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CPAs | CONSULTANTS | WEALTH ADVISORS

County of Black Hawk, Iowa Presentation to the Board of Supervisors

Audit Results

Year Ended June 30, 2025



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Governance Communication

Governance Communication

Our responsibility under Generally Accepted Auditing Standards

- **Express an opinion** on the governmental activities, business-type activities, each major fund, and the aggregate remaining funds in accordance with *Government Auditing Standards* and Generally Accepted Auditing Standards
- Plan and perform the audit to **obtain reasonable, not absolute, assurance**
- **Evaluate internal controls** over financial reporting – no opinion on internal controls
- Utilize a **risk-based** audit approach

Planned scope and timing of the audit

- Performed the audit according to the **planned scope** previously communicated during planning discussions



Governance Communication

Other information in documents containing audited financial statements

- Financial statements may only be **used in their entirety**
- **Our approval** is required in order to use our audit reports in any client prepared documents

Significant accounting policies

- **Management is responsible** for the accounting policies
- Outlined in **Note 1** to the financial statements

Management representation letter

- Management provided a management representation letter in conjunction with the **approval of the audited financial statements**



Governance Communication

We experienced

- **No delays** in performing the audit
- **No issues** discussed prior to retention as independent auditors
- **No disagreements** with management regarding accounting, reporting, or auditing matters
- **No consultations** with other independent accountants

Adjusting, proposed, and passed adjusting journal entries

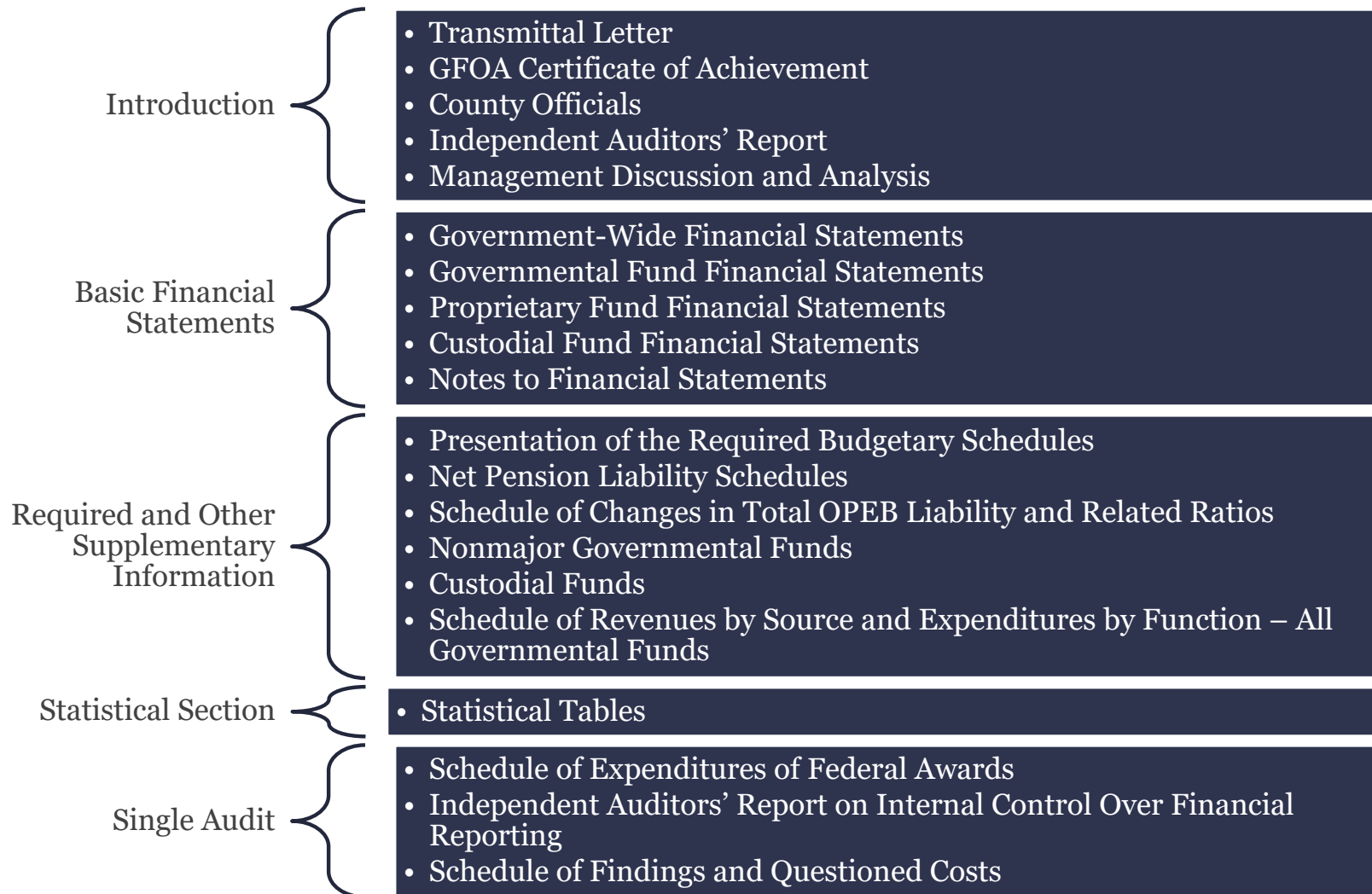
- No material misstatements.
- Uncorrected: Only 1 – related to implementation of GASB #101 and it was flown through FY 2025 activity because it was so small.





Financial Statement Highlights

Financial Statement Highlights



Financial Statement Highlights

		Special Revenue	
	General	Rural Services	Secondary Roads
Revenues	\$ 46,542,184	\$ 3,929,705	\$ 5,603,344
Expenditures	(49,226,534)	(2,536,328)	(8,903,277)
Other Sources or Uses	(542,936)	(790,969)	3,821,283
Net Change in Fund Balance	(3,227,286)	602,408	521,350
Fund balance			
Beginning of year	45,983,708	3,887,402	6,918,252
End of Year	\$ 42,756,422	\$ 4,489,810	\$ 7,439,602
Nonspendable	\$ 99,482	\$ -	\$ 464,174
Restricted	7,225,222	4,489,810	6,975,428
Committed	1,000,000	-	-
Assigned	6,970,618	-	-
Unassigned	27,461,100	-	-
Total	\$ 42,756,422	\$ 4,489,810	\$ 7,439,602



Financial Statement Highlights

	Debt Service	Capital Projects	American Rescue Program	Nonmajor	Total
Revenues	\$ 1,673,517	\$ 2,485,222	\$ 8,784,038	\$ 5,601,054	\$ 74,619,064
Expenditures	(3,284,699)	(2,803,847)	(8,760,997)	(2,038,316)	(77,553,998)
Other Sources or Uses	32,657	6,096,889	(23,041)	(1,992,927)	6,600,956
Net Change in Fund Balance	(1,578,525)	5,778,264	-	1,569,811	3,666,022
Fund balance					
Beginning of year	11,051,983	3,327,534	-	4,636,194	75,805,073
End of year	\$ 9,473,458	\$ 9,105,798	\$ -	\$ 6,206,005	\$ 79,471,095
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 563,656
Restricted	9,473,458	4,946,757	-	5,936,498	39,047,173
Committed	-	-	-	-	1,000,000
Assigned	-	4,159,041	-	269,507	11,399,166
Unassigned	-	-	-	-	27,461,100
Total	\$ 9,473,458	\$ 9,105,798	\$ -	\$ 6,206,005	\$ 79,471,095



Financial Statement Highlights

Nonmajor Governmental Funds

Special Revenue

Resource Enhance & Protection	\$	487,507
County Recorder's Management		25,188
Sheriff's Commissary		437,394
Drainage Districts		1,985
Conservation Land Acquisition		269,507
LG Opioid Abatement Fund		1,232,814
Local Option Sales Tax		3,751,610
Total Special Revenue	\$	<u>6,206,005</u>



Financial Statement Highlights

	Rural Sewer	Rural Water	Total
Operating Revenues	\$ 138,106	\$ 15,351	\$ 153,457
Operating Expenses	(301,157)	(7,742)	(308,899)
Nonoperating Income (Expense)	47,638	13,973	61,611
Net Change in Net Position	(115,413)	21,582	(93,831)
Net Position			
Beginning of year	1,346,906	485,570	1,832,476
End of Year	\$ 1,231,493	\$ 507,152	\$ 1,738,645
Net Investment In Capital Assets	\$ 841,678	\$ 185,359	\$ 1,027,037
Unrestricted	389,815	321,793	711,608
Total	\$ 1,231,493	\$ 507,152	\$ 1,738,645



Financial Statement Highlights

Capital Assets Summary

Governmental Activities:

Capital Assets not being Depreciated:

Land \$ 6,755,401

Construction in Progress 9,739,131

Capital Assets being Depreciated:

Buildings and Improvements 46,611,949

Equipment and Vehicles/Right-to-use Assets 26,140,970

Infrastructure 161,810,882

251,058,333

Less Accumulated Depreciation

(114,708,389)

Net Capital Assets

\$ 136,349,944

Business-Type Activities:

Capital Assets not being Depreciated:

Construction in Progress \$ 397,537

Capital Assets being Depreciated:

Infrastructure 5,509,971

5,907,508

Less Accumulated Depreciation

(4,879,319)

Net Capital Assets

\$ 1,028,189



Financial Statement Highlights

Long-Term Obligations

Governmental Activities:

General Obligation Debt	
General Obligation Bonds	\$ 9,435,000
Premium on General Obligation Bonds	383,339
General Obligation Bonds, Net	<u>9,818,339</u>
General Obligation Capital Notes	5,000,000
Lease Agreements	1,593,200
Total OPEB Liability	1,922,707
Compensated Absences	<u>2,401,588</u>

Total Governmental Activities \$ 20,735,834

	Governmental		Debt
	<u>Principal</u>	<u>Interest</u>	<u>Service</u>
2026	\$3,420,000	\$482,767	\$3,902,767
2027	3,460,000	385,800	3,845,800
2028	3,020,000	262,400	3,282,400
2029	1,495,000	144,500	1,639,500
2030	1,055,000	98,300	1,153,300
2031-2035	1,985,000	222,400	2,207,400
	<u>\$ 14,435,000</u>	<u>\$ 1,596,167</u>	<u>\$ 16,031,167</u>



Financial Statement Highlights

Fund Balance - Governmental Funds

\$ 79,471,095

Capital Assets	136,349,944
Long-Term Debt	(16,455,936)
Deferred Inflows and Outflows of Resources	2,664,163
Pension and OPEB Related Items	(13,596,587)
Unavailable Revenue	4,222,264
Internal Service Fund	<u>9,811,195</u>

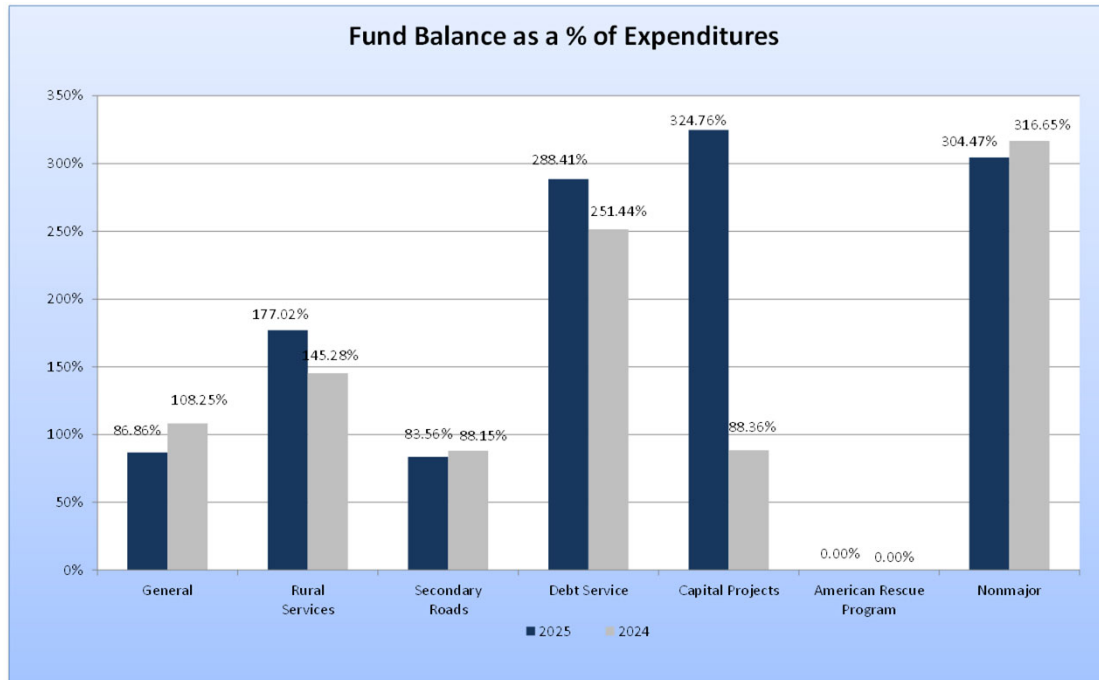
Net Position - Governmental Activities

\$ 202,466,138



Financial Statement Highlights

Status of Total Fund Balance (restricted, committed, assigned and unassigned)



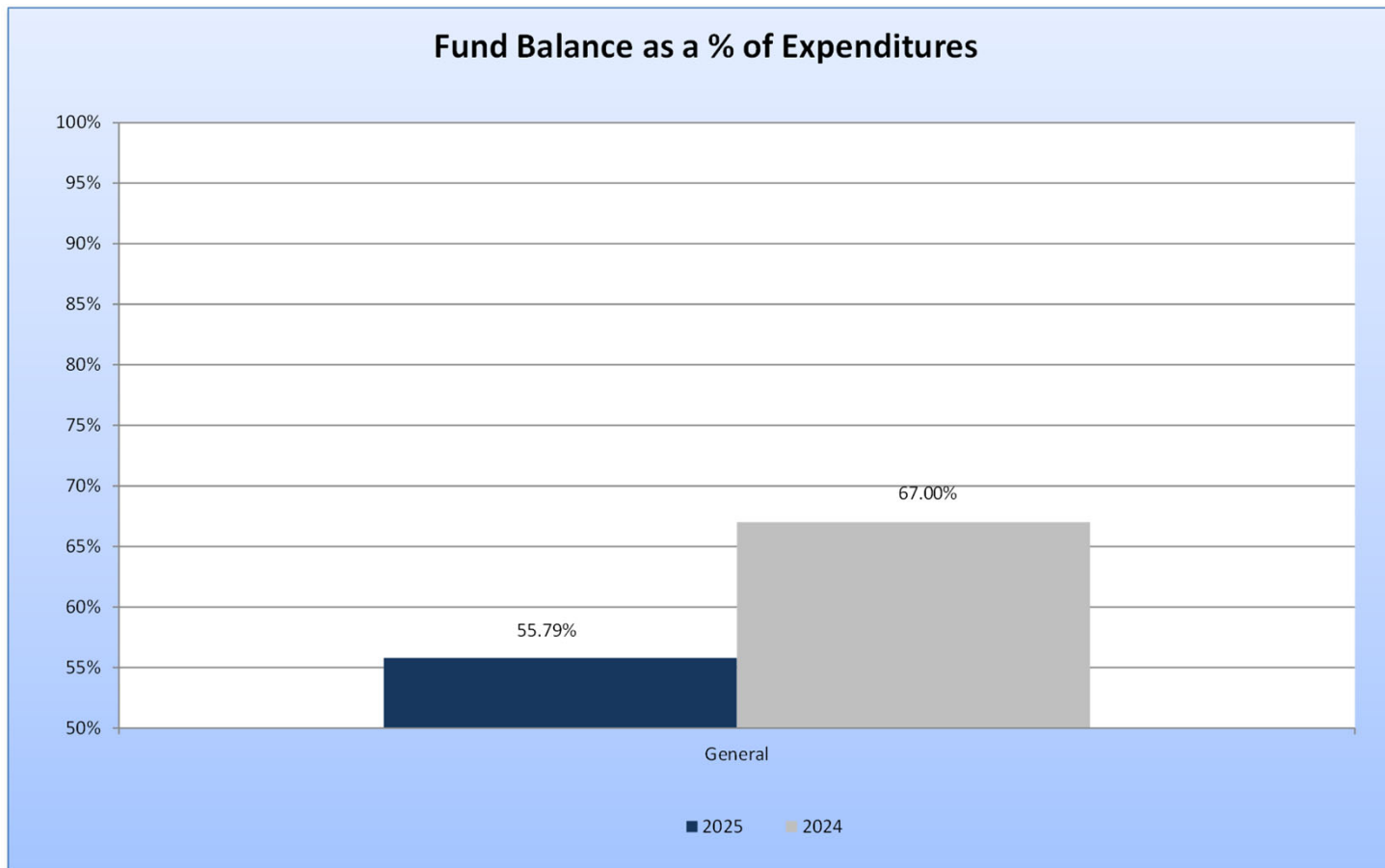
	<u>General</u>	<u>Rural Services</u>	<u>Secondary Roads</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>American Rescue Program</u>	<u>Nonmajor</u>
<i>Fund Balance as a % Expenditures</i>							
2025	86.86%	177.02%	83.56%	288.41%	324.76%	0.00%	304.47%
2024	108.25%	145.28%	88.15%	251.44%	88.36%	0.00%	316.65%

Government Finance Officers' Association (GFOA) indicates
Governments should maintain a healthy fund balance (varies from 3-5 months)



General Fund –Operating Fund of the County

- Unassigned Fund Balance (available for spending) as a % of Expenditures





Financial Statement Findings and Recommendations

Financial Statement Findings and Recommendations

Fiscal Year Ending June 30, 2025

No Material Weaknesses

No Significant Deficiencies





Federal Award Findings and Questioned Costs

Federal Awards

- Federal expenditures totaled \$10,273,762
- Major program tested was the COVID-19 Coronavirus State and Local Fiscal Recovery Funds which totaled \$8,784,037.
- No findings to report





Iowa State Compliance Findings

Iowa State Compliance Findings

- IV-A-24 Certified Budget – none
- IV-B-24 Questionable Expenditures – none
- IV-C-24 Travel Expenditures – none
- IV-D-24 Business Transactions – none
- IV-E-24 Bond Coverage – none
- IV-F-24 Board Minutes – none
- IV-G-24 Deposits and Investments – none
- IV-H-24 Resource Enhancement and Protection Certification - none
- IV-I-24 County Extension Office – none
- IV-J-24 Donations – none
- IV-K-24 Restricted Donor Activity - none



Thank you for allowing us to serve Black Hawk County

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