</u>	<u>57.77%</u>	<u>62.22%</u>
Covered payroll	2,252,247	2,362,628	2,360,336	2,320,314	2,309,461	2,390,972	2,383,991
County's net pension (asset) liability as a percentage of covered payroll	321.94%	354.07%	387.79%	344.28%	355.40%	323.94%	273.50%

Notes:

*Information presented for the years available

See notes to the required supplementary information

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
 SHERIFF'S BENEFIT PLAN
 Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	\$ 40,144	\$ 42,514	\$ 39,707	\$ 40,008	\$ 42,534	\$ 37,313	34,122
Interest	40,590	42,772	40,828	40,638	42,148	40,660	36,450
Difference between expected and actual experience	(109,015)	(90,217)	(47,472)	(64,415)	(97,141)	(81,681)	(6,737)
Changes in assumptions	(2,019)	(17,457)	481	(5,554)	173	49,617	18,818
Benefit payments	(7,560)	(7,560)	(7,560)	(7,560)	(7,560)	(7,590)	(7,920)
Net change in total pension liability	(37,860)	(29,948)	25,984	3,117	(19,846)	38,319	74,733
Total pension liability - beginning of year	565,284	595,232	569,248	566,131	585,977	547,658	472,925
Total pension liability - end of year (1)	\$ 527,424	\$ 565,284	\$ 595,232	\$ 569,248	\$ 566,131	\$ 585,977	547,658
Plan fiduciary net position							
County contributions	\$ 38,190	\$ 42,042	\$ 46,611	\$ 59,389	\$ 50,371	\$ 38,611	32,509
Net investment income	103,714	104,064	(38,906)	63,513	(23,566)	(2,609)	15,433
Benefit payments	(7,560)	(7,560)	(7,560)	(7,560)	(7,560)	(7,590)	(7,920)
Administrative expenses	(15,245)	(15,130)	(661)	(36,267)	(575)	(20,121)	(38,544)
Net change in plan fiduciary net position (2)	119,099	123,416	(516)	79,075	18,670	8,291	2,189
Plan fiduciary net position - beginning of year	762,613	639,197	639,713	560,638	541,968	533,677	531,488
Plan fiduciary net position - end of year	\$ 881,712	\$ 762,613	\$ 639,197	\$ 639,713	\$ 560,638	\$ 541,968	533,677
Net pension liability (asset) - end of year (1) - (2)	\$ (354,288)	\$ (197,329)	\$ (43,965)	\$ (70,465)	\$ 5,493	\$ 44,009	13,981
Plan fiduciary net position as a percentage of the total pension liability	167.17%	134.91%	107.39%	112.38%	99.03%	92.49%	97.45%
Covered payroll	2,252,247	2,362,628	2,360,336	2,320,314	2,309,461	2,390,972	2,383,991
County's net pension liability as a percentage of covered payroll	-15.73%	-8.35%	-1.86%	-3.04%	0.24%	1.84%	0.59%

Notes:

*Information presented for the years information is available

See notes to the required supplementary information

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
SHERIFF'S RETIREMENT PLAN
Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 1,039,392	\$ 1,028,578	\$ 974,995	\$ 968,478	\$ 833,707	\$ 771,332	\$ 700,978	\$ 611,414	\$ 568,872	\$ 601,912
Contributions in relation to the contractually required contributions	(1,239,457)	(1,223,678)	(1,157,071)	(1,067,099)	(919,349)	(762,065)	(768,166)	(731,812)	(552,031)	(722,392)
Contribution (excess) deficiency	<u>\$ (200,065)</u>	<u>\$ (195,100)</u>	<u>\$ (182,076)</u>	<u>\$ (98,621)</u>	<u>\$ (85,642)</u>	<u>\$ 9,267</u>	<u>\$ (67,188)</u>	<u>\$ (120,398)</u>	<u>\$ 16,841</u>	<u>\$ (120,480)</u>
County's covered payroll	\$ 2,362,628	\$ 2,360,336	\$ 2,320,314	\$ 2,309,461	\$ 2,390,972	\$ 2,383,991	\$ 2,319,996	\$ 2,141,518	\$ 1,987,752	\$ 2,064,337
Contributions as a percentage of covered payroll	52.46%	51.84%	49.87%	46.21%	38.45%	31.97%	33.11%	34.17%	27.77%	34.99%

Notes:

Valuation date:

Actuarially determined contribution rates are calculated as of January 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine most current contributions rate above:

Actuarial cost method	Frozen initial liability
Amortization method	Level percentage of payroll, open
Remaining amortization period	25 years
Asset valuation method	5-Year Asset Smoothing, limited to 80% and 120% of market value
Inflation	3.00%
Salary Increases	4.00% average, including inflation
Investment rate of return	6.75%
Retirement age	The later of age 55 and 10 years of service or one year from the valuation date (age 55 for participants hired prior to December 1, 2014), or one year from the valuation date.
Mortality	Pub -2010 Safety Amount Weighted Mortality Projected Generationally with Scale MP -2020

Other information:

None

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
SHERIFF'S BENEFIT PLAN
Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 38,190	\$ 42,042	\$ 46,611	\$ 59,389	\$ 50,371	\$ 38,611	\$ 32,509	\$ 27,655	\$ 27,299	\$ 30,201
Contributions in relation to the contractually required contributions	(38,190)	(42,042)	(46,611)	(59,389)	(50,371)	(38,611)	(32,509)	(27,655)	(27,299)	(30,201)
Contribution (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 2,362,628	\$ 2,360,336	\$ 2,320,314	\$ 2,309,461	\$ 2,390,972	\$ 2,383,991	\$ 2,319,996	\$ 2,141,518	\$ 1,987,752	\$ 2,064,337
Contributions as a percentage of covered payroll	1.62%	1.78%	2.01%	2.57%	2.11%	1.62%	1.40%	1.29%	1.37%	1.46%

Notes:

Valuation date:

Actuarially determined contribution rates are calculated as of December 31, 2020

Methods and assumptions used to determine most current contributions rate above:

Actuarial cost method	Aggregate
Amortization method	Not Applicable
Remaining amortization period	Not Applicable
Asset valuation method	5-Year Asset Smoothing, limited to 80% and 120% of market value
Inflation	3.00%
Salary Increases	4.00% average, including inflation
Investment rate of return	6.75%
Retirement age	The later of age 55 and 10 years of service (age 55 for participants hired prior to December 1, 2014) or one year from the valuation date
Mortality	Pub -2010 Safety Amount Weighted Mortality Projected Generationally with Scale MP -2020

Other information:

None

See notes to the required supplementary information

MADISON COUNTY, INDIANA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
SHERIFF'S RETIREMENT PLAN
Last 10 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual money-weighted rate of return	12.93%	16.15%	-6.92%	12.00%	-0.93%	-1.00%	3.28%	12.90%	5.00%	-4.10%

See notes to the required supplementary information

MADISON COUNTY, INDIANA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF INVESTMENT RETURNS

SHERIFF'S BENEFIT PLAN

Last 10 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual money-weighted rate of return	13.81%	16.57%	-6.22%	11.54%	-4.48%	-0.60%	2.90%	9.60%

*Schedule presented for the years information available

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS Last 10 Fiscal Years*

NET OPEB LIABILITY	2020	2019
Total OPEB liability		
Service cost	\$ 860,080	\$ 692,325
Interest	441,096	472,870
Differences between expected and actual experience	216,337	-
Changes in assumptions	1,554,319	980,322
Benefit payments	(298,954)	(276,809)
Net change in total pension liability	2,772,878	1,868,708
Total pension liability - beginning of year	12,818,758	10,950,050
Total pension liability - end of year (1)	\$ 15,591,636	\$ 12,818,758
Actuarially determined contribution**	298,954	276,809
Actual employer contributions	298,954	276,809
Contribution deficiency (excess)	-	-
Covered payroll**	21,611,312	21,135,757
Contributions as a percentage of covered payroll	1.38%	1.31%

Notes to schedule:

*Information presented for the years information is available

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - NON GAAP BUDGETARY BASIS
GENERAL FUND

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes				
Property	\$ 24,813,519	\$ 24,813,519	\$ 20,144,005	\$ (4,669,514)
Other	10,377,171	10,377,171	10,808,715	431,544
Intergovernmental	4,389,988	4,842,471	3,967,794	(874,677)
Licenses and permits	210,000	210,000	-	(210,000)
Charges for services	1,212,500	1,212,500	1,459,685	247,185
Fines, forfeitures and penalties	1,060,000	1,060,000	1,978,292	918,292
Interest	80,000	80,000	310,187	230,187
Miscellaneous	211,000	211,000	161,110	(49,890)
Total Revenues	42,354,178	42,806,661	38,829,788	(3,976,873)
Expenditures:				
General Government				
Clerk				
Personal services	728,385	728,385	679,064	49,321
Supplies	31,000	29,721	18,070	11,651
Other services and charges	96,800	96,900	81,483	15,417
Capital outlay	-	1,179	1,050	129
Auditor				
Personal services	493,631	493,631	481,142	12,489
Supplies	10,000	10,000	9,986	14
Other services and charges	322,113	314,885	240,788	74,097
Capital outlay	5,000	11,228	11,077	151
Treasurer				
Personal services	249,315	249,315	239,529	9,786
Supplies	28,150	27,800	19,079	8,721
Other services and charges	123,370	123,720	109,769	13,951
Recorder				
Personal services	89,813	89,813	89,735	78
Supplies	500	500	499	1
Other services and charges	-	1,000	-	1,000
Surveyor				
Personal services	159,768	159,768	155,926	3,842
Supplies	2,000	2,000	1,930	70
County Assessor				
Personal services	442,415	442,415	374,662	67,753
Supplies	6,700	6,700	5,991	709
Other services and charges	707,500	707,500	696,745	10,755
Prosecutor				
Personal services	1,118,712	1,113,712	1,112,733	979
Supplies	5,500	5,829	5,649	180
Other services and charges	33,500	38,171	38,125	46
Voters Registration				
Personal services	142,541	134,541	134,533	8
Supplies	9,000	3,676	2,445	1,231
Other services and charges	14,000	12,229	9,040	3,189
Capital outlay	-	15,095	117	14,978

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - NON GAAP BUDGETARY BASIS
GENERAL FUND

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
County Agent				
Personal services	\$ 61,168	\$ 61,168	\$ 61,167	\$ 1
Supplies	5,275	5,275	2,923	2,352
Other services and charges	203,889	203,889	197,003	6,886
County Council				
Personal services	99,148	99,148	98,376	772
Supplies	700	-	-	-
Other services and charges	25,237	61,737	57,490	4,247
Election Board				
Personal services	216,287	211,962	191,940	20,022
Supplies	5,700	21,100	19,406	1,694
Other services and charges	326,650	457,212	428,788	28,424
Capital outlay	2,000	727,000	543	726,457
Commissioners				
Personal services	7,258,151	7,141,535	7,141,531	4
Supplies	1,456	1,456	334	1,122
Other services and charges	3,103,815	3,461,883	4,120,589	(658,706)
Capital outlay	97,181	29,032	28,420	612
Planning Commission				
Personal services	193,614	193,614	189,678	3,936
Supplies	5,298	5,298	3,605	1,693
Other services and charges	24,050	45,879	28,761	17,118
Capital outlay	-	909	909	-
Information Technology System				
Personal services	365,021	369,816	369,714	102
Supplies	1,600	1,600	1,544	56
Other services and charges	388,380	405,085	404,483	602
Capital outlay	123,000	113,472	94,616	18,856
Human Resources/Risk Management				
Personal services	48,506	57,006	55,959	1,047
Supplies	1,200	1,800	1,413	387
Other services and charges	23,609	9,995	3,629	6,366
Capital outlay	-	4,514	4,346	168
Court House				
Personal services	619,037	640,503	628,370	12,133
Supplies	71,500	87,592	76,571	11,021
Other services and charges	445,500	513,400	491,628	21,772
Capital outlay	87,600	76,142	75,033	1,109
Circuit Courts (Admin)				
Personal services	626,058	630,609	629,792	817
Supplies	13,500	13,500	8,925	4,575
Other services and charges	443,200	462,678	392,966	69,712
Capital outlay	14,912	40,197	40,197	-
Public Defender				
Personal services	1,158,607	1,160,219	1,154,646	5,573
Supplies	1,400	1,400	340	1,060
Other services and charges	17,803	17,803	17,576	227
Central Records				
Personal services	57,818	57,818	57,799	19
Supplies	1,900	2,400	1,817	583
Other services and charges	10,936	10,436	4,407	6,029

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - NON GAAP BUDGETARY BASIS
GENERAL FUND

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Circuit Court I				
Personal services	\$ 196,711	\$ 196,711	\$ 190,843	\$ 5,868
Circuit Court II				
Personal services	166,172	164,277	159,694	4,583
Other services and charges	-	935	300	635
Capital outlay	-	960	960	-
Circuit Court III				
Personal services	194,933	179,208	177,672	1,536
Capital outlay	-	15,725	12,400	3,325
Circuit Court IV				
Personal services	151,421	175,862	171,166	4,696
Circuit Court V				
Personal services	150,605	147,663	146,319	1,344
Capital outlay	-	2,942	2,942	-
Circuit Court VI				
Personal services	195,298	191,872	190,356	1,516
Capital outlay	-	3,426	3,426	-
Total General Government	22,025,559	23,305,376	22,662,479	642,897
Public Safety				
Sheriff				
Personal services	3,961,563	3,927,704	3,799,138	128,566
Supplies	306,000	278,500	277,615	885
Other services and charges	161,600	176,600	169,421	7,179
Capital outlay	234,500	324,712	269,607	55,105
Juvenile Probation Services				
Personal services	823,976	823,976	822,342	1,634
Supplies	3,000	3,000	2,041	959
Probation Services				
Personal services	687,002	879,054	803,390	75,664
Weights and Measures				
Personal services	36,217	36,217	36,215	2
Supplies	1,000	1,000	-	1,000
Other services and charges	2,885	2,885	1,169	1,716
Jail				
Personal services	3,068,205	3,163,217	3,092,776	70,441
Supplies	115,000	129,876	129,740	136
Other services and charges	677,500	717,500	694,315	23,185
Capital outlay	-	96,124	95,261	863
Emergency Management				
Personal services	95,535	85,253	85,102	151
Supplies	21,300	17,500	14,652	2,848
Other services and charges	46,847	49,647	49,016	631
Capital outlay	-	11,282	10,721	561
Prosecutor Victim Advocate				
Personal services	40,064	40,064	39,665	399
Supplies	1,185	1,185	1,185	-
Other services and charges	3,270	3,270	3,270	-
Capital outlay	886	886	886	-

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - NON GAAP BUDGETARY BASIS
GENERAL FUND

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Madison County Correctional Comp				
Personal services	\$ 804,363	\$ 869,363	\$ 860,778	\$ 8,585
Supplies	179,000	179,000	162,307	16,693
Other services and charges	92,631	197,036	173,326	23,710
Youth Center				
Personal services	1,947,910	1,947,910	1,668,143	279,767
Supplies	99,704	63,524	55,607	7,917
Other services and charges	110,150	133,650	116,476	17,174
Capital outlay	-	12,680	5,194	7,486
Security				
Personal services	156,082	156,082	125,997	30,085
Supplies	300	300	-	300
Total Public Safety	13,677,675	14,328,997	13,565,355	763,642
Health and Human Services				
Coroner				
Personal services	128,328	128,328	127,320	1,008
Supplies	5,000	5,000	1,882	3,118
Other services and charges	91,000	166,000	155,222	10,778
Veterans				
Personal services	84,732	84,732	80,301	4,431
Supplies	2,800	2,629	2,025	604
Other services and charges	3,396	3,096	2,012	1,084
Capital outlay	-	471	296	175
Drainage Board				
Personal services	48,660	20,460	12,460	8,000
Supplies	300	300	62	238
Other services and charges	116,775	121,126	22,037	99,089
Capital outlay	5,000	5,000	-	5,000
Mental Health				
Other services and charges	707,070	707,070	707,070	-
Prosecutor IV-D				
Personal services	574,231	574,231	525,041	49,190
Supplies	4,000	4,000	3,906	94
Other services and charges	15,503	15,503	12,210	3,293
Clerk IV-D				
Personal services	107,286	107,286	106,933	353
Supplies	2,000	2,000	1,913	87
Other services and charges	4,847	4,847	-	4,847
Soil and Water Conservation				
Personal services	49,622	49,622	46,611	3,011
Supplies	1,450	1,450	1,429	21
Other services and charges	12,200	11,090	6,766	4,324
Capital outlay	-	1,110	1,110	-
CASA				
Personal services	98,421	98,421	98,339	82
Other services and charges	6,000	6,000	6,000	-
Total Health and Human Services	2,068,621	2,119,772	1,920,945	198,827

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - NON GAAP BUDGETARY BASIS
GENERAL FUND

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Nondepartmental				
Miscellaneous	\$ -	\$ -	\$ 59,739	\$ (59,739)
Total Nondepartmental	-	-	59,739	(59,739)
Total Expenditures	37,771,855	39,754,145	38,208,518	1,545,627
Excess (deficiency) of revenues over (under) expendit	4,582,323	3,052,516	621,270	(2,431,246)
Other financing sources (uses)				
Transfers In	-	-	167,924	167,924
Transfers Out	-	-	(18,564)	(18,564)
Total other financing sources (uses)	-	-	149,360	149,360
Net change in fund balances	4,582,323	3,052,516	770,630	(2,281,886)
Fund balance - beginning	7,718,498	7,718,498	7,718,498	-
Fund balance - ending	<u>\$ 12,300,821</u>	<u>\$ 10,771,014</u>	<u>\$ 8,489,128</u>	<u>\$ (2,281,886)</u>

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGET/GAAP RECONCILIATION
GENERAL FUND
For the Year Ended December 31, 2020

The major differences between Budgetary (Non-GAAP) basis and GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as apposed to susceptible to accrual (GAAP)
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP)

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

	<u>General</u>
Net changes in fund balances (budgetary basis)	\$ 770,630
Adjustments	
To adjust revenues for accruals	962,373
To adjust expenditures for accruals	<u>(1,211,999)</u>
Net change in fund balance (GAAP basis)	<u>\$ 521,004</u>

MADISON COUNTY, INDIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2020

I. Budgets and Budgetary Accounting

Annual budgets are adopted on the cash basis which is not consistent with accounting principles generally accepted in the United States. All annual appropriations lapse at fiscal year-end.

On or before August 31, Madison County, Indiana's (the County) auditor submits to the County council a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the County council to obtain taxpayer comments. In September of each year, the County council through the passage of an ordinance approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the County receives approval of the Indiana Department of Local Government Finance.

Indiana law restricts the County's maximum tax levy, with certain adjustments and exceptions. If the advertised budget, for funds for which property taxes are levied or for which highway use taxes are received, exceeds the spending and tax limits of the state control laws, an excess levy may be granted by the Indiana Department of Local Government Finance.

The legal level of budgetary control is by object or department within the fund for the General fund, and by object within the fund for all other budgeted funds. The County's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the County Council. Any revisions to the appropriations for any fund or any department of the General fund must be approved by the County Council and, in some instances, by the Indiana Department of Local Government Finance.

Formal budgetary integration is required by state statute and is employed as a management control device. An annual budget was legally adopted for the following funds:

Major funds:

General

Special revenue funds:

County Public Safety, 2015 Reassessment, Highway, Local Road and Street, Health, County Wheel Tax, Dissolution Education, Jobsorce – ITS Fund, Sheriff Fire Dispatch, Co Youth Center School Grant, Emergency Plan and Right to Know, Unif Prob. Admin Fees, Supp Public Defenders Serv, LHD Trust Acct Program, Co Surveyor's Cor Perp, Suppl Prob Serv-Unified, Pre-Trial Diversion, Pros Law Enforcement Fund, Plat Book Maintenance, Co Sales Disclosure Fund, Health Maintenance, Juvenile Prob Admin Fees, Co Misdemeanant Fund, County User Fees, Prime for Life Program, Juvenile Drug Screen, Co Elected Officials Trng, ICJI – Madison Co CASA, New Prosecutor Incentive, GAL/CASA User Fees, Auditors Ineligible Deduction, Soil and Water Watershed, Co Offender Transport, Clerk Records Perpetuation, Enhanced Access, DIS Grant 93.917, Prosecutor PCA CFDA #93.563, Supplemental Juvenile Probation,

Debt Service funds:

2015 COIT Sinking Fund, Star Bank Building Fund Non-Reverting,

Capital project funds:

Cumulative Bridge, County Major Bridge, Hazmat Truck Fund, MCEMA Capital Equipment

Proprietary fund:

Cumulative ITS

MADISON COUNTY, INDIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2020

(Continued)

II. Financial Reporting – Pension Plans

PERF Plan:

Actuarial cost method	Entry age normal (level percent of payroll)
Experience study date	Period of 5 years ended June 30, 2019
Investment rate of return	6.75%, net of investment expense, including inflation
Asset valuation method	Fair market value adjusted for a 5-year phase-in of asset gains and losses
Inflation	2.25%
Salary increases	2.50% to 4.25% based on age
Mortality	Pub's 2010 Public Retirement Plans Mortality Table with fully generational improvements using SOA scale MP-2019

Change in Assumptions. The future salary increase assumption changed from an age-based table ranging from 2.50 percent to 4.25 percent to a service-based table ranging from 2.75 percent to 8.75 percent.

The mortality assumption changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience and was updated from an age- and service-based table to an age based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously 33 percent of actives were assumed to commence benefits with early retirement while 67 percent were assumed to wait for unreduced retirement eligibility.

The termination assumption was updated based on recent experience. For state members the tables were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based table. For members in political subdivisions earning less than \$20,000, the sex-distinct age-based table was maintained and the rates were updated based on experience.

The disability assumption was updated based on recent experience. The marital assumption was updated based on recent experience. 80 percent of male members and 65 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 75 percent of male members and 60 percent of female members were assumed to be married or to have a dependent beneficiary.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

Plan Amendments. There were no changes in the plan provisions during the fiscal year.

MADISON COUNTY, INDIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2020

(Continued)

Sheriff Retirement and Benefit Plans

The following changes in assumptions were made for the Sheriff's Retirement and Sheriff's Benefit plan for the base year ending December 31, 2020. The changes in assumptions for base year ending December 31, 2020 reflect the change from the use of the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male and female tables) to the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2020 (separate employee, retiree, contingent survivor, and disabled retiree tables and male and female tables).

The changes in assumptions for base year ending December 31, 2019 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee and annuitant tables and male and female tables) to the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male and female tables).

The changes in assumptions for base year ending December 31, 2018 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee and annuitant tables and male and female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee and annuitant tables and male and female tables).

The changes in assumptions for base year ending December 31, 2017 reflect the change from the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee and annuitant tables and male and female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee and annuitant tables and male and female tables).

The changes in assumptions for base year ending December 31, 2016 reflect the change from the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee and annuitant tables and male and female tables) to the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee and annuitant tables and male and female tables).

MADISON COUNTY, INDIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2020

(Continued)

The changes in assumptions for base year ending December 31, 2015 reflect the change from the use of the 2015 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations and a 4.50% salary scale (3.50 percent inflation and 1.00 percent merit increases) to the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee and annuitant tables and male and female tables) and a 4.00 percent salary scale (3.00 percent inflation and 1.00 percent merit increases).

Sheriff Retirement Plan:

Actuarial cost method	Frozen initial liability
Amortization method	Level percentage of payroll, open
Remaining amortization period	25 years
Asset valuation method	5-Year Asset Smoothing, limited to 80% and 120% of market value
Inflation	3.00%
Salary increases	4.00% average, including inflation
Investment rate of return	6.75%
Retirement age	The later of age 55 and 10 years of service (age 55 for participants hired prior to December 1, 2014) or one year from valuation date.
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Projection Scale MP-2018 (separate employee and annuitant tables and male and female tables).

Sheriff Benefit Plan:

Actuarial cost method	Aggregate
Amortization method	Not Applicable
Remaining amortization period	Not Applicable
Asset valuation method	5-Year Asset Smoothing, limited to 80% and 120% of market value
Inflation	3.00%
Salary increases	4.00% average, including inflation
Investment rate of return	6.75%
Retirement age	The later of age 55 and 10 years of service (age 55 for participants hired prior to December 1, 2014) or one year from valuation date.
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Projection Scale MP-2018 (separate employee and annuitant tables and male and female tables).

MADISON COUNTY, INDIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2020

(Continued)

III. OPEB Plan

Cost method	Entry Age Normal Level % of Salary
Amortization method	Not Applicable
Assumptions	
Discount rate	3.26% as of January 1, 2020 and 2.12% as of December 31, 2020
Discount rate basis	S and P municipal bond 20 year high grade rate index
Inflation rate	2.25% per annum
Investment rate of return	Not applicable since the plan is not currently prefunded
Disability	None
Mortality	General retirees; SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019 Police Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019
Health Care Coverage rate	Active employees with coverage: 90% Inactive employees with current coverage: 100%

Retirement Rates

General Employees				
Age	<10 YOS	10 YOS	20 YOS	30 YOS
55	0.0%	0.0%	5.0%	14.0%
60	0.0%	0.0%	12.0%	12.0%
65	0.0%	30.0%	30.0%	30.0%
75+	0.0%	100.0%	100.0%	100.0%
Public Safety Employees				
Age	<32 YOS	32 YOS		
55	10.0%	20.0%		
60	15.0%	20.0%		
65	50.0%	50.0%		
70+	100.0%	100.0%		

Turnover

Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. The rates represent the probability of termination in the next 12 months.

Annual withdrawal rates for general employees follow the Public Employees Retirement Fund (PERF) as of June 30, 2019 (for employees with earnings of at least \$20,000). Police withdrawal rates are based on the 1977 Police Officers' and Firefighters' Retirement actuarial valuation as of June 30, 2019. Sample annual turnover rates by group are shown below:

MADISON COUNTY, INDIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2020

(Continued)

General - Male

Age	0 YOS	2 YOS	5 YOS	7 YOS	9 YOS	10+ YOS
20	23%	23%	17%	12%	7%	7%
30	22%	19%	13%	12%	7%	7%
40	17%	14%	10%	9%	5%	5%
50	14%	9%	9%	7%	4%	4%
60	13%	7%	7%	7%	4%	4%

General - Female

Age	0 YOS	2 YOS	5 YOS	7 YOS	9 YOS	10+ YOS
20	23%	23%	17%	12%	8%	8%
30	21%	21%	14%	12%	8%	8%
40	18%	16%	12%	9%	8%	6%
50	16%	15%	9%	9%	6%	6%
60	16%	11%	9%	9%	6%	6%

Police

Service	Rates
0	10.0%
5	2.5%
10	1.5%
15	1.0%
20+	2.0%

Spouse 45 percent of male and female employees are assumed to be married at retirement. Husbands are assumed to be three years older than wives

Per Capita Costs Annual per capita costs were calculated based on 24 months of actual claims and enrollment experience through February 2020, actuarially increased using health index factors and current enrollment. The costs are assumed to increase with medical/rx health care trend rates.

Annual per capita costs as shown below:

Age	PPO
<55	\$ 14,300
55 – 59	\$ 17,800
60 – 64	\$ 23,000

Health Care Trend Rates

FYE	Medical/RX
2021	7.5%
2022	7.0%
2023	6.5%
2024	6.0%
2025	5.5%
2026	5.0%
2027+	4.5%

SUPPLEMENTARY INFORMATION

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2020

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets:				
Cash and cash equivalents	\$ 19,824,940	\$ -	\$ 2,206,739	\$ 22,031,679
Receivables:				
Taxes	2,217,083	-	1,181,307	3,398,390
Accounts	327,101	-	-	327,101
Intergovernmental	510,744	-	-	510,744
Restricted assets:				
Cash and cash equivalents	-	63,340	-	63,340
Total assets	<u>22,879,868</u>	<u>63,340</u>	<u>3,388,046</u>	<u>26,331,254</u>
 Liabilities, deferred inflows of resources, and fund balances				
Liabilities:				
Accounts payable	920,403	-	110,121	1,030,524
Accrued payroll and withholdings payable	382,306	-	-	382,306
Total liabilities	<u>1,302,709</u>	<u>-</u>	<u>110,121</u>	<u>1,412,830</u>
 Deferred inflows of resources:				
Property taxes	1,704,379	-	1,097,563	2,801,942
 Fund balances:				
Restricted	19,512,211	63,340	2,180,362	21,755,913
Committed	360,569	-	-	360,569
Total fund balances	<u>19,872,780</u>	<u>63,340</u>	<u>2,180,362</u>	<u>22,116,482</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 22,879,868</u>	<u>\$ 63,340</u>	<u>\$ 3,388,046</u>	<u>\$ 26,331,254</u>

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2020

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues:				
Taxes:				
Property	\$ 2,128,534	\$ -	\$ 1,120,419	\$ 3,248,953
Income	1,854,237	683,819	-	2,538,056
Other	1,444,536	-	634,489	2,079,025
Intergovernmental	18,112,317	-	233,813	18,346,130
Charges for services	1,889,295	-	-	1,889,295
Investment income	25	854	-	879
Fines, forfeitures and penalties	185,264	-	5,756	191,020
Other	<u>6,881,558</u>	<u>95,046</u>	<u>23,891</u>	<u>7,000,495</u>
Total revenues	<u>32,495,766</u>	<u>779,719</u>	<u>2,018,368</u>	<u>35,293,853</u>
Expenditures:				
Current:				
General government	5,611,479	-	100,000	5,711,479
Public safety	8,874,258	-	-	8,874,258
Highways and streets	6,731,887	-	668,783	7,400,670
Health and welfare	3,151,958	-	35,760	3,187,718
Sanitation	95,709	-	-	95,709
Community Development	-	-	1,204,107	1,204,107
Debt service:				
Principal	1,509,967	597,010	-	2,106,977
Interest	49,322	168,930	-	218,252
Capital outlay:				
General government	12,939	-	-	12,939
Public safety	42,121	-	-	42,121
Highways and streets	487,729	-	10,495	498,224
Health and welfare	<u>181,431</u>	<u>-</u>	<u>-</u>	<u>181,431</u>
Total expenditures	<u>26,748,800</u>	<u>765,940</u>	<u>2,019,145</u>	<u>29,533,885</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,746,966</u>	<u>13,779</u>	<u>(777)</u>	<u>5,759,968</u>
Other financing sources (uses):				
Transfers in	1,482,151	-	362,679	1,844,830
Transfers out	<u>(1,401,272)</u>	<u>-</u>	<u>(467,265)</u>	<u>(1,868,537)</u>
Total other financing sources and uses	<u>80,879</u>	<u>-</u>	<u>(104,586)</u>	<u>(23,707)</u>
Net change in fund balances	5,827,845	13,779	(105,363)	5,736,261
Fund balance, beginning as previously stated	16,324,243	49,561	2,285,725	18,659,529
Adjustment to fund balance - (see Note III. H)	<u>(2,279,308)</u>	<u>-</u>	<u>-</u>	<u>(2,279,308)</u>
Fund balances - beginning as restated	<u>14,044,935</u>	<u>49,561</u>	<u>2,285,725</u>	<u>16,380,221</u>
Fund balances - ending	<u>\$ 19,872,780</u>	<u>\$ 63,340</u>	<u>\$ 2,180,362</u>	<u>\$ 22,116,482</u>

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS December 31, 2020

	<u>Cert Sale Funds</u>	<u>County Public Safety Fund</u>	<u>COIT Funds</u>	<u>Development Grants</u>	<u>Donation Funds</u>
Assets:					
Cash and cash equivalents	\$ 349,138	\$ 199,656	\$ 72,834	\$ 3,986	\$ 19,662
Receivables:					
Taxes	-	1,090,267	-	-	-
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Total assets	<u>349,138</u>	<u>1,289,923</u>	<u>72,834</u>	<u>3,986</u>	<u>19,662</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable	-	152	-	-	-
Accrued payroll and withholdings payable	-	14,830	-	-	-
Total liabilities	<u>-</u>	<u>14,982</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Property taxes	-	652,675	-	-	-
Fund balances:					
Restricted	349,138	622,266	72,834	3,986	19,662
Committed	-	-	-	-	-
Total fund balances	<u>349,138</u>	<u>622,266</u>	<u>72,834</u>	<u>3,986</u>	<u>19,662</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 349,138</u>	<u>\$ 1,289,923</u>	<u>\$ 72,834</u>	<u>\$ 3,986</u>	<u>\$ 19,662</u>

Continued on next page

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS December 31, 2020

	Education Grants	JobSource	Public Safety Grants	Misc. Tax Funds	Health and Wellness Grants
Assets:					
Cash and cash equivalents	\$ 1,843	\$ 274,423	\$ 810,564	\$ 603,923	\$ 107,688
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Intergovernmental	-	-	52,051	208,927	70,685
Total assets	<u>1,843</u>	<u>274,423</u>	<u>862,615</u>	<u>812,850</u>	<u>178,373</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable	-	-	46,466	642	17,374
Accrued payroll and withholdings payable	-	539	60,321	-	19,703
Total liabilities	<u>-</u>	<u>539</u>	<u>106,787</u>	<u>642</u>	<u>37,077</u>
Deferred inflows of resources:					
Property taxes	-	-	-	-	-
Fund balances:					
Restricted	-	273,884	755,828	812,208	141,296
Committed	1,843	-	-	-	-
Total fund balances	<u>1,843</u>	<u>273,884</u>	<u>755,828</u>	<u>812,208</u>	<u>141,296</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,843</u>	<u>\$ 274,423</u>	<u>\$ 862,615</u>	<u>\$ 812,850</u>	<u>\$ 178,373</u>

Continued on next page

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS December 31, 2020

	Probation Funds	Title IV-D Funds	Homeland Security Grants	Public Safety Funds	Cares Grants
Assets:					
Cash and cash equivalents	\$ 273,156	\$ 597,880	\$ 678	\$ 1,711,172	\$ 4,146,561
Receivables:					
Taxes	-	-	-	-	-
Accounts	66,884	-	-	83,959	-
Intergovernmental	-	-	-	-	179,081
Total assets	<u>340,040</u>	<u>597,880</u>	<u>678</u>	<u>1,795,131</u>	<u>4,325,642</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable	30,278	8,998	-	15,852	609,883
Accrued payroll and withholdings payable	26,778	5,450	-	36,991	-
Total liabilities	<u>57,056</u>	<u>14,448</u>	<u>-</u>	<u>52,843</u>	<u>609,883</u>
Deferred inflows of resources:					
Property taxes	-	-	-	-	-
Fund balances:					
Restricted	282,984	583,432	678	1,742,288	3,715,759
Committed	-	-	-	-	-
Total fund balances	<u>282,984</u>	<u>583,432</u>	<u>678</u>	<u>1,742,288</u>	<u>3,715,759</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 340,040</u>	<u>\$ 597,880</u>	<u>\$ 678</u>	<u>\$ 1,795,131</u>	<u>\$ 4,325,642</u>

Continued on next page

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS December 31, 2020

	Sheriff Civil	Clerk Support	Clerk Juvenile	Child Advocacy Fund	Clerks Rec Perpetuation
Assets:					
Cash and cash equivalents	\$ 33,857	\$ -	\$ -	\$ 325	\$ 268,843
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	3,106
Intergovernmental	-	-	-	-	-
	<u>33,857</u>	<u>-</u>	<u>-</u>	<u>325</u>	<u>271,949</u>
Total assets					
	<u>33,857</u>	<u>-</u>	<u>-</u>	<u>325</u>	<u>271,949</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable	-	-	-	-	-
Accrued payroll and withholdings payable	-	-	-	-	313
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>313</u>
Total liabilities					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>313</u>
Deferred inflows of resources:					
Property taxes	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Restricted	33,857	-	-	325	271,636
Committed	-	-	-	-	-
	<u>33,857</u>	<u>-</u>	<u>-</u>	<u>325</u>	<u>271,636</u>
Total fund balances					
	<u>33,857</u>	<u>-</u>	<u>-</u>	<u>325</u>	<u>271,636</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 33,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325</u>	<u>\$ 271,949</u>

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MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS December 31, 2020

	Co Sales Disclosure Fund	Emg Plan & Right To Know	Enhanced Access Fund	Health Fund	Health Maintenance
Assets:					
Cash and cash equivalents	\$ 45,403	\$ 56,370	\$ 44,023	\$ 557,624	\$ 249,189
Receivables:					
Taxes	-	-	-	937,131	-
Accounts	220	-	51,745	10,015	-
Intergovernmental	-	-	-	-	-
Total assets	<u>45,623</u>	<u>56,370</u>	<u>95,768</u>	<u>1,504,770</u>	<u>249,189</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable	-	-	1,766	15,162	-
Accrued payroll and withholdings payable	-	-	-	36,799	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,766</u>	<u>51,961</u>	<u>-</u>
Deferred inflows of resources:					
Property taxes	-	-	-	874,382	-
Fund balances:					
Restricted	45,623	56,370	94,002	578,427	249,189
Committed	-	-	-	-	-
Total fund balances	<u>45,623</u>	<u>56,370</u>	<u>94,002</u>	<u>578,427</u>	<u>249,189</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 45,623</u>	<u>\$ 56,370</u>	<u>\$ 95,768</u>	<u>\$ 1,504,770</u>	<u>\$ 249,189</u>

Continued on next page

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS December 31, 2020

	Arterial Roads & Streets	Highway Fund	Plat Book Maintenance	Rainy Day Fund	Reassessment Funds
Assets:					
Cash and cash equivalents	\$ 619,986	\$ 547,840	\$ 218,677	\$ 36,364	\$ 287,069
Receivables:					
Taxes	-	-	-	-	189,685
Accounts	-	851	750	-	-
Intergovernmental	-	-	-	-	-
Total assets	<u>619,986</u>	<u>548,691</u>	<u>219,427</u>	<u>36,364</u>	<u>476,754</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable	14,159	20,451	-	-	1,771
Accrued payroll and withholdings payable	-	83,234	3,210	-	5,655
Total liabilities	<u>14,159</u>	<u>103,685</u>	<u>3,210</u>	<u>-</u>	<u>7,426</u>
Deferred inflows of resources:					
Property taxes	-	-	-	-	177,322
Fund balances:					
Restricted	605,827	445,006	216,217	36,364	292,006
Committed	-	-	-	-	-
Total fund balances	<u>605,827</u>	<u>445,006</u>	<u>216,217</u>	<u>36,364</u>	<u>292,006</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 619,986</u>	<u>\$ 548,691</u>	<u>\$ 219,427</u>	<u>\$ 36,364</u>	<u>\$ 476,754</u>

Continued on next page

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS December 31, 2020

	Recorder's Records	Co. Surveyor's Cor Perp.	SRI Fund	LHD Trust Acct Program	Unsafe Building Fund
Assets:					
Cash and cash equivalents	\$ 547,689	\$ 320,895	\$ 272,359	\$ 269,790	\$ 24,444
Receivables:					
Taxes	-	-	-	-	-
Accounts	34,255	10,140	-	-	-
Intergovernmental	-	-	-	-	-
Total assets	<u>581,944</u>	<u>331,035</u>	<u>272,359</u>	<u>269,790</u>	<u>24,444</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable	2,038	1,253	-	-	-
Accrued payroll and withholdings payable	4,258	214	-	-	-
Total liabilities	<u>6,296</u>	<u>1,467</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Property taxes	-	-	-	-	-
Fund balances:					
Restricted	575,648	329,568	272,359	269,790	24,444
Committed	-	-	-	-	-
Total fund balances	<u>575,648</u>	<u>329,568</u>	<u>272,359</u>	<u>269,790</u>	<u>24,444</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 581,944</u>	<u>\$ 331,035</u>	<u>\$ 272,359</u>	<u>\$ 269,790</u>	<u>\$ 24,444</u>

Continued on next page

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS December 31, 2020

	GAL/CASA Users Fees	Auditors Ineligible Deduc	Co Elected Officials Trng	Statewide 911 Fund	Alternative Dispute Resol
Assets:					
Cash and cash equivalents	\$ 219,404	\$ 135,996	\$ 85,401	\$ 341,217	\$ 60,788
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	2,040	-	920
Intergovernmental	-	-	-	-	-
Total assets	<u>219,404</u>	<u>135,996</u>	<u>87,441</u>	<u>341,217</u>	<u>61,708</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable	-	2,623	-	5,509	-
Accrued payroll and withholdings payable	-	392	-	5,136	-
Total liabilities	<u>-</u>	<u>3,015</u>	<u>-</u>	<u>10,645</u>	<u>-</u>
Deferred inflows of resources:					
Property taxes	-	-	-	-	-
Fund balances:					
Restricted	219,404	132,981	-	330,572	61,708
Committed	-	-	87,441	-	-
Total fund balances	<u>219,404</u>	<u>132,981</u>	<u>87,441</u>	<u>330,572</u>	<u>61,708</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 219,404</u>	<u>\$ 135,996</u>	<u>\$ 87,441</u>	<u>\$ 341,217</u>	<u>\$ 61,708</u>

Continued on next page

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS December 31, 2020

	Co. Users Fees Fund	General Drain Maintenance	Recycling Center	Co Local Ord Violations Fines	Prime For Life Program
Assets:					
Cash and cash equivalents	\$ 189,431	\$ 2,628,440	\$ 267,859	\$ 4,737	\$ 343
Receivables:					
Taxes	-	-	-	-	-
Accounts	912	-	-	10	-
Intergovernmental	-	-	-	-	-
Total assets	<u>190,343</u>	<u>2,628,440</u>	<u>267,859</u>	<u>4,747</u>	<u>343</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable	-	108,914	145	-	-
Accrued payroll and withholdings payable	-	-	-	-	-
Total liabilities	<u>-</u>	<u>108,914</u>	<u>145</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Property taxes	-	-	-	-	-
Fund balances:					
Restricted	190,343	2,519,526	-	4,747	343
Committed	-	-	267,714	-	-
Total fund balances	<u>190,343</u>	<u>2,519,526</u>	<u>267,714</u>	<u>4,747</u>	<u>343</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 190,343</u>	<u>\$ 2,628,440</u>	<u>\$ 267,859</u>	<u>\$ 4,747</u>	<u>\$ 343</u>

Continued on next page

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS December 31, 2020

	Planned Unit Dev Inspectn	Soil & Water Watershed	MS4-COG Treasurer	Dissolution Education	Co Housing Fund
Assets:					
Cash and cash equivalents	\$ 183	\$ 3,571	\$ 10,253	\$ 6,616	\$ 53
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Total assets	<u>183</u>	<u>3,571</u>	<u>10,253</u>	<u>6,616</u>	<u>53</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable	-	-	-	-	-
Accrued payroll and withholdings payable	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Property taxes	-	-	-	-	-
Fund balances:					
Restricted	183	-	10,253	6,616	53
Committed	-	3,571	-	-	-
Total fund balances	<u>183</u>	<u>3,571</u>	<u>10,253</u>	<u>6,616</u>	<u>53</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 183</u>	<u>\$ 3,571</u>	<u>\$ 10,253</u>	<u>\$ 6,616</u>	<u>\$ 53</u>

Continued on next page

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS December 31, 2020

	Central Dispatch Fund	Slot Machine Wagering Fee	Co Economic Dev (City)	Commissioner Vending Fund	Cemetery Maint & Improv Fund
Assets:					
Cash and cash equivalents	\$ 1,182,143	\$ -	\$ -	\$ 3,945	\$ 2,800
Receivables:					
Taxes	-	-	-	-	-
Accounts	61,294	-	-	-	-
Intergovernmental	-	-	-	-	-
Total assets	<u>1,243,437</u>	<u>-</u>	<u>-</u>	<u>3,945</u>	<u>2,800</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable	14,793	-	-	-	-
Accrued payroll and withholdings payable	78,483	-	-	-	-
Total liabilities	<u>93,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Property taxes	-	-	-	-	-
Fund balances:					
Restricted	1,150,161	-	-	3,945	2,800
Committed	-	-	-	-	-
Total fund balances	<u>1,150,161</u>	<u>-</u>	<u>-</u>	<u>3,945</u>	<u>2,800</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,243,437</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,945</u>	<u>\$ 2,800</u>

Continued on next page

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS December 31, 2020

	CASA Lease Fund	County Owned Land Sale	MVH Restricted	Mad Co Comm Foundation 19	Drain Construction/R econstruct
Assets:					
Cash and cash equivalents	\$ 38,453	\$ 292	\$ 644,215	\$ 141	\$ 418,813
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Total assets	<u>38,453</u>	<u>292</u>	<u>644,215</u>	<u>141</u>	<u>418,813</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable	-	-	2,174	-	-
Accrued payroll and withholdings payable	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>2,174</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Property taxes	-	-	-	-	-
Fund balances:					
Restricted	38,453	292	642,041	141	418,813
Committed	-	-	-	-	-
Total fund balances	<u>38,453</u>	<u>292</u>	<u>642,041</u>	<u>141</u>	<u>418,813</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 38,453</u>	<u>\$ 292</u>	<u>\$ 644,215</u>	<u>\$ 141</u>	<u>\$ 418,813</u>

Continued on next page

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS December 31, 2020

	Mad Co			
	Unsafe Building Liens	Develop Prepaid Inspect	TRAM FTA Non Reverting	Totals
Assets:				
Cash and cash equivalents	\$ 1,120	\$ 250	\$ 4,565	\$ 19,824,940
Receivables:				
Taxes	-	-	-	2,217,083
Accounts	-	-	-	327,101
Intergovernmental	-	-	-	510,744
	1,120	250	4,565	22,879,868
Total assets				
Liabilities, deferred inflows of resources, and fund balances				
Liabilities:				
Accounts payable	-	-	-	920,403
Accrued payroll and withholdings payable	-	-	-	382,306
	-	-	-	1,302,709
Total liabilities				
Deferred inflows of resources:				
Property taxes	-	-	-	1,704,379
	-	-	-	1,704,379
Fund balances:				
Restricted	1,120	250	4,565	19,512,211
Committed	-	-	-	360,569
	1,120	250	4,565	19,872,780
Total fund balances				
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,120	\$ 250	\$ 4,565	\$ 22,879,868

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended December 31, 2020

	County Public		COIT Funds	Development		Education	
	Cert Sale Funds	Safety Fund		Grants	Donation Funds	Grants	
Revenues:							
Taxes:							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Income	-	1,854,237	-	-	-	-	-
Other	-	-	-	-	-	-	-
Intergovernmental	-	-	-	915,638	-	-	46,124
Charges for services	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-	-
Other	229,101	297	72,833	-	1,917	-	-
Total revenues	229,101	1,854,534	72,833	915,638	1,917	46,124	-
Expenditures:							
Current:							
General government	214,911	-	-	-	-	-	-
Public safety	-	861,773	-	-	7,610	-	2,130
Highways and streets	-	-	-	915,638	-	-	-
Health and welfare	-	-	-	-	1,800	-	31,870
Sanitation	-	-	-	-	-	-	-
Debt service:							
Principal	-	1,191,754	-	-	-	-	-
Interest	-	24,297	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Total expenditures	214,911	2,077,824	-	915,638	9,410	34,000	-
Excess (deficiency) of revenues over (under) expenditures	14,190	(223,290)	72,833	-	(7,493)	12,124	-
Other financing sources (uses):							
Transfers in	-	-	-	3,628	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources/(uses)	-	-	-	3,628	-	-	-
Net change in fund balances	14,190	(223,290)	72,833	3,628	(7,493)	12,124	-
Fund balance, beginning as previously stated	334,948	845,556	1,729,529	358	27,155	(10,281)	-
Adjustment to fund balance - (See Note III.H)	-	-	(1,729,528)	-	-	-	-
Fund balances - beginning as restated	334,948	845,556	1	358	27,155	(10,281)	-
Fund balances - ending	\$ 349,138	\$ 622,266	\$ 72,834	\$ 3,986	\$ 19,662	\$ 1,843	-

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MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended December 31, 2020

	Public Safety		Health and			Title IV-D Funds
	JobSource	Grants	Misc. Tax Funds	Wellness Grants	Probation Funds	
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	-
Other	-	-	1,444,536	-	-	-
Intergovernmental	1,215,227	2,659,203	-	847,666	-	157,611
Charges for services	-	-	-	-	773,513	-
Investment income	-	-	-	-	25	-
Fines, forfeitures and penalties	-	-	-	-	62,109	-
Other	298,528	11,390	-	-	28,728	-
Total revenues	1,513,755	2,670,593	1,444,536	847,666	864,375	157,611
Expenditures:						
Current:						
General government	1,435,820	3,185	-	-	-	-
Public safety	-	2,551,041	-	-	847,598	-
Highways and streets	-	-	1,370,340	-	-	-
Health and welfare	-	-	-	707,989	-	252,886
Sanitation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	10,909	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total expenditures	1,435,820	2,565,135	1,370,340	707,989	847,598	252,886
Excess (deficiency) of revenues over (under) expenditures	77,935	105,458	74,196	139,677	16,777	(95,275)
Other financing sources (uses):						
Transfers in	-	345,070	-	-	-	18,564
Transfers out	-	(345,070)	-	(66,695)	-	-
Total other financing sources/(uses)	-	-	-	(66,695)	-	18,564
Net change in fund balances	77,935	105,458	74,196	72,982	16,777	(76,711)
Fund balance, beginning as previously stated	195,949	650,370	738,012	68,314	266,207	660,143
Adjustment to fund balance - (See Note III.H)	-	-	-	-	-	-
Fund balances - beginning as restated	195,949	650,370	738,012	68,314	266,207	660,143
Fund balances - ending	\$ 273,884	\$ 755,828	\$ 812,208	\$ 141,296	\$ 282,984	\$ 583,432

Continued on next page

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended December 31, 2020

	Homeland Security Grants	Public Safety Funds	Cares Grants	Sheriff Civil	Clerk Support	Clerk Juvenile
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental	158,074	98,502	4,485,125	-	-	-
Charges for services	-	166,083	-	-	-	-
Investment income	-	-	-	-	-	-
Fines, forfeitures and penalties	-	68,674	-	-	-	-
Other	1,300	950,398	-	2,011,441	-	2,464
Total revenues	159,374	1,283,657	4,485,125	2,011,441	-	2,464
Expenditures:						
Current:						
General government	-	-	-	2,433,296	-	2,599
Public safety	190	1,392,517	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	4,934	-	769,366	-	-	-
Sanitation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total expenditures	5,124	1,392,517	769,366	2,433,296	-	2,599
Excess (deficiency) of revenues over (under) expenditures	154,250	(108,860)	3,715,759	(421,855)	-	(135)
Other financing sources (uses):						
Transfers in	-	647,624	-	-	-	-
Transfers out	-	(617,169)	-	-	-	-
Total other financing sources/(uses)	-	30,455	-	-	-	-
Net change in fund balances	154,250	(78,405)	3,715,759	(421,855)	-	(135)
Fund balance, beginning as previously stated	(153,572)	1,820,693	-	455,712	13,024	135
Adjustment to fund balance - (See Note III.H)	-	-	-	-	(13,024)	-
Fund balances - beginning as restated	(153,572)	1,820,693	-	455,712	-	135
Fund balances - ending	\$ 678	\$ 1,742,288	\$ 3,715,759	\$ 33,857	\$ -	\$ -

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MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended December 31, 2020

	Child Advocacy Fund	Clerks Rec Perpetuation	Co Sales Disclosure Fund	Emg Plan & Right To Know	Enhanced Access Fund	Health Fund
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 839,534
Income	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental	-	-	-	3,749	-	105,617
Charges for services	-	-	19,065	-	89,291	354,321
Investment income	-	-	-	-	-	-
Fines, forfeitures and penalties	-	41,135	-	-	-	-
Other	-	-	12	-	-	693
Total revenues	-	41,135	19,077	3,749	89,291	1,300,165
Expenditures:						
Current:						
General government	-	4,208	1,048	-	29,837	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	1,240,605
Sanitation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	181,431
Total expenditures	-	4,208	1,048	-	29,837	1,422,036
Excess (deficiency) of revenues over (under) expenditures	-	36,927	18,029	3,749	59,454	(121,871)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources/(uses)	-	-	-	-	-	-
Net change in fund balances	-	36,927	18,029	3,749	59,454	(121,871)
Fund balance, beginning as previously stated	325	234,709	27,594	52,621	34,548	700,298
Adjustment to fund balance - (See Note III.H)	-	-	-	-	-	-
Fund balances - beginning as restated	325	234,709	27,594	52,621	34,548	700,298
Fund balances - ending	\$ 325	\$ 271,636	\$ 45,623	\$ 56,370	\$ 94,002	\$ 578,427

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MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended December 31, 2020

	Health Maintenance	Arterial Roads & Streets	Highway Fund	Plat Book Maintenance	Rainy Day Fund	Reassessment Funds
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,410
Income	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental	72,672	1,058,815	2,534,471	-	-	21,483
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-
Other	-	-	41,256	77,249	-	-
Total revenues	72,672	1,058,815	2,575,727	77,249	-	186,893
Expenditures:						
Current:						
General government	-	-	-	39,904	71,670	165,318
Public safety	-	-	-	-	-	-
Highways and streets	-	187,480	2,056,608	-	-	-
Health and welfare	142,508	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	11,739
Public safety	-	-	-	-	-	-
Highways and streets	-	487,729	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total expenditures	142,508	675,209	2,056,608	39,904	71,670	177,057
Excess (deficiency) of revenues over (under) expenditures	(69,836)	383,606	519,119	37,345	(71,670)	9,836
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources/(uses)	-	-	-	-	-	-
Net change in fund balances	(69,836)	383,606	519,119	37,345	(71,670)	9,836
Fund balance, beginning as previously stated	319,025	222,221	(74,113)	178,872	108,034	282,170
Adjustment to fund balance - (See Note III.H)	-	-	-	-	-	-
Fund balances - beginning as restated	319,025	222,221	(74,113)	178,872	108,034	282,170
Fund balances - ending	\$ 249,189	\$ 605,827	\$ 445,006	\$ 216,217	\$ 36,364	\$ 292,006

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MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended December 31, 2020

	Recorder's Records	Co. Surveyor's Cor Perp.	SRI Fund	LHD Trust Acct Program	Unsafe Building Fund	GAL/CASA Users Fees
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ 165,392	\$ -	\$ 5,192	\$ -
Income	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental	-	-	-	52,229	-	177,836
Charges for services	351,074	102,330	-	-	-	-
Investment income	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>351,074</u>	<u>102,330</u>	<u>165,392</u>	<u>52,229</u>	<u>5,192</u>	<u>177,836</u>
Expenditures:						
Current:						
General government	226,795	20,949	136,631	33,770	-	41,600
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	1,200	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total expenditures	<u>226,795</u>	<u>22,149</u>	<u>136,631</u>	<u>33,770</u>	<u>-</u>	<u>41,600</u>
Excess (deficiency) of revenues over (under) expenditures	<u>124,279</u>	<u>80,181</u>	<u>28,761</u>	<u>18,459</u>	<u>5,192</u>	<u>136,236</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources/(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>124,279</u>	<u>80,181</u>	<u>28,761</u>	<u>18,459</u>	<u>5,192</u>	<u>136,236</u>
Fund balance, beginning as previously stated	451,369	249,387	243,598	251,331	19,252	83,168
Adjustment to fund balance - (See Note III.H)	-	-	-	-	-	-
Fund balances - beginning as restated	<u>451,369</u>	<u>249,387</u>	<u>243,598</u>	<u>251,331</u>	<u>19,252</u>	<u>83,168</u>
Fund balances - ending	<u>\$ 575,648</u>	<u>\$ 329,568</u>	<u>\$ 272,359</u>	<u>\$ 269,790</u>	<u>\$ 24,444</u>	<u>\$ 219,404</u>

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MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended December 31, 2020

	Auditors Ineligible Deduc	Co Elected Officials Trng	Statewide 911 Fund	Alternative Dispute Resol	Co. Users Fees Fund	General Drain Maintenance
Revenues:						
Taxes:						
Property	\$ 6,903	\$ -	\$ -	\$ -	\$ -	\$ 890,217
Income	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental	-	-	1,007,804	-	-	-
Charges for services	-	20,623	-	11,080	-	-
Investment income	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	13,346	-
Other	149,320	-	13,900	-	-	6,143
Total revenues	156,223	20,623	1,021,704	11,080	13,346	896,360
Expenditures:						
Current:						
General government	52,674	2,332	-	-	1,502	662,827
Public safety	-	-	661,270	5,342	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Debt service:						
Principal	-	-	270,440	-	-	-
Interest	-	-	25,025	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	321	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total expenditures	52,674	2,332	957,056	5,342	1,502	662,827
Excess (deficiency) of revenues over (under) expenditures	103,549	18,291	64,648	5,738	11,844	233,533
Other financing sources (uses):						
Transfers in	-	-	-	-	-	71,696
Transfers out	-	-	-	-	(9,659)	(362,679)
Total other financing sources/(uses)	-	-	-	-	(9,659)	(290,983)
Net change in fund balances	103,549	18,291	64,648	5,738	2,185	(57,450)
Fund balance, beginning as previously stated	29,432	69,150	265,924	55,970	188,158	2,576,976
Adjustment to fund balance - (See Note III.H)	-	-	-	-	-	-
Fund balances - beginning as restated	29,432	69,150	265,924	55,970	188,158	2,576,976
Fund balances - ending	\$ 132,981	\$ 87,441	\$ 330,572	\$ 61,708	\$ 190,343	\$ 2,519,526

Continued on next page

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended December 31, 2020

	Recycling Center	Co Local Ord Violations Fines	Prime For Life Program	Planned Unit Dev Inspectn	Soil & Water Watershed	MS4-COG Treasurer
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-
Other	104,520	86	-	-	34,877	9,088
Total revenues	104,520	86	-	-	34,877	9,088
Expenditures:						
Current:						
General government	-	-	-	-	-	8,070
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Sanitation	60,311	-	-	-	30,763	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total expenditures	60,311	-	-	-	30,763	8,070
Excess (deficiency) of revenues over (under) expenditures	44,209	86	-	-	4,114	1,018
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources/(uses)	-	-	-	-	-	-
Net change in fund balances	44,209	86	-	-	4,114	1,018
Fund balance, beginning as previously stated	223,505	4,661	343	183	(543)	9,235
Adjustment to fund balance - (See Note III.H)	-	-	-	-	-	-
Fund balances - beginning as restated	223,505	4,661	343	183	(543)	9,235
Fund balances - ending	\$ 267,714	\$ 4,747	\$ 343	\$ 183	\$ 3,571	\$ 10,253

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MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended December 31, 2020

	Dissolution Education	Co Housing Fund	Central Dispatch Fund	Slot Machine Wagering Fee	Co Economic Dev (City)	Commissioner Vending Fund
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	1,915	-	-	-	-	-
Investment income	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-
Other	-	-	2,806,164	-	-	60
Total revenues	1,915	-	2,806,164	-	-	60
Expenditures:						
Current:						
General government	1,382	-	-	-	-	-
Public safety	-	-	2,544,787	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	30,891	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total expenditures	1,382	-	2,575,678	-	-	-
Excess (deficiency) of revenues over (under) expenditures	533	-	230,486	-	-	60
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources/(uses)	-	-	-	-	-	-
Net change in fund balances	533	-	230,486	-	-	60
Fund balance, beginning as previously stated	6,083	53	919,675	536,756	-	3,885
Adjustment to fund balance - (See Note III.H)	-	-	-	(536,756)	-	-
Fund balances - beginning as restated	6,083	53	919,675	-	-	3,885
Fund balances - ending	\$ 6,616	\$ 53	\$ 1,150,161	\$ -	\$ -	\$ 3,945

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MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended December 31, 2020

	Cemetery Maint & Improv Fund	CASA Lease Fund	County Owned Land Sale	MVH Restricted	Mad Co Comm Foundation 19	Drain Construction/ Reconstruct
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,585
Income	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental	-	-	-	2,494,471	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-
Other	-	9,363	-	-	-	-
Total revenues	-	9,363	-	2,494,471	-	55,585
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	2,201,821	-	-
Health and welfare	-	-	-	-	-	-
Sanitation	-	-	-	-	-	4,635
Debt service:						
Principal	-	-	-	-	-	47,773
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total expenditures	-	-	-	2,201,821	-	52,408
Excess (deficiency) of revenues over (under) expenditures	-	9,363	-	292,650	-	3,177
Other financing sources (uses):						
Transfers in	-	-	-	-	-	395,569
Transfers out	-	-	-	-	-	-
Total other financing sources/(uses)	-	-	-	-	-	395,569
Net change in fund balances	-	9,363	-	292,650	-	398,746
Fund balance, beginning as previously stated	2,800	29,090	292	349,391	141	20,067
Adjustment to fund balance - (See Note III.H)	-	-	-	-	-	-
Fund balances - beginning as restated	2,800	29,090	292	349,391	141	20,067
Fund balances - ending	\$ 2,800	\$ 38,453	\$ 292	\$ 642,041	\$ 141	\$ 418,813

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MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended December 31, 2020

	Unsafe Building Liens	Mad Co Develop Prepaid Inspect	TRAM FTA Non Reverting	Totals
Revenues:				
Taxes:				
Property	\$ 301	\$ -	\$ -	\$ 2,128,534
Income	-	-	-	1,854,237
Other	-	-	-	1,444,536
Intergovernmental	-	-	-	18,112,317
Charges for services	-	-	-	1,889,295
Investment income	-	-	-	25
Fines, forfeitures and penalties	-	-	-	185,264
Other	-	20,430	-	6,881,558
	<u>301</u>	<u>20,430</u>	<u>-</u>	<u>32,495,766</u>
Total revenues	301	20,430	-	32,495,766
Expenditures:				
Current:				
General government	301	20,850	-	5,611,479
Public safety	-	-	-	8,874,258
Highways and streets	-	-	-	6,731,887
Health and welfare	-	-	-	3,151,958
Sanitation	-	-	-	95,709
Debt service:				
Principal	-	-	-	1,509,967
Interest	-	-	-	49,322
Capital outlay:				
General government	-	-	-	12,939
Public safety	-	-	-	42,121
Highways and streets	-	-	-	487,729
Health and welfare	-	-	-	181,431
	<u>301</u>	<u>20,850</u>	<u>-</u>	<u>26,748,800</u>
Total expenditures	301	20,850	-	26,748,800
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(420)</u>	<u>-</u>	<u>5,746,966</u>
Other financing sources (uses):				
Transfers in	-	-	-	1,482,151
Transfers out	-	-	-	(1,401,272)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,879</u>
Total other financing sources/(uses)	-	-	-	80,879
Net change in fund balances	-	(420)	-	5,827,845
Fund balance, beginning as previously stated	1,120	670	4,565	16,324,243
Adjustment to fund balance - (See Note III.H)	-	-	-	(2,279,308)
	<u>1,120</u>	<u>670</u>	<u>4,565</u>	<u>14,044,935</u>
Fund balances - beginning as restated	1,120	670	4,565	14,044,935
Fund balances - ending	\$ 1,120	\$ 250	\$ 4,565	\$ 19,872,780

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
December 31, 2020

	<u>2015 COIT Sinking Fund</u>	<u>Star Bank Bldg Fund Non-Revert</u>	<u>Totals</u>
Assets			
Restricted cash and cash equivalents	\$ 854	\$ 62,486	\$ 63,340
Total assets	<u>854</u>	<u>62,486</u>	<u>63,340</u>
Fund balances:			
Restricted for:			
Debt service	<u>854</u>	<u>62,486</u>	<u>63,340</u>
Total fund balances	<u>854</u>	<u>62,486</u>	<u>63,340</u>
Total liabilities and fund balances	<u>\$ 854</u>	<u>\$ 62,486</u>	<u>\$ 63,340</u>

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR DEBT SERVICE FUNDS For the Year Ended December 31, 2020

	2015 COIT Sinking Fund	Star Bank Bldg Fund Non-Revert	Totals
Revenues:			
Taxes:			
Income	\$ 683,819	\$ -	\$ 683,819
Investment income	854	-	854
Miscellaneous	-	95,046	95,046
Total revenues	684,673	95,046	779,719
Expenditures:			
Debt service:			
Principal	535,000	62,010	597,010
Interest	148,819	20,111	168,930
Total expenditures	683,819	82,121	765,940
Excess of revenues over expenditures	854	12,925	13,779
Net change in fund balances	854	12,925	13,779
Fund balances - beginning	-	49,561	49,561
Fund balances - ending	\$ 854	\$ 62,486	\$ 63,340

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS December 31, 2020

	Cumulative Bridge	Co Economic Dev (County)	General Drain Improvement	Cum Recycling Center
Assets:				
Cash and cash equivalents	\$ 1,119,865	\$ 95,001	\$ 345,065	\$ 85,590
Receivables:				
Taxes	1,181,307	-	-	-
Total assets	2,301,172	95,001	345,065	85,590
 Liabilities, deferred inflows of resources, and fund balances				
Liabilities:				
Accounts payable	110,121	-	-	-
Total liabilities	110,121	-	-	-
Deferred inflows of resources:				
Property taxes	1,097,563	-	-	-
Fund balances:				
Restricted for:				
Capital projects	1,093,488	95,001	345,065	85,590
Total fund balances	1,093,488	95,001	345,065	85,590
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,301,172	\$ 95,001	\$ 345,065	\$ 85,590

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MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS December 31, 2020

	Mad Co Emg Mgt Cap Equip	Mad Co. Hazmat Truck Fund	Windfarm Rd/Drain Inspect	Windfarm Economic Develop	Totals
Assets:					
Cash and cash equivalents	\$ 24,609	\$ 16,059	\$ 17,580	\$ 502,970	\$ 2,206,739
Receivables:					
Taxes	-	-	-	-	1,181,307
Total assets	<u>24,609</u>	<u>16,059</u>	<u>17,580</u>	<u>502,970</u>	<u>3,388,046</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable	-	-	-	-	110,121
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,121</u>
Deferred inflows of resources:					
Property taxes	-	-	-	-	1,097,563
Fund balances:					
Restricted for:					
Capital projects	24,609	16,059	17,580	502,970	2,180,362
Total fund balances	<u>24,609</u>	<u>16,059</u>	<u>17,580</u>	<u>502,970</u>	<u>2,180,362</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 24,609</u>	<u>\$ 16,059</u>	<u>\$ 17,580</u>	<u>\$ 502,970</u>	<u>\$ 3,388,046</u>

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE NONMAJOR CAPITAL PROJECTS FUNDS December 31, 2020

	Cumulative Bridge	Co Economic Dev (County)	General Drain Improvement	Cum Recycling Center	Mad Co Emg Mgt Cap Equip
Revenues:					
Taxes:					
Property	\$ 1,120,419	\$ -	\$ -	\$ -	\$ -
Other	-	634,489	-	-	-
Intergovernmental	233,813	-	-	-	-
Fines, forfeitures and penalties	-	-	-	5,756	-
Miscellaneous	-	-	-	4,645	18,246
Total revenues	<u>1,354,232</u>	<u>634,489</u>	<u>-</u>	<u>10,401</u>	<u>18,246</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Community development	-	1,204,107	-	-	-
Highways and streets	668,383	-	-	400	-
Health and welfare	-	-	-	-	32,508
Capital outlay:					
Highways and streets	-	-	-	10,495	-
Total expenditures	<u>668,383</u>	<u>1,204,107</u>	<u>-</u>	<u>10,895</u>	<u>32,508</u>
Excess (deficiency) of revenues over (under) expenditures	<u>685,849</u>	<u>(569,618)</u>	<u>-</u>	<u>(494)</u>	<u>(14,262)</u>
Other financing sources (uses):					
Transfers in	-	-	362,679	-	-
Transfers out	-	-	(467,265)	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>(104,586)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>685,849</u>	<u>(569,618)</u>	<u>(104,586)</u>	<u>(494)</u>	<u>(14,262)</u>
Fund balances - beginning	<u>407,639</u>	<u>664,619</u>	<u>449,651</u>	<u>86,084</u>	<u>38,871</u>
Fund balances - ending	<u>\$ 1,093,488</u>	<u>\$ 95,001</u>	<u>\$ 345,065</u>	<u>\$ 85,590</u>	<u>\$ 24,609</u>

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE NONMAJOR CAPITAL PROJECTS FUNDS December 31, 2020

	Mad Co Hazmat Truck Fund	Windfarm Rd/Drain Inspect	Windfarm Economic Develop	Totals
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ 1,120,419
Other	-	-	-	634,489
Intergovernmental	-	-	-	233,813
Fines, forfeitures and penalties	-	-	-	5,756
Miscellaneous	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>23,891</u>
Total revenues	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>2,018,368</u>
Expenditures:				
Current:				
General government	-	-	100,000	100,000
Community development	-	-	-	1,204,107
Highways and streets	-	-	-	668,783
Health and welfare	3,252	-	-	35,760
Capital outlay:				
Highways and streets	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,495</u>
Total expenditures	<u>3,252</u>	<u>-</u>	<u>100,000</u>	<u>2,019,145</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,252)</u>	<u>-</u>	<u>(100,000)</u>	<u>(777)</u>
Other financing sources (uses):				
Transfers in	-	-	-	362,679
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(467,265)</u>
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(104,586)</u>
Net change in fund balances	(2,252)	-	(100,000)	(105,363)
Fund balances - beginning	<u>18,311</u>	<u>17,580</u>	<u>602,970</u>	<u>2,285,725</u>
Fund balances - ending	<u>\$ 16,059</u>	<u>\$ 17,580</u>	<u>\$ 502,970</u>	<u>\$ 2,180,362</u>

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF FIDUCIARY NET POSITION - PENSION TRUST FUNDS December 31, 2020

	Sheriff's Retirement Plan	Sheriff's Benefit Plan	Total Pension Trust Funds
Assets			
Cash and cash equivalents	\$ 1,445,381	\$ 45,894	\$ 1,491,275
Receivables:			
Employee contributions	20,445	-	20,445
Interest	11,772	566	12,338
Total receivables	32,217	566	32,783
Investments at fair value:			
Fixed income securities	4,738,494	303,180	5,041,674
Domestic and foreign equities	8,776,154	533,429	9,309,583
Total Investments	13,514,648	836,609	14,351,257
Total assets	14,992,246	883,069	15,875,315
Liabilities			
Payable - net benefits due and unpaid/(overpaid)	(2,439)	-	(2,439)
Due to broker for unsettled trades	5,493	1,357	6,850
Total liabilities	3,054	1,357	4,411
Net position restricted for pensions	\$ 14,989,192	\$ 881,712	\$ 15,870,904

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
PENSION TRUST FUNDS
For The Year Ended December 31, 2020

	Sheriff's Retirement Plan	Sheriff's Benefit Plan	Total Pension Trust Funds
Additions			
Contributions			
Employer contributions	\$ 1,239,457	\$ 38,190	\$ 1,277,647
Employee contributions	<u>76,087</u>	<u>-</u>	<u>76,087</u>
Total contributions	<u>1,315,544</u>	<u>38,190</u>	<u>1,353,734</u>
Investment income			
Interest	269,979	27,951	297,930
Net increase (decrease) in fair value of investments	1,464,912	79,397	1,544,309
Less investment expense, other than securities lending	<u>(87,103)</u>	<u>(3,634)</u>	<u>(90,737)</u>
Total investment income	<u>1,647,788</u>	<u>103,714</u>	<u>1,751,502</u>
Total additions	<u>2,963,332</u>	<u>141,904</u>	<u>3,105,236</u>
Deductions			
Benefit payments (including refunds of employee contributions)	1,264,099	7,560	1,271,659
Administrative expense	<u>24,198</u>	<u>15,245</u>	<u>39,443</u>
Total deductions	<u>1,288,297</u>	<u>22,805</u>	<u>1,311,102</u>
Change in fiduciary net position	<u>1,675,035</u>	<u>119,099</u>	<u>1,794,134</u>
Net position, beginning	<u>13,314,157</u>	<u>762,613</u>	<u>14,076,770</u>
Net position, ending	<u>\$ 14,989,192</u>	<u>\$ 881,712</u>	<u>\$ 15,870,904</u>

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS DECEMBER 31, 2020

	Agency Fines and Fees	Agency Tax Funds	Tax Sale Funds	After Settlement Collections	Sheriff's Inmate Trust	Jail Commissary	Clerk Trust Account	Clerk Support	Anderson Madison County Visitor and Convention	Performance Bond Fund
Assets										
Cash and cash equivalents	\$ 21,466	\$ 628,555	\$ 3,944,282	\$ 4,888,743	\$ 117,996	\$ 358,201	\$ 1,222,780	\$ 17,540	\$ 354,943	\$ 4,000
Receivables										
Taxes	-	-	-	-	-	-	-	-	-	-
Accounts	11,555	-	-	-	-	-	-	-	-	-
Intergovernmental	-	869	-	-	-	-	-	-	-	-
Interfund	-	-	-	-	-	-	-	-	-	-
Total receivables	<u>11,555</u>	<u>869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>33,021</u>	<u>629,424</u>	<u>3,944,282</u>	<u>4,888,743</u>	<u>117,996</u>	<u>358,201</u>	<u>1,222,780</u>	<u>17,540</u>	<u>354,943</u>	<u>4,000</u>
Liabilities										
Accounts payable and other liabilities	-	629,424	3,944,282	4,888,743	-	358,201	-	17,540	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>629,424</u>	<u>3,944,282</u>	<u>4,888,743</u>	<u>-</u>	<u>358,201</u>	<u>-</u>	<u>17,540</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources										
Property taxes	-	-	-	-	-	-	-	-	-	-
Net position restricted for individuals, organizations and other governments	<u>\$ 33,021</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,996</u>	<u>\$ -</u>	<u>\$ 1,222,780</u>	<u>\$ -</u>	<u>\$ 354,943</u>	<u>\$ 4,000</u>

Continued on next page

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS DECEMBER 31, 2020

	City & Town Court Costs	Cong. School- Int.	Surplus Tax	Slot Machine Wagering Fee	Co Economic Dev (City)	Settlement	Weed Cutting	Sewer Service	LIT-PTR	Madison Co Conv & Tour
Assets										
Cash and cash equivalents	\$ 43,778	\$ 10,456	\$ 1,265,619	\$ -	\$ -	\$ -	\$ 129	\$ 855	\$ 801,106	\$ 53,842
Receivables										
Taxes	-	-	-	-	-	92,624,131	-	-	-	25,686
Accounts	1,247	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	402,296	-	-	-	-	-	-
Interfund	-	-	-	-	-	-	-	-	-	-
Total receivables	<u>1,247</u>	<u>-</u>	<u>-</u>	<u>402,296</u>	<u>-</u>	<u>92,624,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,686</u>
Total assets	<u>45,025</u>	<u>10,456</u>	<u>1,265,619</u>	<u>402,296</u>	<u>-</u>	<u>92,624,131</u>	<u>129</u>	<u>855</u>	<u>801,106</u>	<u>79,528</u>
Liabilities										
Accounts payable and other liabilities	45,025	-	1,265,619	402,296	-	-	129	855	-	79,528
Due to other governments	-	-	-	-	-	-	-	-	801,106	-
Total liabilities	<u>45,025</u>	<u>-</u>	<u>1,265,619</u>	<u>402,296</u>	<u>-</u>	<u>-</u>	<u>129</u>	<u>855</u>	<u>801,106</u>	<u>79,528</u>
Deferred inflows of resources										
Property taxes	-	-	-	-	-	92,624,131	-	-	-	-
Net position restricted for individuals, organizations and other governments	<u>\$ -</u>	<u>\$ 10,456</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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MADISON COUNTY, INDIANA

COMBINING STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS DECEMBER 31, 2020

	LIT Certified				Total Custodial Funds
	Shares	LIT Public Safety	Storm Sewer	Council of Gov't	
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 402,556	\$ 14,136,847
Receivables					
Taxes	6,956,057	-	-	-	99,605,874
Accounts	-	-	-	-	12,802
Intergovernmental	-	-	-	490	403,655
Interfund	-	-	-	60,060	60,060
	<u>6,956,057</u>	<u>-</u>	<u>-</u>	<u>60,550</u>	<u>100,082,391</u>
Total receivables					
	<u>6,956,057</u>	<u>-</u>	<u>-</u>	<u>463,106</u>	<u>114,219,238</u>
Liabilities					
Accounts payable and other liabilities	-	-	-	-	11,631,642
Due to other governments	<u>6,956,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,757,163</u>
	<u>6,956,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,388,805</u>
Deferred inflows of resources					
Property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,624,131</u>
Net position restricted for individuals, organizations and other governments					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 463,106</u>	<u>\$ 2,206,302</u>

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
For The Year Ended December 31, 2020

	Agency Fines and Fees	Agency Tax Funds	Tax Sale Funds	Clerk Agency Funds	After Settlement Collections	Sheriff's Inmate Trust
Additions						
Taxes collected for other governments	\$ -	\$ 6,350,131	\$ 8,018,253	\$ -	\$ -	\$ -
Miscellaneous	<u>221,327</u>	<u>26</u>	<u>-</u>	<u>-</u>	<u>4,888,743</u>	<u>770,922</u>
Total additions	<u>221,327</u>	<u>6,350,157</u>	<u>8,018,253</u>	<u>-</u>	<u>4,888,743</u>	<u>770,922</u>
Deductions						
Taxes paid to other governments	-	6,350,157	7,896,228	-	-	-
Other activities	233,421	-	122,025	-	4,888,743	710,683
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>233,421</u>	<u>6,350,157</u>	<u>8,018,253</u>	<u>-</u>	<u>4,888,743</u>	<u>710,683</u>
Change in fiduciary net position	(12,094)	-	-	-	-	60,239
Net position, beginning as previously stated	-	-	-	-	-	-
Adjustment to net position - (See Note III.H)	<u>45,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,757</u>
Net position, beginning as restated	<u>45,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,757</u>
Net position, ending	<u>\$ 33,021</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,996</u>

Continued on next page

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS For The Year Ended December 31, 2020

		Clerk Trust		Anderson Madison County		
	Jail Commissary	Account	Clerk Support	Visitor and Convention	Performance Bond Fund	City & Town Court Costs
Additions						
Taxes collected for other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	530,648	8,195,813	1,033,999	517,561	-	14,607
Total additions	<u>530,648</u>	<u>8,195,813</u>	<u>1,033,999</u>	<u>517,561</u>	<u>-</u>	<u>14,607</u>
Deductions						
Taxes paid to other governments	-	-	-	-	-	-
Other activities	530,648	7,977,801	1,047,023	424,150	-	14,607
Transfers to other funds	-	-	-	-	-	-
Total deductions	<u>530,648</u>	<u>7,977,801</u>	<u>1,047,023</u>	<u>424,150</u>	<u>-</u>	<u>14,607</u>
Change in fiduciary net position	-	218,012	(13,024)	93,411	-	-
Net position, beginning as previously stated	-	-	-	-	-	-
Adjustment to net position - (See Note III.H)	-	1,004,768	13,024	261,532	4,000	-
Net position, beginning as restated	-	1,004,768	13,024	261,532	4,000	-
Net position, ending	<u>\$ -</u>	<u>\$ 1,222,780</u>	<u>\$ -</u>	<u>\$ 354,943</u>	<u>\$ 4,000</u>	<u>\$ -</u>

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MADISON COUNTY, INDIANA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS For The Year Ended December 31, 2020

	Cong. School- Int.	Surplus Tax	Slot Machine Wagering Fee	Co Economic Dev (City)	Settlement
Additions					
Taxes collected for other governments	\$ -	\$ 596,470	\$ 5,264,853	\$ 1,362,107	\$ 115,425,170
Miscellaneous	<u>18,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total additions	<u>18,797</u>	<u>596,470</u>	<u>5,264,853</u>	<u>1,362,107</u>	<u>115,425,170</u>
Deductions					
Taxes paid to other governments	-	596,470	5,264,853	1,362,107	115,425,170
Other activities	18,815	-	-	-	-
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>18,815</u>	<u>596,470</u>	<u>5,264,853</u>	<u>1,362,107</u>	<u>115,425,170</u>
Change in fiduciary net position	(18)	-	-	-	-
Net position, beginning as previously stated	-	-	-	-	-
Adjustment to net position - (See Note III.H)	<u>10,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning as restated	<u>10,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, ending	<u>\$ 10,456</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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MADISON COUNTY, INDIANA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
For The Year Ended December 31, 2020

	Weed Cutting	Sewer Service	LIT-PTR	Madison Co Conv & Tour	LIT Certified Shares
Additions					
Taxes collected for other governments	\$ 31,890	\$ 78,284	\$ 13,274,380	\$ -	\$ 25,423,619
Miscellaneous	-	-	-	497,188	-
Total additions	<u>31,890</u>	<u>78,284</u>	<u>13,274,380</u>	<u>497,188</u>	<u>25,423,619</u>
Deductions					
Taxes paid to other governments	-	-	13,274,380	-	25,423,619
Other activities	31,890	78,284	-	497,188	-
Transfers to other funds	-	-	-	-	-
Total deductions	<u>31,890</u>	<u>78,284</u>	<u>13,274,380</u>	<u>497,188</u>	<u>25,423,619</u>
Change in fiduciary net position	-	-	-	-	-
Net position, beginning as previously stated	-	-	-	-	-
Adjustment to net position - (See Note III.H)	-	-	-	-	-
Net position, beginning as restated	-	-	-	-	-
Net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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MADISON COUNTY, INDIANA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS For The Year Ended December 31, 2020

	LIT Public Safety	Storm Sewer	Council of Gov't	Total Custodial Funds
Additions				
Taxes collected for other governments	\$ 6,637,189	\$ 18,552	\$ -	\$ 182,480,898
Miscellaneous	-	-	2,693,436	19,383,067
Total additions	<u>6,637,189</u>	<u>18,552</u>	<u>2,693,436</u>	<u>201,863,965</u>
Deductions				
Taxes paid to other governments	6,637,189	18,552	-	182,248,725
Other activities	-	-	2,403,657	18,978,935
Transfers to other funds	-	-	-	-
Total deductions	<u>6,637,189</u>	<u>18,552</u>	<u>2,403,657</u>	<u>201,227,660</u>
Change in fiduciary net position	-	-	289,779	636,305
Net position, beginning as previously stated	-	-	-	-
Adjustment to net position - (See Note III.H)	-	-	173,327	1,569,997
Net position, beginning as restated	-	-	173,327	1,569,997
Net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 463,106</u>	<u>\$ 2,206,302</u>

Madison County, Indiana

Federal Compliance Report
December 31, 2020

Contents

Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	1-2
Report on compliance for the major federal program; report on internal control over compliance; and report on schedule of expenditures of federal awards as required by the Uniform Guidance	3-4
Schedule of expenditures of federal awards	5-7
Notes to schedule of expenditures of federal awards	8
Schedule of findings and questioned costs	9-15
Summary schedule of prior audit findings	16
Corrective action plan	17-21



RSM US LLP

**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***

Independent Auditor's Report

Board of Commissioners
Madison County, Indiana

We have audited, in accordance with the 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, the major fund, and the aggregate remaining fund information of Madison County, Indiana (the County), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 29, 2022. The auditor's opinion on the basic financial statements contains an adverse opinion on the aggregate discretely presented component units, a qualified opinion on governmental activities, and unmodified opinions on the General fund and aggregate remaining fund information. The auditor's report also includes an emphasis-of-matter paragraph for prior period restatements for the correction of errors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001, 2020-002, 2020-003, and 2020-004 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2020-004.

County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs, and management's corrective action plan. The County's responses were not subjected to the 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.

RSM US LLP

Chicago, Illinois
December 29, 2022



RSM US LLP

Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards as Required by the Uniform Guidance

Independent Auditor's Report

Board of Commissioners
Madison County, Indiana

Report on Compliance for the Major Federal Program

We have audited Madison County, Indiana's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended December 31, 2020. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on the Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2020-005. Our opinion on the major federal program is not modified with respect to this matter.

The County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses. However material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the County, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 29, 2022, which contained an adverse opinion on the aggregate discretely presented component units, a qualified opinion on governmental activities and unmodified opinions on the General Fund and aggregate remaining fund information, on those financial statements. The auditor's report also includes an emphasis-of-matter paragraph for prior period restatements for the correction of errors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

Chicago, Illinois
December 29, 2022

MADISON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Grantor	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Expenditures
<u>Department of Justice</u>					
Edward Byrne Memorial Justice Assistance Grant Program Byrne Grant	Indiana Criminal Justice Institute	16.738	JAG-2019-00023	\$ -	\$ 45,900
Crime Victim Assistance ICJI-Mad Co CASA Crime Victim Assistance (VOCA) Sheriff Victim Advocate	Indiana Criminal Justice Institute	16.575	7290 2016-VA-GX-0017 2017-VA-GX-00 VOCA-2018-00226	- - -	232,000 154,661 42,615
Total - Crime Victim Assistance				-	429,276
Violence Against Women Formula Grants Bilingual-STOP Grant	Indiana Criminal Justice Institute	16.588	2019-WF-AX-0005	-	51,630
Total - Department of Justice				-	526,806
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning & Construction Cum Bridge Council of Governments Council of Governments Council of Governments Council of Governments Council of Governments Council of Governments	Indiana Department of Transportation	20.205	DES # 1500286 DES # 1901704 EDS # A249-19-61800343 EDS # A249-19-61800343 EDS # A249-19-61800343 EDS # A249-19-61800343 EDS # A249-19-61800343 EDS # A249-19-ON190098	- - - - - - -	193,823 55,144 9,249 96,561 235,521 1,323,385 283,400
Total - Highway Planning and Construction Cluster				-	2,197,083
Highway Safety Cluster State & Community Highway Safety 2020 CHIRP Grant	Indiana Criminal Justice Institute	20.600	CHIRP-2020-00041	19,192	22,188
Total - Highway Safety Cluster				19,192	22,188
Formula Grants to Rural Areas and Tribal Transit Program Council of Governments	Indiana Department of Transportation	20.509	EDS # A249-20-190083	-	176,105
Minimum Penalties for Repeat Offenders for Driving While Intoxicated 2020 CHIRP Grant	Indiana Criminal Justice Institute	20.608	CHIRP-2020-00041	9,178	14,355
Total - Department of Transportation				28,370	2,409,731

MADISON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Grantor	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Expenditures
<u>Department of the Treasury</u>					
COVID-19 - Coronavirus Relief Fund CARES Grant (IFA) Covid-19	Indiana Finance Authority	21.019	N/A	\$ -	\$ 4,206,044
Total - Department of the Treasury				-	4,206,044
<u>Environmental Protection Agency</u>					
Brownsfield Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements Brownsfields Grant	Indiana Department of Environmental Management	66.818	BF 00E02300	-	38,387
Total - Environmental Protection Agency				-	38,387
<u>Department of Energy</u>					
Weatherization Assistance for Low Income Persons	Indiana Housing and Community Development Authority	81.042			
JobSource			WX-019-015	-	155,798
JobSource			WX-020-015	-	178,501
Total - Weatherization Assistance for Low Income Persons				-	334,299
Total - Department of Energy				-	334,299
<u>Department of Education</u>					
Title I State Agency Program for Neglected and Delinquent Children and Youth County Youth Center School Grant	Anderson Community Schools	84.013	S010A190014	-	12,898
Total - Department of Education				-	12,898
<u>Department of Health and Human Services</u>					
Community Services Block Grant	Indiana Housing and Community Development Authority	93.569			
JobSource			CS-019-015	-	47,084
JobSource			CS-020-015	-	275,588
COVID-19 - Community Services Block Grant JobSource	Indiana Housing and Community Development Authority	93.569	CS-CV-020-015	-	216,524
Total - Community Services Block Grant				-	539,196
Public Health Emergency Preparedness CRI Grant 19-20 Bio Terr Res Grant 19-20	Indiana State Department of Health	93.069	6NU90TP922052-01-01 6U90TP299052-01-01	-	29,948 9,501
Total - Public Health Emergency Preparedness				-	39,449
Injury Prevention and Control Research and State and Community Based Programs ECHO Grant	Indiana State Department of Health	93.136	NU17CE9249900-01-00	-	11,389

MADISON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Grantor	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Expenditures
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) COVID Testing-Health	Indiana State Department of Health	93.323	N/A	\$ -	\$ 11,217
Child Support Enforcement Research Co General Title IV-D Incentive New Clerk Incentive Indirect Cost Reimbursements Prosecutor Reimbursements Court Reimbursements New Prosecutor Incentive Clerk Reimbursements	Indiana Department of Child Services	93.563	2020 2020 2020 2020 2020 2020	- - - - - -	47,383 15,021 195,202 388,463 148,802 173,710 80,821
Total - Child Support Enforcement				-	1,049,402
Low-income Home Energy Assistance JobSource	Indiana Housing and Community Development Authority	93.568	WL-020-015	-	254,970
Opioid STR Mad Co Addiction Response Grant	Indiana Supreme Court	93.788	21-5JC89-C48-001	-	60,000
HIV Care Formula Grants DIS Grant DIS Grant DIS Grant	Indiana State Department of Health	93.917	X07HA31247 X08HA00033 X08HA31247	- - -	78,370 62,361 48,620
Total - HIV Care Formula Grants				-	189,351
HIV Prevention Activities Health Department Based HIV Prevention Grant	Indiana State Department of Health	93.940	NU62PS924556	-	43,178
Total - Department of Health and Human Services				-	2,198,152
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants County General Fund-EMA Salary Reimbursement 2016 Vehicle 97.042 2016 Deobligated Headsets	Indiana Department of Homeland Security	97.042	EMC-2018-EP-00005 EMW-2016-SS-00078 EMW-2016-SS-00078	- - -	37,629 22,200 4,883
Total - Emergency Management Performance Grants				-	64,712
Homeland Security Grant Program Hazmat 1-HMEP1 SHSP Local Comp Project Hazmat 2-HMEP2	Indiana Department of Homeland Security	97.067	EMW-2016-SS-00078 EMW-2017-SS-00003 HMHMP-0548160100	- - -	5,000 40,000 10,000
Total - Homeland Security Grant Program				-	55,000
Total - Department of Homeland Security				-	119,712
Total federal awards expended				\$ 28,370	\$ 9,846,029

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

Madison County, Indiana

**Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020**

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of the County under programs of the federal government for the year ended December 31, 2020. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the County.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. For reimbursement grants passed through the State of Indiana, in accordance with Uniform Guidance, the award is deemed to be expended when evidence of approval is received from the State. For direct award grants, in accordance with Uniform Guidance, the award is deemed to be expended when the cash is disbursed.

Note 3. Indirect Cost Recovery

The County has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Madison County, Indiana

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2020**

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Aggregate Discretely Presented Component Units – Adverse; Governmental Activities – Qualified; General Fund and Aggregate Remaining Fund Information - Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? Yes No
 - Significant deficiency(ies) identified? Yes None reported
3. Noncompliance material to the financial statements noted? Yes No

B. Federal Awards

1. Internal control over federal major programs:
 - Material weakness(es) identified? Yes No
 - Significant deficiency(ies) identified? Yes None reported
2. Type of auditor's report issued on compliance for the major federal program: Unmodified
 - Any audit findings disclosed that are required to be reported in accordance with? Section 2 CFR 200.516(a) Yes No

3. Identification of major program:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID 19 - Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? Yes No

(Continued)

Madison County, Indiana

**Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2020**

II. FINANCIAL STATEMENT FINDINGS

Finding 2020-001: Financial Reporting Entity – Aggregate Discretely Presented Component Units

Condition and Context followed by Criteria

The County identified four legally separate entities that meet the criteria to be included as non-fiduciary, discretely presented component units of the County. These entities have not been included in the County's financial statements for the year ended December 31, 2020.

GASB Codification Section 2600: *Reporting Entity and Component Unit Presentation and Disclosure*, defines the financial reporting entity and requires the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements.

This condition is limited to the aggregate discretely presented component unit opinion unit.

Cause

Three of the component units are independent library districts. These districts have not maintained accounting data sufficient to produce financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). The fourth component unit is a Fire District which is not material to the opinion unit, however since the three libraries would not be included the County elected to also exclude the Fire District.

Effect

The aggregate discretely presented component unit opinion unit is not fairly presented in accordance with GAAP .

Recommendation

We recommend the County establish internal controls over the evaluation of all legally separate entities which are potential component units, and ensure entities meeting the criteria to be included as component units maintain accounting records in accordance with GAAP so those component units can be reported with the financial data of the County's primary government as required.

Views of Responsible Officials

For views of responsible officials, please see corrective action plan.

Finding 2020-002: Financial Accounting and Reporting of Capital Assets

Condition and Context followed by Criteria

The 2019 financial statements reported County land totaling approximately \$180,000. During the audit of the December 31, 2020 financial statements, auditors questioned the low land value and County management identified approximately \$5.8 million of additional land parcels and proposed a restatement to the opening net position of governmental activities. During the performance of additional audit procedures, auditors were unable to reconcile the amounts recorded to public records which identified County parcels, noting additional parcels that had not been reflected in the restatement. Additionally, auditors were unable to get sufficient audit evidence supporting the historical cost of amounts reported.

Further, the County proposed a restatement of approximately \$136 million pertaining to an error in the calculation of depreciation and incorrect useful lives of various capital assets. During the audit of that restatement, the County was unable to provide sufficient information to support the estimated historical cost and useful lives of assets tested.

Madison County, Indiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2020

II. FINANCIAL STATEMENT FINDINGS (CONTINUED)

Finding 2020-002: Financial Accounting and Reporting of Capital Assets (continued),

GASB Codification section 1400 *Reporting Capital Assets* requires that governmental entities report capital assets at historical cost, or at acquisition value if donated. In addition, capital assets should be depreciated over their estimated useful lives unless they are inexhaustible.

Cause

Fiscal year 2019 was the first year the County prepared its financial statements in accordance with GAAP. Prior to 2019 the financial statements were prepared on a regulatory basis which was similar to the cash basis. The County did not have a system in place to ensure the completeness of the capital assets inventory, nor did the County have detailed historical asset value records and useful life information that is necessary for the fair presentation of capital assets in accordance with GAAP.

Effect

Capital asset values in previously issued financial statements were misstated and management was not able to provide sufficient audit evidence to support restated amounts.

Recommendation

We recommend the County perform a detail inventory and valuation of historical capital assets, including estimated useful lives and accumulated depreciation amounts to provide sufficient audit evidence to support amounts recorded.

Views of Responsible Officials

For views of responsible officials, please see corrective action plan

Finding 2020-003: Financial Accounting and Reporting under GAAP

Condition and Context followed by Criteria

The County maintains its books and records on the cash basis of accounting throughout the year and converts those records for external reporting purposes to GAAP. Given that the requirements for reporting under GAAP are relatively new for the County (first required starting with the County's fiscal year ending December 31, 2019), there is an inherent risk associated with the complexities of GAAP reporting. While the County has a system of internal controls in place over accounting and financial reporting, as a result of the aforementioned risks and new reporting requirements, there were errors detected by both management and auditors as noted below:

- GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* states that special revenue funds are to be used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. In the course of our testing, we identified several funds which had previously been reported as special revenue funds, for which we could not identify a specific revenue source that was restricted or committed. It was determined that each of these funds were properly classified as custodial funds. In correcting these errors, the opening balance of net position in governmental activities and fund balance of Nonmajor governmental funds was restated in the amount of \$(549,780). Net position for Custodial funds was restated by \$549,780.

Madison County, Indiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2020

II. FINANCIAL STATEMENT FINDINGS (CONTINUED)

Finding 2020-003: Financial Accounting and Reporting under US GAAP (Continued)

- GASB Statement No. 84 *Fiduciary Activities* states that a liability should be reported in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. In auditing the custodial funds of the County, we noted multiple custodial funds that were reporting liabilities in which a compelling event to disburse the fiduciary resources had not occurred. We determined that these funds should be reporting fiduciary net position rather than liabilities. In correcting these errors, the opening balance of fiduciary net position for Custodial Funds was restated in the amount of \$1,569,997.
- GASB Codification section N50 *Nonexchange Transactions* requires that derived tax revenues from assessments imposed by governments on exchange transactions (which includes taxes on income) recognize assets from derived tax revenues in the period in which the exchange transaction on which the tax is imposed occurs or when resources are received, whichever occurs first. Governmental accounting systems should be organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The County levies a local income tax which is recorded as revenue in the General Fund when received. As of December 31, 2019, the receivable and related revenue and deferred inflow related to the local income tax was incorrectly recorded in a nonmajor special revenue fund and resulted in a restatement of \$1,729,528 and (\$1,729,528) in the General Fund and Nonmajor Governmental funds, respectively. Additionally, as of December 31, 2019, property tax revenue was erroneously reported as unavailable revenue and the opening balance of net position in the governmental activities and fund balance of the General fund was restated in the amount of \$858,911.
- Management is responsible for the preparation and fair presentation of its financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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. To achieve this the financial year end closing process must be completed in a timely and accurate manner. The accounting records as originally provided to auditors were not accurate and included errors with recording payables at year end, errors with recording taxes receivable, errors recording debt transactions, errors recording capital leases, and errors with reporting disclosures. As a result numerous correcting audit entries were proposed during the audit. All material adjustments were recorded by the County.

Cause

County management stated that while they believe controls are in place to address the risks associated with converting the books and records from the regulatory basis to GAAP basis for financial reporting purposes, the County realizes there is an inherent risk associated with the fact that these requirements are new for the County, and due to the volume of activities that are required to be evaluated, there may be items that are not addressed within their existing controls, and their review process is not as robust as it needs to be.

Madison County, Indiana

**Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2020**

II. FINANCIAL STATEMENT FINDINGS (CONTINUED)

Finding 2020-003: Financial Accounting and Reporting under US GAAP (Continued)

Effect

The County's financial statements would be materially misstated without recording the adjustments identified by the auditors.

Recommendation

We recommend the County continue to refine their existing controls over financial reporting and the year-end close process, including steps taken to ensure the completeness and accuracy of year-end general ledger account balances, supporting reconciliations, closing entries, schedules, footnotes and other documentation.

Views of Responsible Officials

As noted by the auditors in the finding, the requirements for reporting under GAAP are relatively new for Madison County. The County has worked closely with the Indiana State Board of Accounts (SBOA) to implement reporting requirements and will continue to do so. For views of responsible officials, please see corrective action plan

Finding 2020-004: Preparation of the Schedule of Expenditures of Federal Awards (Repeat Finding)

Condition and Context followed by Criteria

The County did not have an effective system of internal controls in place to prevent, detect, and correct errors on the Schedule of Expenditures of Federal Awards (SEFA).

The County failed to properly review the federal grant information prepared and submitted in the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the information reported in the SEFA. Because of this, the SEFA generated from Gateway did not include the correct expenditure amounts for certain federal awards.

The following errors were detected on the SEFA presented for the audit:

- a. The Highway Planning and Construction Cluster's - assistance listing number (ALN) 20.205 expenditures were understated by \$1,323,385.
- b. The HIV Care Formula Grants - ALN 93.917 expenditures were overstated by \$9,741.
- c. The HIV Prevention Activities Health Department Based - ALN 93.940 expenditures were understated by \$9,741.

Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report.

Criteria

Per 2 CFR 200.502, the determination of when a federal award is expended must be based on when the activity related to the federal award occurs. 2 CFR 200 defines "expenditures" as charges made by a non-federal entity to a project or program for which a federal award was received.

Cause

Management had not established a system of internal controls that would have ensured proper reporting of the SEFA.

Madison County, Indiana

**Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2020**

II. FINANCIAL STATEMENT FINDINGS (CONTINUED)

Finding 2020-004: Preparation of the Schedule of Expenditures of Federal Awards (Repeat Finding) (Continued)

Effect

The lack of a proper system of internal control resulted in material misstatements of the SEFA which were not detected by the County.

Recommendation

We recommend that the County develop internal controls over the preparation of the SEFA including supervisory review and approval of all information reported.

Views of Responsible Officials

For views of responsible officials, please see corrective action plan.

Madison County, Indiana

**Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2020**

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Internal Controls over Federal Awards

No matters to report

Compliance Findings

Finding 2020-005: Timely Certification and Acceptance of the Data Collection Form

Applicable to all assistance listing numbers and Federal Agencies (and pass-through entities) included on the accompanying schedule of expenditures of federal awards for the year ended December 31, 2019.

Condition and Context followed by Criteria

The County's December 31, 2019 Federal Compliance Audit was issued on December 17, 2020. The County certified its 2019 data collection form on February 8, 2021. As noted below, the data collection form was not filed in a timely manner as it was not submitted within 30 calendar days of the report issuance.

Under the Uniform Grant Guidance, Section 200.512, *Report Submission*, the data collection form must be submitted within the earlier of 30 calendar days after the auditor's report is issued, or nine months after the end of the audit period (fiscal year end).

Questioned Costs

None noted

Cause

Management had not established a system of internal controls that would have ensured timely reporting to the Federal Audit Clearinghouse.

Effect

The Federal reporting package was not received timely by the Federal Audit Clearinghouse which is noncompliance and could impact granting agencies.

Recommendation

We recommend that the County develop an additional control process to ensure that the data collection form is filed in a timely manner.

Views of Responsible Officials

For views of responsible officials, please see corrective action plan.



MADISON COUNTY AUDITOR'S OFFICE
ANDERSON, INDIANA

Rick Gardner, Auditor

Finding 2019-001 – Reporting for SEFA

Contact Person Responsible for Corrective Action: Rick Gardner

Contact Phone Number: 765-641-9425

Update on Corrective Action Plan:

We have implemented additional internal controls to help mitigate errors within the SEFA. A spreadsheet has been set up for each grant with all of the pertinent information specific to that grant. As claims are received to pay an invoice from a grant, those claims are verified for accuracy and if the grant will allow such expense. As the claims are processed within the financial software and approved by the necessary officials, the expenses are entered into a spreadsheet to keep track of all disbursements and receipts to ensure all amounts are correct. All grant spreadsheets are now reviewed by an additional auditor on a regular basis to ensure that funds are reported as accurate. The county has updated procedures to ensure reporting in the Gateway application is accurate and we have also been supported by financial consultant. The result is less findings on the SEFA with a continued expectation for improved compliance, reporting and operational processes.

FINDING 2019-002 WIOA Cluster

Contact Person Responsible for Corrective Action:

Madison County Commissioners Contact Phone Number: 765-641-9470

Update on Corrective Action Plan:

Madison County no longer administers the WIOA Grants through JobSource.

FINDING 2019-003 WIOA Cluster

Contact Person Responsible for Corrective Action: Madison County Commissioners

Contact Phone Number: 765-641-9470

Update of Corrective Action Plan:

Madison County no longer administers the WIOA Grants through JobSource.



MADISON COUNTY AUDITOR'S OFFICE
ANDERSON, INDIANA

Rick Gardner, Auditor

Finding 2020-001: Financial Reporting Entity – Aggregate Discretely Presented Component Units

Contact Person Responsible for Corrective Action: Rick Gardner, County Auditor

Contact Phone Number: 765-641-9425

Views of Responsible Official:

The county concurs with the findings from the independent auditor.

Description of Corrective Action Plan:

The County will continue to work with identified component units to provide information necessary for GAAP reporting to be included within the County's financial statement. At this time, component units are only required to report on a regulatory basis, and they are not able to provide GAAP financial statements.



MADISON COUNTY AUDITOR'S OFFICE
ANDERSON, INDIANA

Rick Gardner, Auditor

Finding 2020-002: Financial Accounting and Reporting of Capital Assets

Contact Person Responsible for Corrective Action: Rick Gardner, County Auditor
Contact Phone Number: 765-641-9425

Views of Responsible Official:

The County concurs with the findings and recommendations of the independent auditor.

Description of Corrective Action Plan

As of December 29, 2022, the County has not commissioned such an inventory but will develop the scope and qualifications to request proposals from qualified vendors. Timing for the study will be dependent upon the ability to fund the necessary appropriations to complete the study.



MADISON COUNTY AUDITOR'S OFFICE
ANDERSON, INDIANA

Rick Gardner, Auditor

Finding 2020-003: Financial Accounting and Reporting under GAAP

Contact Person Responsible for Corrective Action: Rick Gardner, County Auditor

Contact Phone Number: 765-641-9425

Views of Responsible Officials

As noted by the auditors in the finding, the requirements for reporting under GAAP are relatively new for Madison County. The County has worked closely with the Indiana State Board of Accounts (SBOA) to implement reporting requirements and will continue to do so. For views of responsible officials, please see corrective action plan.

Corrective Action Plan

The County concurs with the findings of the independent auditor. The County continues to work with our financial advisors and the Indiana State Board of Accounts to improve internal controls over compliance, reporting and operations.



MADISON COUNTY AUDITOR'S OFFICE
ANDERSON, INDIANA

Rick Gardner, Auditor

Finding 2020-004: Preparation of the Schedule of Expenditures of Federal Awards (Repeat Finding)

Contact Person Responsible for Corrective Action: Rick Gardner, County Auditor

Contact Phone Number: 765-641-9425

Views of Responsible Officials

For views of responsible officials, please see corrective action plan.

Corrective Action Plan

The County concurs with the findings of the independent auditor. The County has expanded the services of our financial advisor to include support for the SEFA so support compliance, reporting and operations for SEFA requirements.



MADISON COUNTY AUDITOR'S OFFICE
ANDERSON, INDIANA

Rick Gardner, Auditor

Finding 2020-005: Timely Certification and Acceptance of the Data Collection Form

Contact Person Responsible for Corrective Action: Rick Gardner, County Auditor

Contact Phone Number: 765-641-9425

Views of Responsible Officials

For views of responsible officials, please see corrective action plan

Corrective Action Plan

The County concurs with the findings of the independent auditor. The County will design and implement internal controls to ensure the Data Collection Form is certified within the earlier of thirty calendar days after the auditor's report is issued, or nine months after the end of the audit period.