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County of Black Hawk, Iowa

Presentation to the Board of Supervisors

Audit Results

Year Ended June 30, 2025



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Governance Communication

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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

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Financial Statement Highlights

Introduction	<ul style="list-style-type: none">• Transmittal Letter• GFOA Certificate of Achievement• County Officials• Independent Auditors' Report• Management Discussion and Analysis
Basic Financial Statements	<ul style="list-style-type: none">• Government-Wide Financial Statements• Governmental Fund Financial Statements• Proprietary Fund Financial Statements• Custodial Fund Financial Statements• Notes to Financial Statements
Required and Other Supplementary Information	<ul style="list-style-type: none">• Presentation of the Required Budgetary Schedules• Net Pension Liability Schedules• Schedule of Changes in Total OPEB Liability and Related Ratios• Nonmajor Governmental Funds• Custodial Funds• Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds
Statistical Section	<ul style="list-style-type: none">• Statistical Tables
Single Audit	<ul style="list-style-type: none">• Schedule of Expenditures of Federal Awards• Independent Auditors' Report on Internal Control Over Financial Reporting• Schedule of Findings and Questioned Costs



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

<u>Special Revenue</u>	
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	<u>3,751,610</u>
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	<u>161,810,882</u>
	251,058,333
Less Accumulated Depreciation	<u>(114,708,389)</u>

Net Capital Assets

\$ 136,349,944

Business-Type Activities:

Capital Assets not being Depreciated:

Construction in Progress	\$ 397,537
Capital Assets being Depreciated:	

Infrastructure	<u>5,509,971</u>
Less Accumulated Depreciation	<u>5,907,508</u>
	<u>(4,879,319)</u>

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	<u>383,339</u>
General Obligation Bonds, Net	9,818,339
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 Service
		Principal	Interest	
	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
		\$14,435,000	\$1,596,167	\$16,031,167



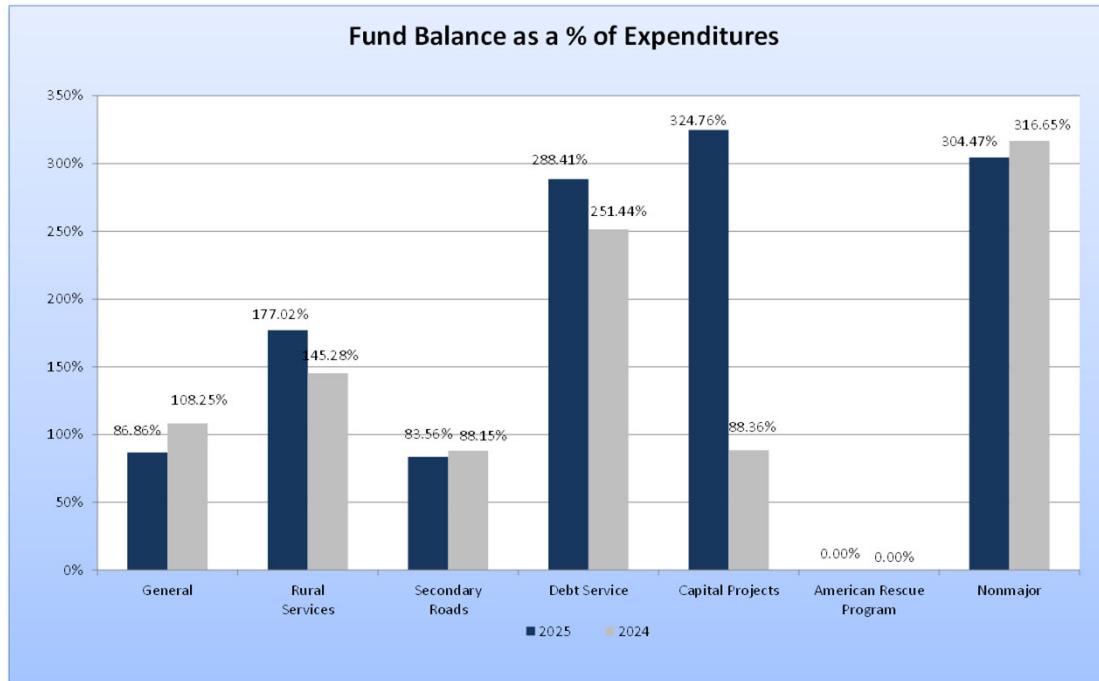
Financial Statement Highlights

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	<u>\$ 202,466,138</u>



Financial Statement Highlights

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



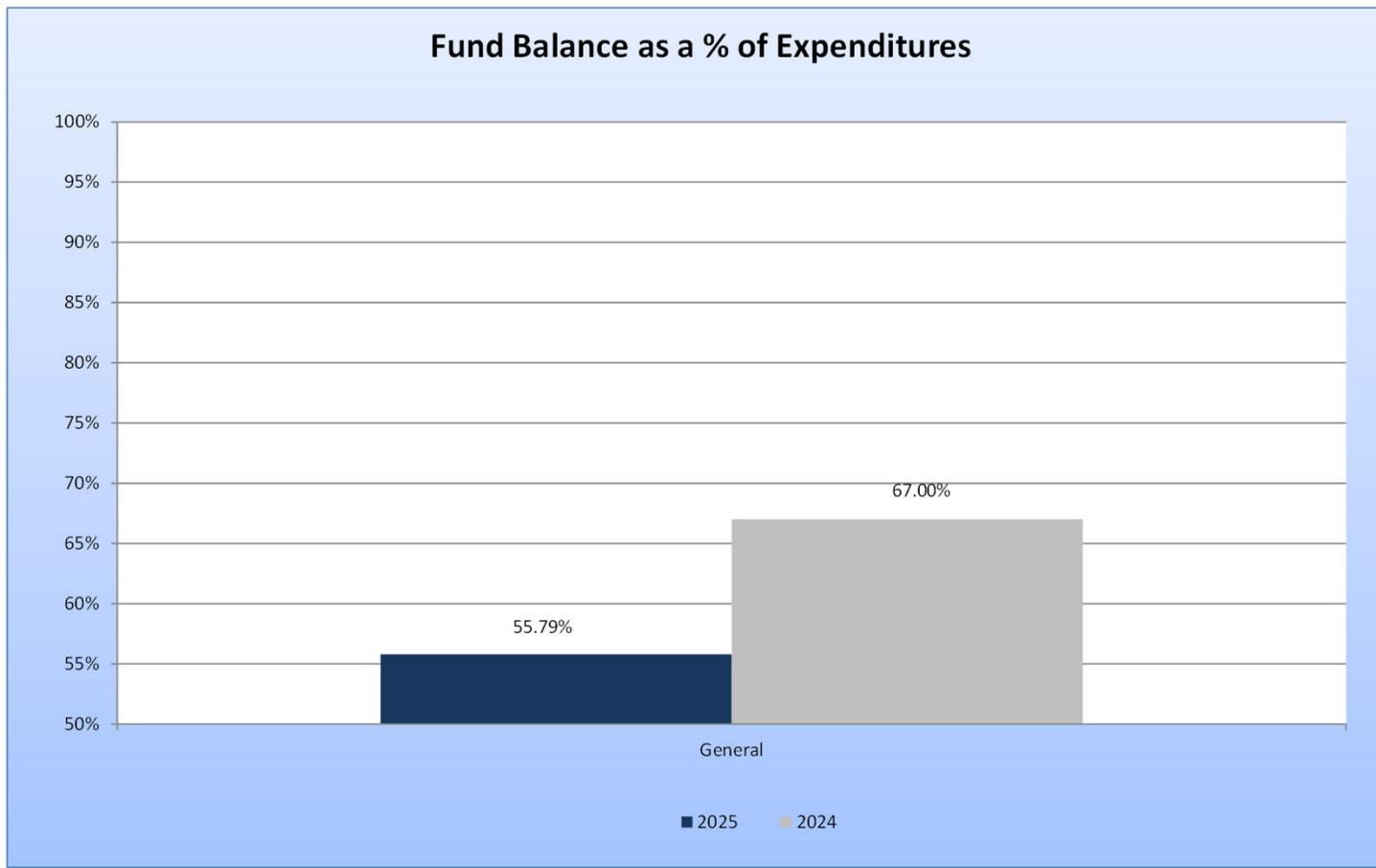
	<u>General</u>	<u>Rural Services</u>	<u>Secondary Roads</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>American Rescue Program</u>	<u>Nonmajor</u>
<i>Fund Balance as a % Expenditures</i>							
2025	86.86%	177.02%	83.56%	288.41%	324.76%	0.00%	304.47%
2024	108.25%	145.28%	88.15%	251.44%	88.36%	0.00%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

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Financial Statement Findings and Recommendations

Fiscal Year Ending June 30, 2025

No Material Weaknesses

No Significant Deficiencies





Federal Award Findings and Questioned Costs

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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

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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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