

**Rob Sand**  
**Auditor of State**

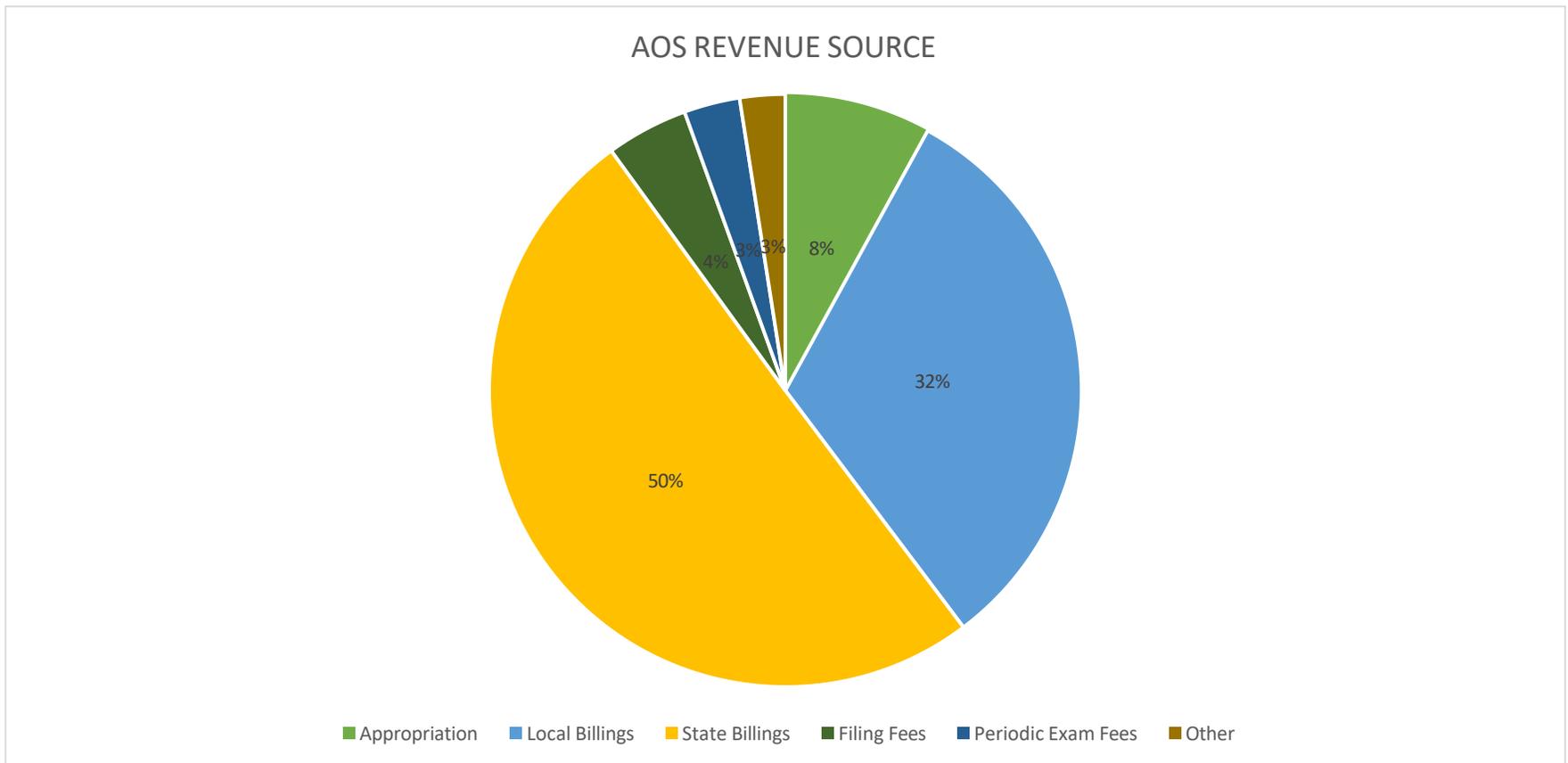
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**Budget Overview**  
**February 5, 2025**

# AOS APPROPRIATION

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- **Annual Appropriation contributes 8% to AOS budget**
  - **Remainder of revenue comes from billing certain state agencies and local governments**
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- **Annual appropriation bill tasks AOS with auditing the annual comprehensive financial report (ACFR) of the State, and the Statewide Single Audit.**



# AOS RESOURCES

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➤ **Following 2023 Government Reorg, the following state agencies are billable by AOS**

- Insurance and financial services.
- HHS
- DOT
- Board of regents
- IDALS
- Veterans Affairs
- Department of Education
- Workforce Development.
- DNR
- Judicial branch/Clerks of Court
- IPERS
- DAS
- OCIO
- Any Other Federal Single Audit funding

➤ **All other agencies are not billable, meaning costs are paid for out of the appropriation.**

○ **Including the following key agencies:**

- Attorney General
- Auditor of State (private firm)
- Department of Corrections
- Economic Development Authority
- Governor's Office
- Department of Inspections Licensing and Appeals
- Judicial Department
- Department of Management
- Department of Homeland Security and Emergency Management
- Department of Public Safety
- Department of Revenue
- Secretary of State
- State Appeal Board
- State Executive Council
- Treasurer of State

➤ **Local Governments Audits are paid for by billings, supplemented by fees**

➤ **Filing Fees**

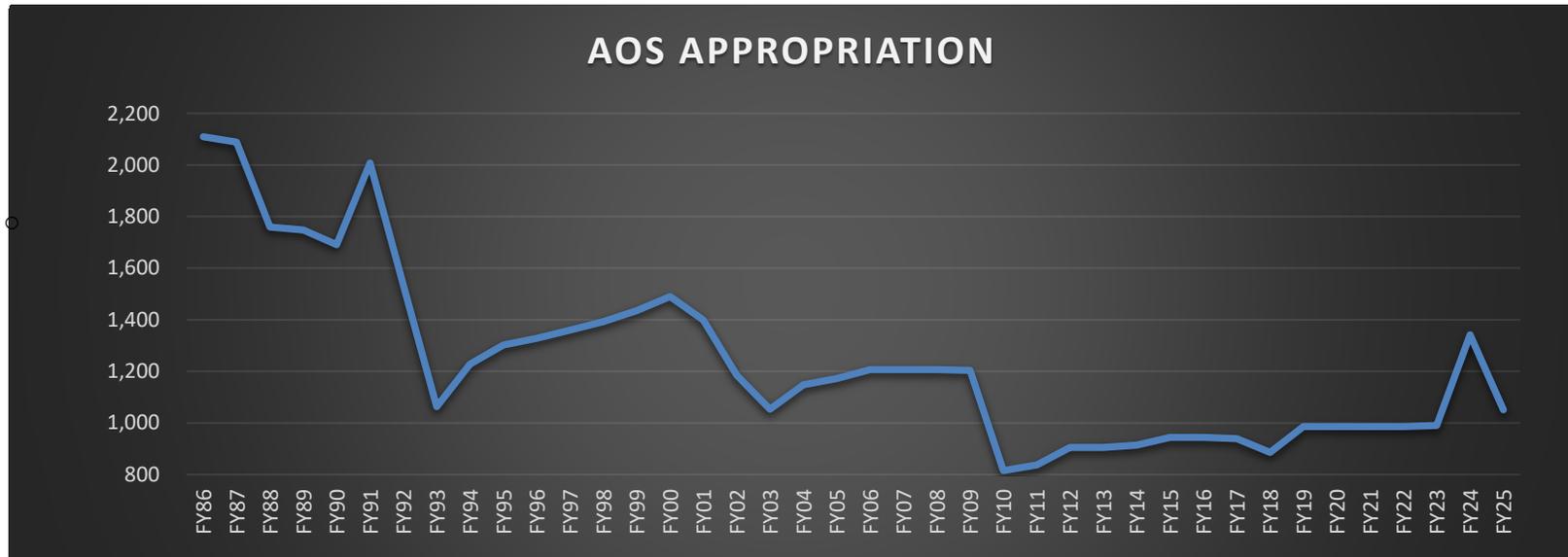
- Local governments pay a fee upon filing annual audit reports with AOS
- Fund used to pay for special investigations, reaudits, and CPA workpaper reviews

➤ **Periodic Fees**

- Cities under 2000 population pay annual fee based on budget size
- Fees are pooled to provide examinations of these entities once every eight years

# AOS APPROPRIATION

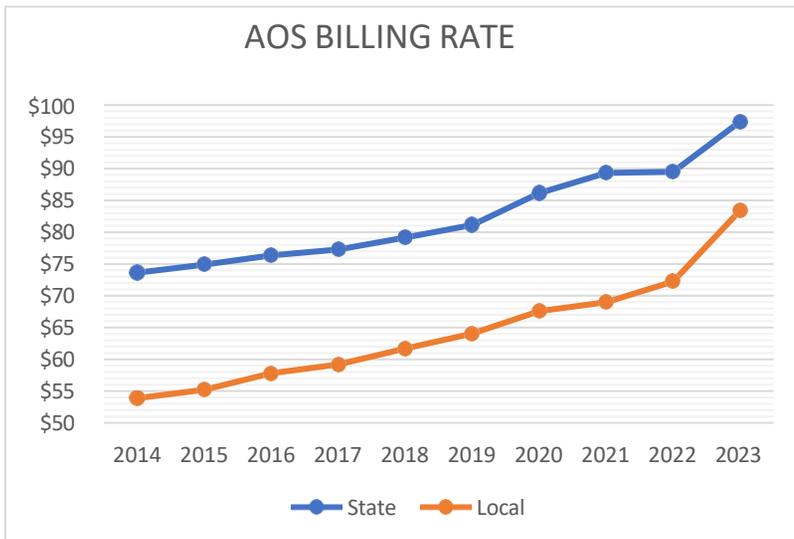
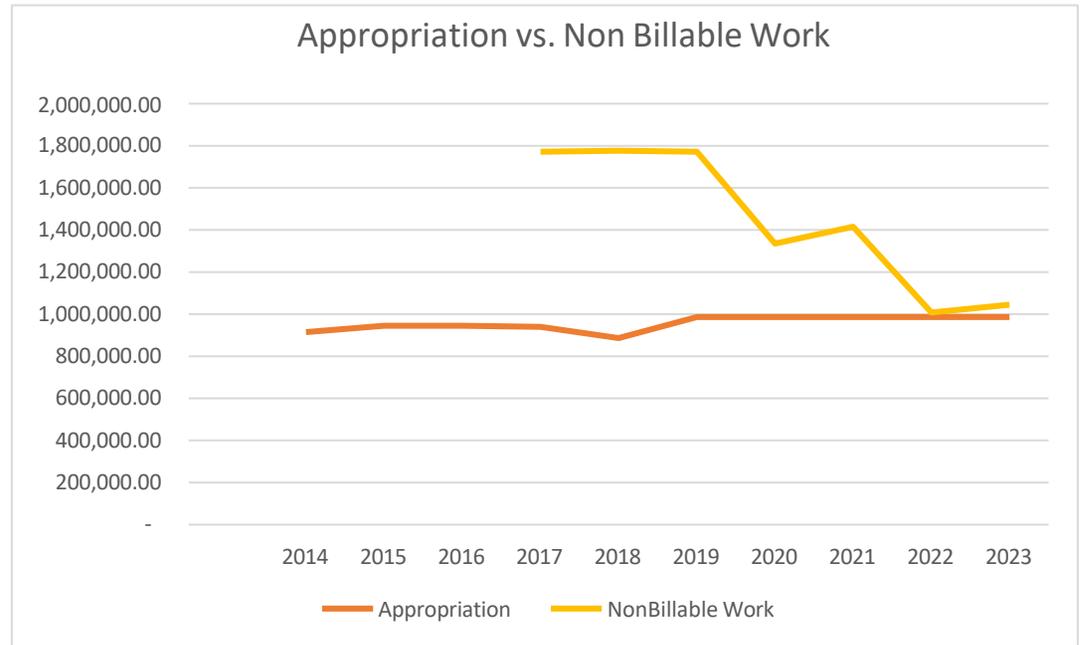
- **Current funding model adopted in 1990<sup>1</sup>**
- **Since then, AOS appropriation cut by 50%**
  - **Actual dollars reduction -does not adjust for inflation**
  - **AOS appropriation would need to be over \$5M to keep pace with inflation!**



<sup>1</sup> 1990 Iowa Legis. Serv. S.F. 2427 (Ch. 1247) (West)

# AOS APPROPRIATION

➤ **Because of rising costs the appropriation doesn't go as far as it once did**



➤ **At the same time, AOS billing rates for both local and the state continue to rise in order to cover expense**

## FINANCIAL SUMMARY

	<b>Actual FY2021</b>	<b>Actual FY2022</b>	<b>Actual FY2023</b>	<b>Actual FY2024</b>	<b>BUDGET FY2025</b>	<b>REQUEST FY2026</b>
<b>RESOURCES:</b>						
Balance Forward	\$ 411,824	\$ 1,085,938	\$ 717,791	\$ 933,079	\$ 1,327,807	\$ 981,807
Appropriation	986,193	986,193	986,193	1,341,871	1,050,686	1,712,642
Audit Billings:						
Local	3,638,164	3,451,900	3,920,560	4,088,872	5,070,355	5,070,355
State	6,055,549	5,483,251	6,208,835	6,523,733	6,065,748	6,065,748
Subtotal Audit Billings	9,693,713	8,935,151	10,129,395	10,612,605	11,136,103	11,136,103
Filing Fees	581,343	431,462	552,155	542,975	480,000	480,000
Periodic Exam Fees	390,775	365,050	377,300	413,200	375,000	375,000
Other	62,625	247,145	305,513	103,644	220,000	220,000
<b>Total Resources</b>	<b>\$12,126,473</b>	<b>\$12,050,939</b>	<b>\$13,068,347</b>	<b>\$13,947,374</b>	<b>\$14,589,596</b>	<b>\$14,905,552</b>
<b>DISPOSITION OF RESOURCES:</b>						
Personal Services	10,299,861	10,471,521	11,084,238	11,500,194	12,171,011	12,901,272
Travel & Subsistence	44,400	131,150	124,317	148,282	313,500	313,500
Supplies & Materials	30,254	23,046	23,466	41,317	42,000	42,000
Contractual Services	423,849	517,747	667,581	520,575	776,778	776,778
Equipment & Repairs	227,627	186,744	232,844	404,292	288,000	288,000
Licenses, Permits & Refunds	13,243	2,730	2,822	2,600	15,500	15,500
Reversion	1,301	210	-	2,308	1,000	1,000
Balance Forward	1,085,938	717,791	933,079	1,327,807	981,807	567,502
<b>Total Disposition of Resources</b>	<b>\$12,126,473</b>	<b>\$12,050,939</b>	<b>\$13,068,347</b>	<b>\$13,947,374</b>	<b>\$14,589,596</b>	<b>\$14,905,552</b>

## HUMAN RESOURCES

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◆ **Over 85% of AOS staff are accounting professionals**

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Audit	89.00	88.00	89.00	89.00	84.00	91.00	92.00	92.00
IT	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00
Support	7.00	7.00	7.00	7.00	7.00	9.00	9.00	9.00
Management	3.00	3.00	3.00	3.00	3.00	4.00	3.00	3.00
<b>Total</b>	<b>103.00</b>	<b>102.00</b>	<b>103.00</b>	<b>103.00</b>	<b>98.00</b>	<b>109.00</b>	<b>109.00</b>	<b>109.00</b>

◆ **State Government audits accounts for 60% of AOS work**

<b>Type</b>	<b>FY2021</b>		<b>FY2022</b>		<b>FY2023</b>		<b>FY2024</b>		<b>BUDGET FY2025</b>		<b>REQUEST FY2026</b>		<b>REQUEST FY2027</b>	
Filing Fee	2,387	2%	3,774	3%	4,482	3%	4,825	4%	2,512	2%	4,155	3%	4,155	3%
Periodic Exams	1,178	1%	771	1%	1,234	1%	1,843	1%	2,650	2%	1,126	1%	1,126	1%
Local Audits	61,867	43%	56,494	44%	58,539	42%	56,172	41%	51,604	36%	52,335	37%	52,335	37%
State Audits	79,387	55%	66,536	52%	74,094	54%	73,905	54%	85,408	60%	85,408	60%	85,408	60%
<b>Total</b>	<b>144,819</b>		<b>127,575</b>		<b>138,349</b>		<b>136,745</b>		<b>142,174</b>		<b>143,024</b>		<b>143,024</b>	

## REQUEST

- ◆ **AOS requested 1.71M for FY26**
  - **Increase would allow us to lower billing rates for all clients**
  - **Allow increased procedures at non-material state agencies**
  - **Eliminate future SWCAP liability**
  
- ◆ **Alternatively, amend Iowa Code 11.5B and allow AOS to bill all agencies**
  - **Bill proposed by AOS (LSB draft # 1334DP)**

