

BLACK HAWK COUNTY, IOWA
Comprehensive Annual Financial Report
Year Ended June 30, 2014

Prepared by:
James W. Bronner
Finance Director and Staff

Grant Veeder
Auditor and Staff

Rita Schmidt
Treasurer and Staff

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Black Hawk County Board of Supervisors

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James W. Bronner
Finance Director

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December 29, 2014

Board of Supervisors and Citizens
Black Hawk County, Iowa

The Comprehensive Annual Financial Report (CAFR) for Black Hawk County, Iowa for the fiscal year ended June 30, 2014 is hereby submitted.

Each year the County publishes a complete set of audited financial statements as part of an annual single audit to conform to the provisions of OMB Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations". The County assumes full responsibility for the completeness and reliability of the information contained in this report. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Williams & Company, P.C., Certified Public Accountants, have issued an unmodified ("clean") opinion on the Black Hawk County financial statements for the year ended June 30, 2014. This independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of Black Hawk County

The first government of Black Hawk County, Iowa was organized August 17, 1853. It is located in the northeast part of the state. The county currently occupies 576 square miles and is the 5th most populous county in the state. The 2010 census population of 131,090 is up 2.4% from the 2000 census figure of 128,012. Population estimates show slight increases for Black Hawk County going forward. Black Hawk County is empowered to levy a property tax on both real and personal property located within its boundaries.

Black Hawk County currently operates under a five-member Board of Supervisors. Each member is elected at large to a four-year term. The Board of Supervisors is the legislative authority over Black Hawk County. Annually, the Board adopts a budget and establishes tax rates to support County programs. Also elected to four-year terms at large are the following officials: Attorney, Auditor, Recorder, Sheriff, and Treasurer. These officials, along with department heads appointed by the Board, are responsible to administer the programs and policies adopted by the Board of Supervisors as well as the budget amount allocated to their department by the Board.

Black Hawk County provides a full range of services. These services include public safety and legal services, physical health and social services, mental health and developmental disabilities services, county environment and education, construction and maintenance of secondary roads, general administrative services and planning and zoning.

Black Hawk County is required by the State of Iowa to adopt an annual budget for the total operating expenditures of the County by function area. This is the foundation of financial planning and control for the County. The budget is prepared by fund (e.g., general, special revenue, debt), function (e.g. public safety), and department (e.g. Sheriff, Conservation). Departments can transfer resources within a department as they see fit. Transfers between departments, however, need special approval for the Board of Supervisors in the form of an amendment to the budget.

Local Economy

Black Hawk County is the fifth largest county in population in the State of Iowa. The cities of Cedar Falls and Waterloo make up just over 80% of the population with the remainder living in smaller towns, each are under 2,500 in population, and on farms.

Population since the 2000 Census figure of 128,012 had been declining slightly. Recent estimates had shown a slight increase the past few years with the 2010 population now at 131,090. At the start of fiscal year 2010, the unemployment rate averaged between 5% and 6% until October of 2009 when the economy worsened and the unemployment rate reached a high of 7.9%. Since that time, the rate has been gradually falling to 6.7% in January 2011 to 6.0% in January 2012. The rate fluctuated between 5% and 6% for most of the calendar year 2012 decreasing to 5.4% at the end of year. The unemployment rate for the first half of 2013 declined to around 5% in June and continued to decrease to a rate of 4.4% in December. In 2014 the unemployment rate increased in the first part of the year to just over 5% and then declined to 4.7% in June and down to 4.2% in October.

The major industries located within the County's boundaries and the primary employers from each are as follows: Farm tractor and component manufacturing – John Deere, Health care – Covenant Medical Center and Allen Memorial Hospital, Pork processing – Tyson Foods, Bath and kitchen cabinet manufacturing – Omega Cabinets Limited and Bertch Cabinets, Retail and financial service providers – Hy-Vee, Target distribution, and Wal-Mart, and Entertainment – Isle of Capri Casino.

Recently, several businesses have announced record earnings, plans for expansion, or the construction of a new business in the County. This should help with overall employment within the County and provide additional capital investment as well.

In the spring of 2014, Deere and Company, the largest employer in the county, completed its latest investment of \$150 million in upgrades to the foundry located at the Waterloo operations. The recent investment which modernized the facility was the largest on record since the facility was built 40 years ago. It capped more than a billion dollars that has been invested over the last decade in the Waterloo operations.

Last month, Deere and Company reported its second highest earnings year in company history at \$3.16 billion. The earnings were significantly less than last years' record year of \$3.54 billion. The reports come a month after a round of layoffs reduced the overall workforce of the company by 1,000 workers. Of those laid off, 460 came from the Waterloo operations.

Hawkeye Community College announced plans for a \$25 million bond issue to be voted on in February of 2015. If approved, the projects will be completed in three phases. The first would include an \$8 million adult education center being built. The 40,000 square foot center would replace two other existing centers. The second phase would see the construction of a \$15 million Health Sciences Technology Center. The 75,000

square foot center would expand both health care programs and simulation technology. The third and final phase would include a \$2 million renovation of Grundy Hall allowing for technology improvements and customized lab and classroom spaces.

Construction continues on multiple phases of the River Place project on the Cedar River in Cedar Falls. The project will have an estimated cost of approximately \$50 million once completed. The plans call for a three to five year time frame for all phases to be finished. The initial phase had all 30 studio and one-bedroom units pre-leased before ground was broken and 10 of the 21 other units leased within two months of opening. The site will have four more residential and mixed-use buildings, a hotel, an event center and a Western Home active lifestyle residence named Mill Race. Mill Race will consist of 48 to 64 townhouses and flat-style residences.

The East Viking Plaza shopping area is almost complete. The 58,000 square foot mall recently saw a number of grand openings for the tenants now occupying the space. The Cedar Falls plaza has created hundreds of new jobs as store fronts are all but filled. The Viking Plaza area and the land around the area have been continually developed in recent years. The Scheels sporting goods chain consolidated two stores from other locations into one store at the site and a second Target department store was also added. The second Menards home store in the metro area was built across the highway and a short distance away from the plaza area. Studies for interchange improvements are underway to accommodate the significant increase in traffic to the area as expansion is expected to continue.

CBE Companies recently opened the company's new operational center. Approximately 150 call center positions have been hired and almost 250 more will potentially be needed. CBE now employs just over 800 workers locally with a total of 1,200 companywide. In the last decade, CBE Cos. has more than doubled the size of its workforce.

During the past ten years, the County's total expenses including debt and capital projects have decreased just under 3.4% overall. Significant increases in County Environment and Education along with Public Safety and Legal Services and both the Capital and Debt Service categories were more than offset due to a \$13.3 million reduction in the Mental Health service area as the Country View facility was placed into a separate non-budgetary fund in fiscal year 2011. The increases are primarily due to Jumpstart funds passing through the County to other counties for flood reimbursement and economic development along with additional salaries and benefits for some of the larger departments in the County. Debt services have also increased over the last ten years as the County continues to issue and pay back bonds for numerous road and bridge repair and reconstruction projects.

For the same ten year period, the County's total revenue has decreased by 5.4%. Some areas have had very significant percentage increases such as the Miscellaneous Revenue category due to increased fine collections along with the Licenses and Permits area at just under 75% and 38% respectively. Despite the significant percentage increases, Licenses and Permits dollar increase was only \$141,000 and the Miscellaneous category increased \$921,000. Intergovernmental revenue decreased 46% or \$11.7 million primarily due to moving the Country View Care Facility into a non-budgetary enterprise fund. This decrease offsets an increase of \$8.15 million in Property and Other County Tax over the last ten years.

Long-Term Financial Planning

The unassigned general fund balance for Black Hawk County is at 29.7 percent of the total general fund expenditures. The fiscal year 2014 percentage figure is just above the 15-25% preferred range for Black Hawk County. The total combined general fund balance (restricted, committed, and unassigned) is at 44% of total general fund expenditures. Black Hawk County will continue to diligently manage the unassigned fund balance to maintain the preferred range of fund balance to expenditures.

The County's secondary road system is also being continually reviewed. An aggressive multi-year plan to address deteriorating roads and bridges across the County was developed and implemented in early fiscal year 2009. Prior to the implementation of the plan, a special election for the rural residents of the County was held by the Board of Supervisors to change the Local Option Sales Tax (LOST) usage to help fund the road plan. The vote passed and changed the usage of the Local Option Sales Tax funds from 100% of the funds going for property tax relief to reallocating half of the amount towards road construction and the other half remaining for property tax relief. The initial plan was completed a year earlier than anticipated. A new multi-year plan will most likely need to be developed soon to continue to address the challenges of maintaining road and bridge infrastructure with fewer resources.

Black Hawk County continues to follow the twenty-year plan that was created in the fall of 2008 and was recently updated this fall with the assistance of the Institute for Decision Making at the University of Northern Iowa. As the next three to five year plans for each department are reviewed, they will continue to be implemented into the budget for each fiscal year going forward.

Relevant Financial Policies

Black Hawk County has committed a portion of its fund balance to offset termination benefit payments. Part of this balance is to offset increases in the debt service tax rate if it hits the pre-determined threshold, with the remaining designated balance used to offset unanticipated, unbudgeted retirement payouts that may occur throughout the year and can not be offset through the normal budget amendment process. The estimated total liability for the retirement payouts is under \$500,000. The sale of County owned farm land in past years has provided enough funding to offset this liability. Black Hawk County also recently approved a series of financial policies to help outline the goals and guidelines that the County operates the budget within.

Major Initiatives

There are four large highway bridges and two large nature trail bridges throughout Black Hawk County that span the Cedar River. Each has been in need of repair or replacement in the past few years. Two of the highway bridges were replaced in 2002 and 2008 respectively. The third highway bridge replacement project involving a pair of bridges was recently finished in October 2012. It was the single most costly project in recent Black Hawk County history at just over \$7 million. The fourth and final highway bridge is scheduled to be replaced in the next three to five years with an estimated cost of \$3.9 million.

Black Hawk County has consistently implemented projects and updated equipment to become as energy efficient as possible. Numerous sizeable projects from chiller systems to lighting projects across most buildings in the County will be reviewed in the near future to continue that process as the County looks for ways to cut costs in future budgets.

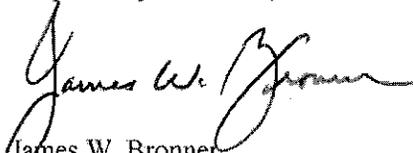
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Black Hawk County, IA for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I would like to thank all of the County employees and other individuals that assisted in the preparation of the Comprehensive Annual Financial Report. Most notably, I would like to thank the entire staffs of both the Auditor's Office and Treasurer's Office. The completion of this report could not have been accomplished without their efficient and dedicated service. The excellent service provided by the County's independent auditors, Williams & Company, P.C. is also greatly appreciated. Finally, I would like to thank the Board of Supervisors for their leadership and support without which preparation of this report would not have been possible.

Respectfully submitted,


James W. Bronner
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Black Hawk County
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

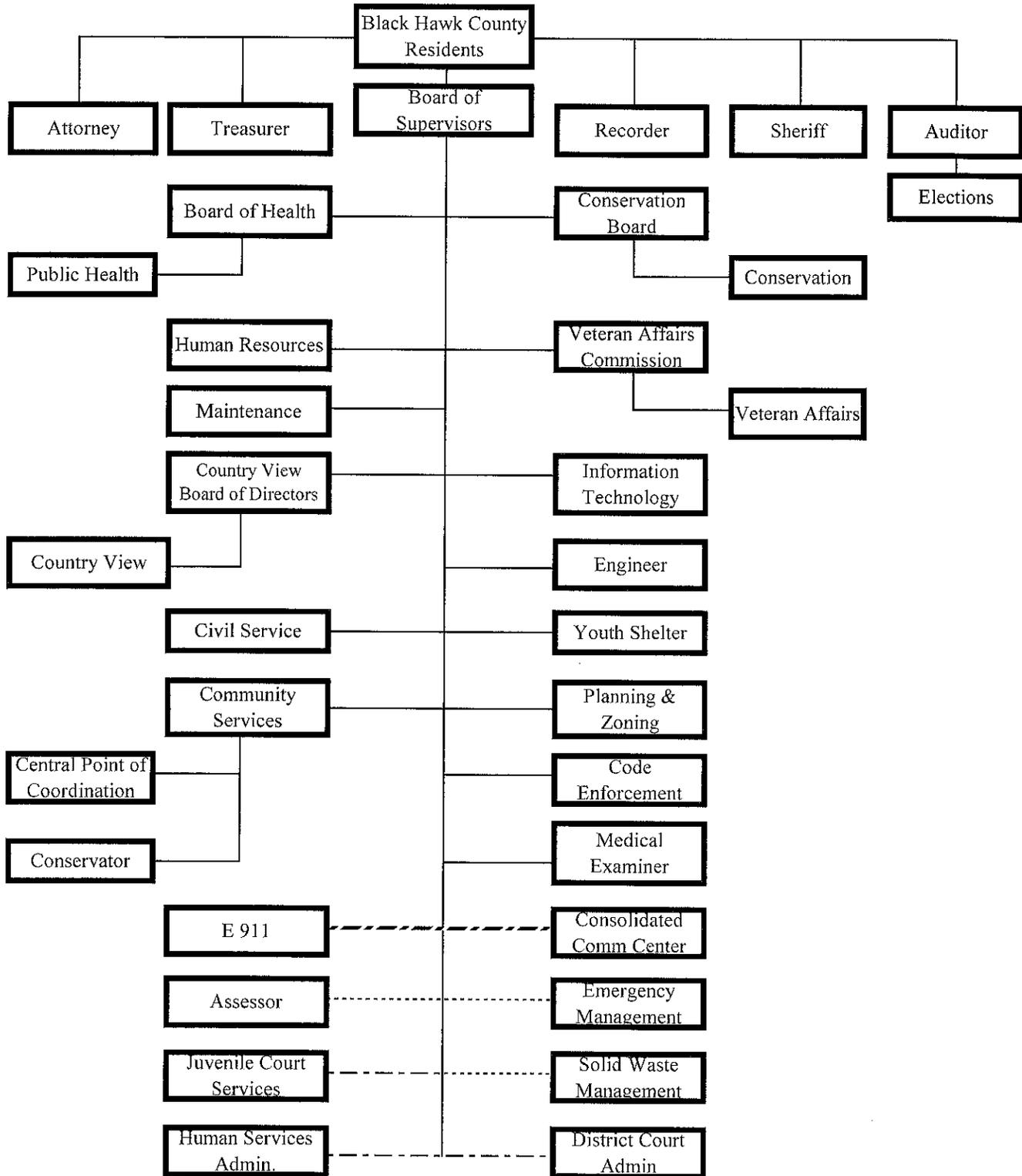
June 30, 2013

Executive Director/CEO

BLACK HAWK COUNTY OFFICIALS

<u>Official Title</u>	<u>Official</u>	<u>Term Expiration Date of Elected Officials</u>
Elected Officials		
Board of Supervisors, Chairperson	Craig White	2015
Board of Supervisors, Chair Pro Tempore	Tom Little	2017
Board of Supervisors	Linda L. Laylin	2017
Board of Supervisors	Frank Magsamen	2015
Board of Supervisors	John Miller	2017
County Attorney	Thomas Ferguson	2015
County Auditor	Grant Veeder	2017
County Recorder	Judy McCarthy	2015
County Sheriff	Tony Thompson	2017
County Treasurer	Rita M. Schmidt	2015
Associate Officials		
County Assessor	T. J. Koenigsfeld	2015
Department Heads and Administration		
Community Services Director / Central Point of Coordination Administrator	Robert Lincoln	
Conservation Executive Director	Vern Fish	
Country View Administrator	Gregg Hanson	
County Buildings Superintendent	Rory Geving	
County Engineer	Catherine Nicholas	
County Planning & Zoning	Shane Graham	
Human Resources Coordinator	Audra Heineman	
Information Technology Director	Kim Veeder	
Public Health Director	Bruce Meisinger	
Veteran Affairs Director	Bennie Spain	
County Finance Director / Country View Comptroller	James W. Bronner	

ORGANIZATIONAL CHART





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INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Black Hawk County, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Black Hawk County, Iowa (the County) as of and for the year ended June 30, 2014, 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 U.S. generally accepted accounting principles; 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 U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Black Hawk County, Iowa as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress for the retiree health plan on pages 14 through 23 and 57 through 59 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 U.S. generally accepted auditing standards, 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 the County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the three years ended June 30, 2013 (which are not presented herein) and expressed unmodified opinions on those financial statements. The financial statements for the six years ended June 30, 2010 (which are not presented herein) were audited by other auditors who expressed unqualified opinions on those financial statements. The introductory section, other supplementary information included on pages 60 through 73, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The other supplementary information on pages 60 through 73 and the schedule of federal awards are the responsibility of management and were derived from and relate 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 U.S.

generally accepted auditing standards. In our opinion, the other supplementary information on pages 60 through 73 and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 29, 2014, on our consideration of Black Hawk 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 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 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 Black Hawk County's internal control over financial reporting and compliance.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
December 29, 2014

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2014

As management of Black Hawk County, Iowa, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Black Hawk County, Iowa (the "County") for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which is located in the Introductory Section at the front of this report.

Financial Highlights

- The assets of the County exceeded liabilities at the close of the fiscal year ended June 30, 2014 by \$98,566,652 (net assets). Of this amount, \$16,757,620 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. For the fiscal year ended June 30, 2013, assets exceeded liabilities by \$95,439,833. Of this amount, \$17,750,443 was unrestricted.
- The County's total net position increased by \$3,126,820 during the fiscal year ended June 30, 2014. Governmental activities increased \$3,416,200 and business-type activities decreased by \$289,380. For fiscal year ended June 30, 2013, total net position increased \$4,745,727. Governmental activities increased \$5,031,568 and business-type activities decreased \$285,841.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$31,727,993, an increase of \$4,906,774 from the prior year. Approximately 33.6 percent of this is unassigned fund balance which is available for spending at the County's discretion. As of the close of fiscal year June 30, 2013, governmental funds reported combined ending fund balances of \$26,821,219.
- At the end of the current fiscal year, the County's unassigned fund balance for the General Fund was \$10,644,194 or 29.7 percent of the total General Fund expenditures. These funds will be needed to meet expenditures until the next semi-annual property tax revenue is received. The unassigned fund balance for the General Fund as of June 30, 2013 was \$9,931,736 or 26.2 percent of total General Fund expenditures.
- The County's total debt increased by \$1,465,687 (4 percent) during the current fiscal year. Total debt for the fiscal year June 30, 2013, decreased by \$2,778,264 (7 percent).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Black Hawk County, Iowa's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic 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 of Black Hawk County, Iowa'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 County's net position changed during the most recent fiscal 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 future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2014

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 public safety and legal services, physical health and social services, mental health, County environment and education, road and transportation, governmental services to residents, administration and interest on long-term debt. The business-type activities of the County include the Washburn rural sewer and Washburn rural water operations and the Country View Care Facility.

The government-wide financial statements include Black Hawk County, Iowa (known as the primary government) and two blended component units: Drainage Districts and the Friends of Hartman Reserve, Inc.

The government-wide financial statements can be found on pages 24 through 26 of this report.

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. Black Hawk County, Iowa, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the County's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary 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, government 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 fiscal year. Such information may be useful in evaluating a government's near-term financing requirements and is typically the basis used in developing the next annual budget.

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 County's near term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison.

Black Hawk County, Iowa, maintains twelve 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, Mental Health Fund, Rural Services Fund, Secondary Roads Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds. The County has elected to treat the Rural Services Fund and Capital Projects Fund as major for public interest purposes. Data from the other six governmental funds are combined into a single, aggregated presentation under the column heading "Nonmajor Governmental Funds." Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County presents budgetary information as allowed by GASB Statement No. 41. The County adopts an annual appropriated budget for all governmental funds. Formal and legal budgetary control as required by state statute is based upon nine major classes of expenditures known as functions, not by fund or fund type.

The basic governmental fund financial statements can be found on pages 27 through 32 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2014

statements. The County uses enterprise funds to account for the Washburn rural sewer system, the Washburn rural water system and the Country View Care Facility. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Black Hawk County, Iowa utilizes three internal service funds to account for its health insurance, self-insurance and office equipment programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for all the enterprise funds as a single aggregated presentation as they are all considered nonmajor. Additionally, all internal service funds are combined into a single, aggregated presentation in the proprietary fund's financial statements. Individual fund data for the enterprise funds and internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund's financial statements can be found on pages 33 through 36 of this report.

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 statements because the resources of those funds are not available to support Black Hawk County, Iowa's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund's financial statements can be found on page 37 of this report.

Notes to basic 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 basic financial statements can be found on pages 38 through 56 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information concerning Black Hawk County, Iowa's budgeted amounts for fiscal year 2014. Required supplementary information can be found on pages 57 and 59 of this report.

The combining statements referred to earlier in connection with nonmajor special revenue funds, capital project funds, enterprise funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 60 through 73 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of Black Hawk County, Iowa, assets exceeded liabilities by \$98,566,652 at the close of the most recent fiscal year.

By far the largest portion of the County's net position (68 percent) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements other than buildings and infrastructure); less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to its 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 the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be liquidated to cover the liabilities.

Black Hawk County, Iowa
 Management's Discussion and Analysis
 For Fiscal Year Ended June 30, 2014

	Net Position of Governmental and Business-Type Activities					
	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Current and Other Assets	\$ 70,610,842	\$ 74,462,148	\$ 4,358,777	\$ 4,001,026	\$ 74,969,619	\$ 78,463,174
Capital Assets	94,529,137	96,508,660	4,897,962	4,558,080	99,427,099	101,066,740
Total Assets	165,139,979	170,970,808	9,256,739	8,559,106	174,396,718	179,529,914
Long-term Liabilities	41,469,299	43,009,722	1,372,014	1,318,713	42,841,313	44,328,435
Other Liabilities	2,827,262	4,637,983	888,127	533,175	3,715,389	5,171,158
Total Liabilities	44,296,561	47,647,705	2,260,141	1,851,888	46,556,702	49,499,593
Unavailable Revenue-Future						
Property Tax	32,400,184	31,463,669	-	-	32,400,184	31,463,669
Total Deferred Inflows	32,400,184	31,463,669	-	-	32,400,184	31,463,669
Net Position:						
Net Investment in Capital						
Assets	58,892,665	62,893,726	4,370,375	4,110,091	63,263,040	67,003,817
Restricted	14,426,349	14,805,215	-	-	14,426,349	14,805,215
Unrestricted	15,124,220	14,160,493	2,626,223	2,597,127	17,750,443	16,757,620
Total Net Position	\$ 88,443,234	\$ 91,859,434	\$ 6,996,598	\$ 6,707,218	\$ 95,439,832	\$ 98,566,652

An additional portion of the County's net position (16.1 percent or \$14,805,215) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (17 percent or \$16,757,620) may be used to meet the County's ongoing obligations to citizens and creditors.

Net position restricted through enabling legislation consists of \$3,047,345 for debt service, \$1,764,976 for mental health, \$1,943,330 for secondary roads, \$2,074,861 for rural levy purposes, and \$4,816,636 for supplemental levy purposes and \$1,158,067, for various other restricted purposes, as of June 30, 2014.

At the end of the current fiscal year, Black Hawk County, Iowa is able to report positive balances in all three categories of net position position, for the government as a whole, as well as for its separate governmental activities.

Governmental activities. Governmental activities increased the County's net position by \$3,416,200, as shown on the chart as follows. The 3.9 percent increase in net position of the governmental activities is primarily the result of significant increases in current and capital assets.

The County experienced a .8% increase overall in total revenue. The most significant increase in revenue was in property tax revenue. The property tax revenue increase of \$970,000 was primarily due to an increase in taxable assessed valuation partially offset with a decrease in property tax rates. Other revenue increases included \$145,000 in local option sales tax and just under \$174,000 in state tax credits. Additional increases in operating grants and contributions of \$140,000 bring the total increases to approximately \$1.43 million. These increases were almost entirely offset by reductions in revenue of \$350,000 in the charges for service area and a reduction in capital grants and contributions of just over \$1 million as funding for capital projects in FY13 was not present in FY14.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2014

Miscellaneous revenues represent items that are not large enough to have an individual classification such as donations, various property rentals and other miscellaneous revenue items. This amount will fluctuate year to year given the nature of the revenues.

Public safety and legal services expenses increased approximately \$608,000 primarily due to increased staffing costs and benefits in the Sheriff's Office, Attorney's Office and Consolidated Communications Center.

Physical health and social services decreased approximately \$580,000 primarily due to the elimination of the Youth Shelter at the end of FY13 along with reductions in agency support, juvenile detention costs and salary decreases in the Veteran's Affairs office and some areas within the Health Department.

County environment and education increased approximately \$260,000 primarily due to increased funding for the Jumpstart program that passes through the county.

Mental health functional expenses increased by approximately \$960,000. This is a result of increased expenses to the mental health region as the cost of services provided to individuals in the region have increased along with the total number of individuals.

Roads and Transportation decreased approximately \$421,000 primarily due to the timing of planned maintenance and capital projects in the Engineer's Office.

Administration increased approximately \$1,000,000 primarily due to increased losses in the County's internal service funds for self- insurance and office equipment repairs.

Business-type activities. Business-type activities decreased the County's net position by \$289,380.

Financial Analysis of the Government's Fund Financial Statements

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

Governmental Funds. The financial reporting 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 in assessing the County's financing requirements. In particular, unreserved fund balances serve as a useful measure of a government's net resources available at the end of the fiscal year.

The County's governmental funds reported combined fund balances of \$31,727,993 as of June 30, 2014. This was an increase of \$4,906,774, or 18.3 percent, from the prior year. The majority of the increase is from the proceeds of bonds sold for the Solid Waste Commission increasing the Debt Service Fund balance and being partially offset by a reduction of fund balance in the Capital Projects Fund. Of this total combined fund balance amount, \$10,643,940 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is restricted, committed or assigned to indicate that it is not available for new spending because it has already been allocated 1) for purposes of the supplemental tax levy, 2) to fund various debt service payments and 3) for assets that will not be liquidated in the near term.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2014

	Changes in Net Position of Governmental and Business-Type Activities					
	Government Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Revenues:						
Program Revenues:						
Charges for Services	\$ 6,899,835	\$ 6,544,454	\$ 12,190,153	\$ 12,744,617	\$ 19,089,988	\$ 19,289,071
Operating Grants / Contributions	10,324,098	10,463,557	-	-	10,324,098	10,463,557
Capital Grants / Contributions	5,065,574	4,026,136	46,168	-	5,111,742	4,026,136
General Revenues:						
Taxes:						
Property	31,835,448	32,805,378	-	-	31,835,448	32,805,378
State Tax Credits	996,825	1,170,706	-	-	996,825	1,170,706
Local Option Sales	2,809,754	2,954,796	-	-	2,809,754	2,954,796
Investment Earnings	390,127	405,838	1,615	1,642	391,742	407,480
Miscellaneous	1,100,598	1,108,418	78,230	58,100	1,178,828	1,166,518
Total Revenues	59,422,259	59,479,283	12,316,166	12,804,359	71,738,425	72,283,642
Expenses:						
Public Safety and Legal Services	18,156,232	18,764,343	-	-	18,156,232	18,764,343
Physical Health and Social Services	7,871,355	7,290,096	-	-	7,871,355	7,290,096
Mental Health	5,567,395	6,531,543	-	-	5,567,395	6,531,543
County Environment and Education	4,792,164	4,879,483	-	-	4,792,164	4,879,483
Roads and Transportation	8,997,547	8,576,219	-	-	8,997,547	8,576,219
Government Services to Residents	1,765,826	1,804,827	-	-	1,765,826	1,804,827
Administration	5,837,436	6,837,855	-	-	5,837,436	6,837,855
Interest on Long-Term Debt	1,402,736	1,378,717	-	-	1,402,736	1,378,717
Country View Care Facility	-	-	12,308,641	12,746,339	12,308,641	12,746,339
Washburn Water and Sewer	-	-	293,366	347,400	293,366	347,400
Total Expenses	54,390,691	56,063,083	12,602,007	13,093,739	66,992,698	69,156,822
Increase (Decrease) in Net Position	5,031,568	3,416,200	(285,841)	(289,380)	4,745,727	3,126,820
Net Position, Beginning	83,675,675	88,443,234	7,282,439	6,996,598	90,958,114	95,439,832
Prior Period Adjustment	(264,009)	-	-	-	(264,009)	-
Net Position, Beginning, as Restated	83,411,666	88,443,234	7,282,439	6,996,598	90,694,105	95,439,832
Net Position, Ending	\$ 88,443,234	\$ 91,859,434	\$ 6,996,598	\$ 6,707,218	\$ 95,439,832	\$ 98,566,652

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2014

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned balance of the General Fund was \$10,644,194, while total fund balance reached \$15,746,472. As a measure of the General Fund's liquidity, it is generally useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 29.7 percent of total General Fund expenditures, while total fund balance represents 44.0 percent of that same amount. These funds will be needed as working capital during the initial months of the new fiscal year as property tax revenue is only collected semiannually, in September and March.

The fund balance for Black Hawk County, Iowa's General Fund increased by \$806,606 during fiscal year 2014. Numerous departments had revenue above what was budgeted such as the Treasurer's Office with an additional \$150,000 in auto registration and tax sale fees and the Sheriff's Office with \$103,000 in additional revenue from weapons permits and care for state prisoners. Additional revenue for fine collections from the Attorney's Office, photocopy and fax fees from the Recorder's Office, and computer service revenue from the Information Technology department added another \$119,000. Multiple departments also experienced less than anticipated expenditures in a number of areas such as \$295,000 from the Toledo Home and juvenile detention in the Juvenile Court Services department along with \$100,000 from Community Services and the Health Department for reduced expenditures in multiple service based areas.

The Mental Health Fund had a fund balance of \$1,799,032, all of which is to be used for mental health functional expenditures. The fund balance decreased by \$217,879 during fiscal year 2014. The decrease is attributed to slightly increased expenditures over the County Social Services region as revenues had no significant change.

The Rural Services Fund had a fund balance of \$2,144,398, which increased \$220,310 from the prior year. The fund increase is due to higher than expected Local Option Sales Tax revenue for fiscal year 2014.

The Secondary Roads Fund had a fund balance of \$2,145,986, which increased \$129,698 from the prior year. The primary reason for the increase in fund balance is the fluctuation that occurs due to the timing of planned maintenance and capital projects.

The Debt Service Fund had a fund balance of \$8,003,992 all of which is restricted for the payment of debt service (i.e. payment of general obligation principal and interest). The increase in fund balance of \$5,984,128 was due to a \$5.9 million transfer of bond proceeds from the Capital Projects category into Debt Service for the bonds sold on behalf of the Solid Waste Commission, and recorded as a note receivable.

The Capital Projects Fund had a total fund balance of \$706,016. This fund balance decreased \$2,256,660 as a majority of remaining bond proceeds from past projects and the funding of current projects were expended in FY14.

Proprietary Funds. The Black Hawk County, Iowa's proprietary funds provide the same type of information found in the government-wide financial statements, except in more detail. The Country View Care Facility is the only major enterprise fund.

Budgetary Highlights

The County presents budgetary information as allowed by GASB Statement No. 41. Budgets are based on nine functional areas as required by state statute, not by fund or fund type.

Over the course of the year, Black Hawk County, Iowa amended its budget two times. The budgetary comparison schedule provides more information.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2014

Key changes in the budget amendments are as follows:

Expenditures increased \$10,234,844, which included:

- Approximately \$1.3 million for projects that began in fiscal year 2013, but finished in fiscal year 2014. Additionally, bonds were sold for the Solid Waste Commission and \$6.07 million in bond proceeds were paid to the Solid Waste Commission for their projects.
- Approximately \$1.3 million for additional jumpstart expenditures, \$500,000 transferred to the Information Technology Fund and \$380,000 in additional expenditures for the Sheriff's Office from room and board funds along with inmate medical care expenditures and capital projects offset by \$50,000 in casino grants.
- A motor grader purchase for \$261,255 in the Engineer's Office and \$220,000 for additional conservation projects offset by grants and additional revenue. Additionally, \$155,600 in technology improvements in the Attorney's Office, Treasurer's Office and the Information Technology department.
- Approximately \$99,600 in Health Department expenditures offset by increased revenues along with \$150,000 for Hartman Reserve Fund expenditures and approximately \$175,000 for insurance changes and retirement expenditures in multiple county departments.

Revenues increased \$2,128,021 which included:

- Approximately \$1.3 million increase in revenue for jumpstart funds to offset the additional expenditures and \$500,000 transferred into the Information Technology Fund for capital projects.
- Insurance funds of \$253,995 to replace a motor grader and approximately \$125,000 in additional revenue in the Recorder's Office, Attorney's Office and the Information Technology department for copy fees, fine collections and professional services.
- Approximately \$225,000 in Conservation grants and revenue for additional projects along with \$102,000 in revenue for the Health Department to offset additional expenditures along with \$86,000 in casino grants for the Sheriff's Office and state grants for the Attorney's Office.

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2014 amounts to \$101,066,740 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, vehicles and equipment, construction-in-progress and infrastructure. The total increase in Black Hawk County, Iowa's capital assets for the current fiscal year was 1.6 percent.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2014

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Land	\$ 5,785,299	\$ 5,836,425	\$ -	\$ -	\$ 5,785,299	\$ 5,836,425
Construction-in-Progress	1,006,768	2,326,253	-	-	1,006,768	2,326,253
Buildings	28,661,721	29,243,526	4,879,761	4,879,761	33,541,482	34,123,287
Improvements other than Buildings	1,368,737	1,368,737	96,836	96,836	1,465,573	1,465,573
Equipment and Vehicles	11,983,739	14,001,352	535,812	555,056	12,519,551	14,556,408
Infrastructure	91,759,396	94,575,716	5,420,639	5,420,639	97,180,035	99,996,355
Accumulated Depreciation	(46,036,523)	(50,843,349)	(6,035,086)	(6,394,212)	(52,071,609)	(57,237,561)
Total Capital Assets	\$ 94,529,137	\$ 96,508,660	\$ 4,897,962	\$ 4,558,080	\$ 99,427,099	\$ 101,066,740

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

- Multiple secondary road projects including the reconstruction and resurfacing of approximately 5 miles of road and the replacement or repair of 10 bridges and culverts was completed during fiscal year 2014.
- An elevator upgrade was completed at the Pinecrest building and exterior brick tuck-pointing was completed at both the Pinecrest building and the Country View care facility.
- The phone system was upgraded in the jail and the video camera system was upgraded in the Courthouse as well as concrete repair and replacement at both buildings.

Additional information concerning the County's capital assets can be found in Note 5 of the Notes to Basic Financial Statements on pages 48 and 49.

Long-term debt. At the close of the fiscal year ended June 30, 2014, the County had total long-term debt outstanding of \$42,621,774. Of this amount, \$40,495,000 comprises debt backed by the full faith and credit of the government and the remaining \$2,126,774 represents capital lease obligations and accrued compensated absences for the County's employees.

Table of Outstanding Debt
General Obligation and Revenue Bonds

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
General Obligation Bonds	\$ 37,250,000	\$ 39,110,000	\$ 530,000	\$ 450,000	\$ 37,780,000	\$ 39,560,000
General Obligation Capital Notes	1,240,000	935,000	-	-	1,240,000	935,000
Capital Leases	30,591	21,278	-	-	30,591	21,278
Compensated Absences	1,920,653	1,690,550	432,925	414,946	2,353,578	2,105,496
Total	\$ 40,441,244	\$ 41,756,828	\$ 962,925	\$ 864,946	\$ 41,404,169	\$ 42,621,774

Additional information concerning the County's long-term debt can be found in Note 7 of the Notes to Basic Financial Statements.

Economic Factors and Next Year's Budget and Rates

Black Hawk County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2015 budget and the tax rates charged for various County activities. County officials are sensitive to the trends of key economic factors such as the unemployment rate. At the start of fiscal year 2010, the unemployment rate averaged between 5% and 6% until October of 2009 when the economy worsened and the unemployment rate reached a high of 7.9%. Since that time, the rate has been gradually falling to 6.7% in January 2011 and to 6.0% in January 2012. The rate fluctuated between 5% and 6% for most of the calendar year 2012 decreasing to 5.4% at the end of year. The unemployment rate for the first half of 2013 declined to around 5% in June and continued to decrease to a rate of 4.4% in December. In 2014 the unemployment rate increased in the first part of the year to just over 5% and then declined to 4.7% in June and down to 4.2% in October.

In an ongoing effort to maintain County services with minimal increases in tax levies, the Black Hawk County Board of Supervisors has sought efficiencies, including the outsourcing of duties and reduced fund balances as well as eliminating positions. In the last ten years, the year-end combined General Fund balance (General Basic and General Supplemental) has climbed from a balance of \$5,348,280 or just over 17 percent of expenditures to a figure of \$11,007,968 in fiscal year 2008. As the economic downturn began shortly after, the fund balance decreased to a figure of \$10,239,519 by the end fiscal year 2010. During fiscal years 2011 and 2012 the fund balance steadily increased to its' largest amount since the mid-1990's. That trend continued into FY13 with the total balance ending at \$14,939,866 and also into FY14 with a balance of \$15,746,472. This amount is 44 percent of expenditures with the unassigned fund balance of \$10,844,194 at 29.7 percent of expenditures.

For fiscal year 2015, amounts available for appropriation are \$58.53 million. Budgeted expenditures are expected to decrease approximately \$676,000 from fiscal year 2014 actual figures, while budgeted revenues are expected to decrease similarly at \$661,000. Of the expenditure decreases, the largest is the Capital Projects category at a reduction of just over \$3 million as no significant capital projects are anticipated in FY15. That figure is partially offset by an increase of \$1.065 million in Debt Service due to bonds sold on behalf of the Solid Waste Commission. Increases of approximately \$600,000 in Administration expenditures also offset a portion of the Capital Projects reduction as did increases of just under \$390,000 in Public Safety and Legal Services, \$360,000 in Roads and Transportation and \$545,000 in Physical Health and Social Services. The decrease in revenues for fiscal year 2015 compared to the fiscal year 2014 actual figures is largely due to a decrease of just over \$620,000 in the Taxes Levied on Property category. Decreases in revenue of almost \$900,000 in the Intergovernmental category are offset by increases in Miscellaneous revenue and Charges for Service. If these estimates are realized, the County's budgetary operating balance is expected to slightly increase by the end of fiscal year 2015.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Black Hawk County, Iowa's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Black Hawk County Finance Director, James W. Bronner, by mail at 316 E. 5th Street, Waterloo, Iowa 50703, by telephone at 319.833.3003, fax 319.833.3070 or by e-mail at jbronner@co.black-hawk.ia.us.

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government		Total
	Governmental Activities	Business-Type Activites	
ASSETS			
Current Assets			
Cash and Investments	\$ 30,753,272	\$ 2,808,776	\$ 33,562,048
Restricted Cash and Investments	1,058,011	-	1,058,011
Receivables:			
Property tax:			
Delinquent	154,074	-	154,074
Succeeding year	31,463,669	-	31,463,669
Accrued Interest	8,092	-	8,092
Accounts	777,138	153,132	930,270
Interest and Penalty on Property Tax, Net	241,665	-	241,665
Notes Receivable	5,944,000	-	5,944,000
Internal Balances	93,563	(93,563)	-
Due from Other Governmental Agencies	2,456,917	1,074,646	3,531,563
Inventories	395,252	58,035	453,287
Total Current Assets	73,345,653	4,001,026	77,346,679
Noncurrent Assets			
Capital Lease Receivable	1,116,495	-	1,116,495
Capital Assets			
Land	5,836,425	-	5,836,425
Construction in Progress	2,326,253	-	2,326,253
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	88,345,982	4,558,080	92,904,062
Total Non Current Assets	97,625,155	4,558,080	102,183,235
Total Assets	170,970,808	8,559,106	179,529,914
LIABILITIES			
Accounts Payable	2,330,685	176,897	2,507,582
Claims Payable	1,318,846	-	1,318,846
Due to Other Governmental Agencies	276,958	11,381	288,339
Unearned Revenue	16,455	28,675	45,130
Accrued Interest Payable	152,671	1,462	154,133
Other Liabilities	-	114,068	114,068
Salaries and Benefits Payable	542,368	200,692	743,060
Total current liabilities	4,837,983	533,175	5,171,158
Noncurrent Liabilities:			
Due within one year:			
General Obligation Bonds	5,120,000	85,000	5,205,000
General Obligation Capital Loan Notes	305,000	-	305,000
Capital Leases	10,494	-	10,494
Compensated Absences	1,016,976	266,815	1,283,791
Due in more than one year:			
General Obligation Bonds	34,179,672	362,989	34,542,661
General Obligation Capital Loan Notes	630,000	-	630,000
Capital Leases	10,784	-	10,784
Compensated Absences	673,574	148,131	821,705
OPEB Liability	1,063,222	455,778	1,519,000
Total Noncurrent Liabilities	43,009,722	1,318,713	44,328,435
Total Liabilities	47,847,705	1,851,888	49,499,593
Deferred Inflows of Resources:			
Unavailable Revenue- Future Property Tax	31,463,669	-	31,463,669
Total Deferred Inflows of Resources	31,463,669	-	31,463,669
NET POSITION			
Net Investment in Capital Assets	62,893,726	4,110,091	67,003,817
Restricted for:			
Debt Service	3,047,345	-	3,047,345
Mental Health Purposes	1,764,976	-	1,764,976
Supplemental levy purposes	4,816,836	-	4,816,836
Secondary Roads Purposes	1,943,330	-	1,943,330
Rural Services	2,074,861	-	2,074,861
Conservation	954,244	-	954,244
Other Purposes	203,823	-	203,823
Unrestricted	14,160,493	2,597,127	16,757,620
Total Net Position	\$ 91,859,434	\$ 6,707,218	\$ 98,566,652

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues
		Charges for Services
Primary Government:		
Governmental Activities:		
Public safety and legal services	\$ 18,764,343	\$ 2,244,895
Physical health and social services	7,290,096	886,355
Mental health	6,531,543	40,344
County environment and education	4,879,483	778,727
Roads and transportation	8,576,219	50,574
Government services to residents	1,804,827	1,995,821
Administration	6,837,855	547,738
Interest on long-term debt	1,378,717	-
Total governmental activities	56,063,083	6,544,454
Business-Type Activities		
Rural Sewer	257,343	192,757
Rural Water	90,057	34,313
Country View Care Facility	12,746,339	12,517,547
Total Business-Type Activities	13,093,739	12,744,617
Total	\$ 69,156,822	\$ 19,289,071

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants Contributions	Capital Grants Contributions	Governmental Activities	Business-Type Activities	Total
\$ 2,363,989	\$ 733,000	\$ (13,422,459)	\$ -	\$ (13,422,459)
3,026,330	-	(3,377,411)	-	(3,377,411)
524,313	-	(5,966,886)	-	(5,966,886)
345,095	1,968,068	(1,787,593)	-	(1,787,593)
3,536,963	1,325,068	(3,663,614)	-	(3,663,614)
116,690	-	307,684	-	307,684
550,177	-	(5,739,940)	-	(5,739,940)
-	-	(1,378,717)	-	(1,378,717)
<u>10,463,557</u>	<u>4,026,136</u>	<u>(35,028,936)</u>	<u>-</u>	<u>(35,028,936)</u>
-	-	-	(64,586)	(64,586)
-	-	-	(55,744)	(55,744)
-	-	-	<u>(228,792)</u>	<u>(228,792)</u>
-	-	-	<u>(349,122)</u>	<u>(349,122)</u>
<u>\$ 10,463,557</u>	<u>\$ 4,026,136</u>	<u>(35,028,936)</u>	<u>(349,122)</u>	<u>(35,378,058)</u>

General Revenues:

Property and other county tax levied for:				
General Purposes		29,140,737	-	29,140,737
Debt Service		3,278,068	-	3,278,068
Interest and penalties on taxes		386,573	-	386,573
State tax credits		1,170,706	-	1,170,706
Local option sales tax		2,954,796	-	2,954,796
Gambling Taxes		425,253	-	425,253
Unrestricted investment earnings		405,838	1,642	407,480
Miscellaneous		683,165	58,100	741,265
Total general revenues		<u>38,445,136</u>	<u>59,742</u>	<u>38,504,878</u>
Change in net position		3,416,200	(289,380)	3,126,820
Net position - beginning		<u>88,443,234</u>	<u>6,996,598</u>	<u>95,439,832</u>
Net position - ending		<u>\$ 91,859,434</u>	<u>\$ 6,707,218</u>	<u>\$ 98,566,652</u>

COUNTY OF BLACK HAWK, IOWA
BALANCE SHEET
Governmental Funds
JUNE 30, 2014

	General	Mental Health
Assets		
Cash and Pooled Investments	\$ 15,885,662	\$ 1,769,228
Restricted Cash and Pooled Investments	-	-
Receivables:		
Property Tax	106,988	28,708
Future Property Tax	20,553,720	5,515,144
Accrued Interest	7,980	-
Accounts	414,850	-
Interest and Penalty on Property Tax	241,665	-
Notes Receivable	-	-
Due from Other Funds	10,336	-
Due from Other Governmental Agencies	1,531,874	141,598
Capital Lease	-	-
Inventories	-	-
Total Assets	<u>38,753,075</u>	<u>7,454,678</u>
Liabilities, Deferred Inflows and Equity		
Liabilities:		
Accounts Payable	967,172	1,439
Due to Other Funds	503,007	105
Due to Other Governmental Agencies	153,718	100,000
Unearned Revenue	16,455	-
Salaries and Benefits Payable	447,562	10,839
Total Liabilities	<u>2,087,914</u>	<u>112,383</u>
Deferred Inflows of Resources:		
Unavailable Revenue- Future Property Tax	20,553,720	5,515,144
Unavailable Revenue- Delinquent Property Tax	342,259	28,119
Unavailable Revenue- Other	22,710	-
Total Deferred Inflows of Resources	<u>20,918,689</u>	<u>5,543,263</u>
Fund Balances:		
NonSpendable:		
Inventory	-	-
Restricted for:		
Debt Service	-	-
Supplemental Levy Purposes	4,826,969	-
Mental Health Purposes	-	1,799,032
Rural Services Purposes	-	-
Secondary Roads Purposes	-	-
Records Management Purposes	-	-
Conservation Purposes	-	-
Capital Improvement	-	-
Other Purposes	-	-
Committed for:		
Termination Benefits	275,309	-
Assigned for:		
Conservation Land Acquisition	-	-
Unassigned	10,644,194	-
Total Fund Balances	<u>15,746,472</u>	<u>1,799,032</u>
Total Liabilities Deferred Inflows and Equity	<u>\$ 38,753,075</u>	<u>\$ 7,454,678</u>

	Rural Services	Secondary Roads	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$	1,955,602	\$ 1,830,384	\$ 1,733,037	\$ -	\$ 1,289,652	\$ 24,463,565
	-	-	-	1,058,011	-	1,058,011
	3,509	-	14,869	-	-	154,074
	2,299,125	-	3,095,680	-	-	31,463,669
	-	-	112	-	-	8,092
	1,185	6,849	30,000	-	13,745	466,629
	-	-	-	-	-	241,665
	9,000	-	5,935,000	-	-	5,944,000
	-	-	90,000	500,000	-	600,336
	229,790	338,152	215,503	-	-	2,456,917
	-	-	1,116,495	-	-	1,116,495
	-	395,252	-	-	-	395,252
	4,498,211	2,570,637	12,230,696	1,558,011	1,303,397	68,368,705
	305	366,575	-	850,135	121,300	2,306,926
	388	1,413	-	1,860	-	506,773
	19,859	3,381	-	-	-	276,958
	-	-	-	-	-	16,455
	30,685	53,282	-	-	-	542,368
	51,237	424,651	-	851,995	121,300	3,649,480
	2,299,125	-	3,095,680	-	-	31,463,669
	3,451	-	14,529	-	-	388,358
	-	-	1,116,495	-	-	1,139,205
	2,302,576	-	4,226,704	-	-	32,991,232
	-	395,252	-	-	-	395,252
	-	-	8,003,992	-	-	8,003,992
	-	-	-	-	-	4,826,969
	-	-	-	-	-	1,799,032
	2,144,398	-	-	-	-	2,144,398
	-	1,750,734	-	-	-	1,750,734
	-	-	-	-	18,719	18,719
	-	-	-	-	954,244	954,244
	-	-	-	706,016	-	706,016
	-	-	-	-	185,104	185,104
	-	-	-	-	-	275,309
	-	-	-	-	24,284	24,284
	-	-	-	-	(254)	10,643,940
	2,144,398	2,145,986	8,003,992	706,016	1,182,097	31,727,993
\$	4,498,211	\$ 2,570,637	\$ 12,230,696	\$ 1,558,011	\$ 1,303,397	\$ 68,368,705

See Accompanying Notes to Financial Statements

**COUNTY OF BLACK HAWK, IOWA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014**

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balance - Governmental Funds (page 28)		\$	31,727,993
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds.			96,508,660
Internal service funds used by management to charge the costs of self-insured health, general liability, and worker compensation are included in the statement of net position.			5,257,611
Deferred revenues from the balance sheet that provide current financial resources for governmental activities.			1,527,563
Accrued expenses from the balance sheet that require current financial resources for governmental activities.			
Accrued Compensated Absences	\$	(1,690,550)	
Other Post Employment Liabilities		<u>(1,063,222)</u>	(2,753,772)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
General Obligation Bonds		(39,299,672)	
General Obligation Capital Loan Notes		(935,000)	
Capital Leases		(21,278)	
Accrued Interest Payable		<u>(152,671)</u>	<u>(40,408,621)</u>
Total Net Position - Governmental Activities (page 24)		\$	<u>91,859,434</u>

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
Year Ended June 30, 2014

	General	Mental Health	Rural Services
Revenue:			
Property tax	\$ 20,526,467	\$ 5,394,570	\$ 2,254,723
Other County Tax	1,091,991	155,919	1,572,530
Interest and penalty on property tax	386,573	-	-
Intergovernmental	8,684,739	722,755	132,652
Licenses and permits	386,825	-	91,223
Charges for services	4,441,502	39,894	5,268
Use of money and property	232,418	-	405
Miscellaneous	1,895,427	450	241
Total Revenue	<u>37,645,942</u>	<u>6,313,588</u>	<u>4,057,042</u>
Expenditures:			
Current operating:			
Public safety and legal services	17,011,936	-	1,560,979
Physical health and social services	7,286,923	-	-
Mental health	-	6,531,467	-
County environment and education	4,275,350	-	238,612
Roads and transportation	-	-	-
Government services to residents	1,753,630	-	251
Administration	5,132,570	-	-
Capital projects	-	-	-
Debt service:			
Principal	314,312	-	-
Bond Issuance Cost	-	-	-
Interest	10,633	-	-
Total Expenditures	<u>35,785,354</u>	<u>6,531,467</u>	<u>1,799,842</u>
Excess (deficiency) of revenues over expenditures	<u>1,860,588</u>	<u>(217,879)</u>	<u>2,257,200</u>
Other financing sources (uses):			
Transfers in	315,132	-	-
Transfers (out)	(1,369,114)	-	(2,036,890)
Proceeds from sale of capital assets	-	-	-
Issuance of debt	-	-	-
Premium on Bonds Issued	-	-	-
Total other financing sources (uses)	<u>(1,053,982)</u>	<u>-</u>	<u>(2,036,890)</u>
Net Change in Fund Balances	806,606	(217,879)	220,310
Fund balances - beginning of year	<u>14,939,866</u>	<u>2,016,911</u>	<u>1,924,088</u>
Fund balances - end of year	<u>\$ 15,746,472</u>	<u>\$ 1,799,032</u>	<u>\$ 2,144,398</u>

See Accompanying Notes to Financial Statements

Secondary Roads	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 3,192,331	\$ -	\$ -	\$ 31,368,091
-	1,563,684	-	-	4,384,124
-	-	-	-	386,573
3,950,641	202,596	-	61,379	13,754,762
29,340	-	-	-	507,388
20,739	-	-	190,229	4,697,632
-	451,821	-	89,393	774,037
31,259	-	-	220,974	2,148,351
4,031,979	5,410,432	-	561,975	58,020,958
-	-	-	93,586	18,666,501
-	-	-	-	7,286,923
-	-	-	-	6,531,467
-	-	-	217,235	4,731,197
5,473,766	-	-	-	5,473,766
-	-	-	10,583	1,764,464
-	-	-	-	5,132,570
1,039,091	-	2,834,485	-	3,873,576
-	4,075,000	-	-	4,389,312
-	-	56,238	-	56,238
-	1,286,304	-	-	1,296,937
6,512,857	5,361,304	2,890,723	321,404	59,202,951
(2,480,878)	49,128	(2,890,723)	240,571	(1,181,993)
2,906,004	5,935,000	500,000	-	9,656,136
(315,132)	-	(5,935,000)	-	(9,656,136)
19,704	-	-	-	19,704
-	-	5,935,000	-	5,935,000
-	-	134,063	-	134,063
2,610,576	5,935,000	634,063	-	6,088,767
129,698	5,984,128	(2,256,660)	240,571	4,906,774
2,016,288	2,019,864	2,962,676	941,526	26,821,219
\$ 2,145,986	\$ 8,003,992	\$ 706,016	\$ 1,182,097	\$ 31,727,993

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR YEAR ENDED JUNE 30, 2014

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

Net change in fund balances - total governmental funds (page 31) \$ 4,906,774

Governmental funds report capital outlays, including infrastructure, 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. Capital outlays exceeded depreciation expense in the current year as follows:

Expenditures for capital assets	\$ 7,207,361	
Depreciation expense	<u>(5,170,045)</u>	2,037,316

Governmental funds report the proceeds from the sale of fixed assets as revenue whereas the statement of activities reports the gain on the sale of fixed assets. This is the effect on the change in net position on the statement of activities. (57,793)

Revenues reported in the funds that are not available to provide current financial resources. (225,914)

Accrued interest expense that does not require current financial resources. (48,491)

Proceeds from issuance of long term debt. (5,935,000)

Internal service funds are used by management to charge the costs of partial self-insured health insurance. The net revenue of the internal service funds is reported with governmental activities. (1,655,269)

Compensated absences that do not require current financial resources. 230,103

Other Post-Employment Benefits that do not require current financial resources. (113,724)

The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net position. The statement of activities does not reflect the payment of principal on bonded long-term debt. The principal paid on bonded long-term debt during the current year was:

Repayment of debt principal	4,389,313	
Premium on issuance of long term debt	(134,063)	
Accretion of premium on long term debt	50,581	
Amortization of discounts on long term debt	<u>(27,633)</u>	4,278,198

Change in net position of governmental activities (page 26) \$ 3,416,200

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF NET POSITION
 Proprietary Funds
 JUNE 30, 2014

	Business Type Activities			Governmental
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Activities Internal Service
ASSETS				
Current Assets:				
Cash and Investments	\$ 2,553,378	\$ 255,398	\$ 2,808,776	\$ 6,289,707
Receivables (Net, where applicable, of allowance for uncollectibles)				
Accounts	118,521	34,611	153,132	310,509
Due from Other Funds	15	-	15	-
Due from Other Governmental Agencies	1,074,646	-	1,074,646	-
Inventories	58,035	-	58,035	-
Total Current Assets	<u>3,804,595</u>	<u>290,009</u>	<u>4,094,604</u>	<u>6,600,216</u>
Noncurrent Assets:				
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	2,132,782	2,425,298	4,558,080	-
Total Noncurrent Assets	<u>2,132,782</u>	<u>2,425,298</u>	<u>4,558,080</u>	<u>-</u>
Total Assets	<u>5,937,377</u>	<u>2,715,307</u>	<u>8,652,684</u>	<u>6,600,216</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	161,623	15,274	176,897	23,759
Claims Payable	-	-	-	1,318,846
Accrued Interest Payable	-	1,462	1,462	-
Salaries and Benefits Payable	200,692	-	200,692	-
Due to Other Funds	93,578	-	93,578	-
Unearned Revenue	28,675	-	28,675	-
Due to Other Governments	11,207	174	11,381	-
Current portion of general obligation bonds	-	85,000	85,000	-
Other Liabilities	114,068	-	114,068	-
Compensated Absences	266,815	-	266,815	-
Total Current Liabilities	<u>876,658</u>	<u>101,910</u>	<u>978,568</u>	<u>1,342,605</u>
Noncurrent Liabilities:				
Due in more than one year:				
General Obligation Bonds	-	362,989	362,989	-
Compensated Absences	148,131	-	148,131	-
Net OPEB Liability	455,778	-	455,778	-
Total Noncurrent Liabilities	<u>603,909</u>	<u>362,989</u>	<u>966,898</u>	<u>-</u>
Total Liabilities	<u>1,480,567</u>	<u>464,899</u>	<u>1,945,466</u>	<u>1,342,605</u>
NET POSITION				
Net Investment in Capital Assets	2,132,782	1,977,309	4,110,091	-
Unrestricted	2,324,028	273,099	2,597,127	5,257,611
Total Net Position	<u>\$ 4,456,810</u>	<u>\$ 2,250,408</u>	<u>\$ 6,707,218</u>	<u>\$ 5,257,611</u>

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 Proprietary Funds
 For the Year Ended, June 30, 2014

	Business Type Activities			Governmental
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Activities Internal Service
Operating Revenues:				
Charges for Services	\$ 12,517,547	\$ 227,070	\$12,744,617	\$ 6,851,022
Total Operating Revenue	<u>12,517,547</u>	<u>227,070</u>	<u>12,744,617</u>	<u>6,851,022</u>
Operating Expenses:				
Employee Services	9,964,412	-	9,964,412	-
Contract Services	1,615,250	40,665	1,655,915	8,544,628
Supplies	723,713	-	723,713	-
Repairs and Improvements	104,588	65,420	170,008	-
Utilities	174,322	3,436	177,758	-
Miscellaneous	396	21,706	22,102	-
Depreciation	163,658	195,468	359,126	-
Total Operating Expenses	<u>12,746,339</u>	<u>326,695</u>	<u>13,073,034</u>	<u>8,544,628</u>
Operating Income (Loss)	(228,792)	(99,625)	(328,417)	(1,693,606)
Non-Operating Income (Expense):				
Interest Income	-	1,642	1,642	38,337
Other Non-operating Income	58,100	-	58,100	-
Interest Expense	-	(20,705)	(20,705)	-
Total Non-Operating Income (Expenses)	<u>58,100</u>	<u>(19,063)</u>	<u>39,037</u>	<u>38,337</u>
Change in Net Position	(170,692)	(118,688)	(289,380)	(1,655,269)
Net Position - Beginning	<u>4,627,502</u>	<u>2,369,096</u>	<u>6,996,598</u>	<u>6,912,880</u>
Net Position - Ending	<u>\$ 4,456,810</u>	<u>\$2,250,408</u>	<u>\$ 6,707,218</u>	<u>\$ 5,257,611</u>

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF CASH FLOWS
 Proprietary Funds
 Year Ended June 30, 2014

	Business Type Activities			Governmental
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 13,046,396	\$ 231,656	\$ 13,278,052	\$ 6,574,306
Cash Paid to Suppliers for Goods and Services	(2,984,610)	(119,468)	(3,104,078)	-
Cash Paid for claims and to administrative provider	-	-	-	(8,198,513)
Cash Paid to Employees for Services Provided	(9,903,385)	-	(9,903,385)	-
Other Non-Operating Income	58,100	-	58,100	-
Net Cash Provided (Used) by Operating Activities	<u>216,501</u>	<u>112,188</u>	<u>328,689</u>	<u>(1,624,207)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING				
ACTIVITIES:				
Acquisition and Construction of Capital Assets	(19,244)	-	(19,244)	-
Payments on capital loan notes and bonds	-	(80,000)	(80,000)	-
Interest Paid on Notes and Bonds	-	(20,554)	(20,554)	-
Net Cash (Used) for Capital and Related Financing Activities	<u>(19,244)</u>	<u>(100,554)</u>	<u>(119,798)</u>	<u>-</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Due From (To) Other Funds	1,073	-	1,073	-
Net Cash Provided by Non-Capital Financing Activities	<u>1,073</u>	<u>-</u>	<u>1,073</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends on Investments	-	1,642	1,642	38,337
Net Cash Provided from Investing Activities	<u>-</u>	<u>1,642</u>	<u>1,642</u>	<u>38,337</u>
Net Increase (Decrease) in Cash and Cash Equivalents	198,330	13,276	211,606	(1,585,870)
Cash and Cash Equivalents at Beginning of Year	<u>2,355,048</u>	<u>242,122</u>	<u>2,597,170</u>	<u>7,875,577</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,553,378</u>	<u>\$ 255,398</u>	<u>\$ 2,808,776</u>	<u>\$ 6,289,707</u>

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF CASH FLOWS (Continued)
 Proprietary Funds
 Year Ended June 30, 2014

	Business Type Activities			Governmental
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ (228,792)	\$ (99,625)	\$ (328,417)	\$ (1,693,606)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	163,658	195,468	359,126	-
Miscellaneous Non-Operating Income	58,100	-	58,100	-
(Increase) Decrease in Assets:				
Accounts Receivable	17,548	4,586	22,134	(276,716)
Due From Other Governments	511,387	-	511,387	-
Inventories	34,763	-	34,763	-
Increase (Decrease) in Liabilities				
Accounts Payable	51,711	11,585	63,296	17,204
Claims Payable	-	-	-	328,911
Unearned Revenue	(86)	-	(86)	-
Accrued Compensated Absences	(17,979)	-	(17,979)	-
Accrued Wages and Benefits	34,730	-	34,730	-
Other Post Employment Benefit Liability	44,276	-	44,276	-
Other Liabilities	(456,692)	-	(456,692)	-
Due To Other Governments	3,877	174	4,051	-
Total Adjustments	445,293	211,813	657,106	69,399
Net Cash Provided (Used) by Operating Activities	\$ 216,501	\$ 112,188	\$ 328,689	\$ (1,624,207)

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF FIDUCIARY NET POSITION
Agency Funds
JUNE 30, 2014

ASSETS

Cash and Pooled Investments	\$	7,894,371
Property Taxes and Other		153,253,295
Total Assets		<u>161,147,666</u>

LIABILITIES

Accounts Payable and Accrued Liabilities		86,594
Due to Other Governments		159,712,267
Trusts Payable		1,348,805
Total Liabilities	\$	<u>161,147,666</u>

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2014

Note 1 - Summary of Significant Accounting Policies

The County of Black Hawk, Iowa (the County) is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Recorder, Treasurer, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance, and general administrative services.

The County's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board. The Governmental Accounting Standards Board is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Reporting Entity

For financial reporting purposes, the County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

Blended Component Units

These financial statements present Black Hawk County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. Each of the component units have a June 30 year-end. Blended Component Units are entities that are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Drainage Districts: Certain drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed, and supervised by the Black Hawk County Board of Supervisors, which is the same governing board as the primary government. The drainage districts are reported as a special revenue fund. Financial information of the individual drainage districts can be obtained from the Black Hawk County Auditor's Office.

The Friends of Hartman Reserve, Inc.: The Friends of Hartman Reserve, Inc. has been incorporated under the provisions of the Iowa Nonprofit Corporation Act, Chapter 504A of the Code of Iowa, for the purpose of providing volunteer resources, including personnel and financial resources, for the Hartman Reserve Nature Center and its governing organization, the Black Hawk County, Iowa Conservation Board. The Center is reported as a special revenue fund. Friends of Hartman is shown as a blended component unit, as it only serves and provides resources to Black Hawk County.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2014

Note 1 - Summary of Significant Accounting Policies – (Continued)

Financial information can be obtained from the Black Hawk County, Iowa's Auditor's Office at 316 East 5th Street, Waterloo, Iowa 50703.

Jointly Governed Organizations - The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The Black Hawk County, Iowa's Board of Supervisors are members of or appoint representatives to the following boards and commissions: Black Hawk County, Iowa's Assessor's Conference Board, County Emergency Management Commission and Black Hawk County, Iowa's Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in an Agency Funds of the County.

The County also participates in the following jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: Black Hawk County Criminal Justice Information System, Black Hawk County Solid Waste Management Commission, Multi-County Drug Prosecution Unit, Tri-County Drug Task Force, Northeast Iowa Response Group, Iowa Northland Regional Housing Council, Iowa County Engineers Association Service Bureau, Consolidated Public Safety Communication Center and North Iowa Juvenile Detention Services Commission.

B. Basic Financial Statements – Government-Wide Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The County's Public Safety and Legal Services, Physical Health and Social Services, County Environment and Education, and Government Services to Residents are classified as governmental activities, and the Country View Care Facility, Rural Water and Rural Sewer funds are classified as business-type activities. The County's internal service funds are classified as primarily governmental type activities.

The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. In the government-wide Statement of Net Position, the governmental and business type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The County first uses restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions (administration, law enforcement, courts, roads, etc.). The functions are also supported by general government revenues (property taxes, fines, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2014

Note 1 - Summary of Significant Accounting Policies – (Continued)

The County does not allocate indirect costs. Certain expenses of the County are accounted for through the internal service fund on a cost-reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided; eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

This government-wide focus is more on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

C. Basis of Presentation - Fund Accounting

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in the governmental category. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria for the determination of major funds. The County electively added funds, as major funds, which had a specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

Governmental Fund Types – The focus of the governmental funds' measurement (in the fund statements) is upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The County reports the following major governmental funds.

1) General Fund – The General Fund is the general operating fund of the County. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs that are not paid from other funds.

2) Special Revenue Funds

The Mental Health Fund is used to account for property tax and other revenues designated to be used to fund mental health, mental retardation, and developmental disabilities services.

The Secondary Roads Fund is used to account for secondary road construction and maintenance, which is funded through state and federal grants and internal transfers.

Rural Services Fund is used to account taxes levied to benefit the rural residents of the County.

3) Debt Service Fund – The Debt Service Fund is used to account for the payment of interest and principal on the County's general long-term debt.

4) Capital Projects Fund – The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2014

Note 1 - Summary of Significant Accounting Policies – (Continued)

Proprietary Fund Types – The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles used are those applicable to similar businesses in the private sector. The County reports the following proprietary funds:

- 1) Enterprise Funds: To account for operations financed and operated in a manner similar to private business enterprises where the intent of the governing body is the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis to be financed or recovered primarily through user charges.

The County's major enterprise fund:

Country View Care Facility: To account for the activities and operations of the County's certified care facility.

- 2) Internal Service Fund – Accounts for the County's self-insurance fund, office equipment fund and health insurance fund.

The County's internal service fund is presented in the proprietary fund financial statements. Because the principal users of the internal services are the County's governmental activities, the financial statements of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

Fiduciary Fund Types - Fiduciary funds are used to report assets held in an agency or custodial capacity for others and therefore not available to support County programs. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide statements.

The agency funds of the County account for the property taxes levied by political subdivisions within the county, collections of those amounts by the county, and the remittance of the collected amounts to the subdivisions.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual accounting is used for all activities in the government-wide financial statements and for the proprietary and fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A 60-day availability period is used for

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2014

Note 1 - Summary of Significant Accounting Policies – (Continued)

revenue recognition for all other governmental fund revenues with the exception of expenditure-driven grants. A one-year availability period is used for expenditure-driven grants.

Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation debt, if any, is recognized when due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the County's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

Those revenues susceptible to accrual are property taxes and intergovernmental revenues. Licenses, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

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 County's internal service fund is charges to customers for sales and services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

- E. Budgets – The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2014, disbursements exceeded the amounts budgeted in the County's Debt Service functions.
- F. Cash and Pooled Investments – The cash balances of most County funds along with its component units are pooled and invested. The County has defined cash and cash equivalents to include cash on hand and demand deposits. In addition, each fund's equity in the county's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. The County and its component units use the following method in determining the reported amounts:

<u>Type</u>	<u>Method</u>
Certificates of Deposit	Cost
Investments	Fair Value

- G. Property Tax Receivable - The County's property tax rates were extended against the assessed valuation of the County as of January 1, 2012 to compute the amounts that became liens on property when the supervisors adopted the FY14 budget. These taxes were due and payable in two installments on September 30, 2013 and March 31, 2014 at the County Treasurer's Office. Property tax receivable represents taxes that are due and payable but have not been collected.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2014

Note 1 - Summary of Significant Accounting Policies – (Continued)

- H. Future Property Taxes Receivable – This represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year.

Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and is shown as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied. For agency funds, as no revenues are recorded, the amounts are reflected as being due to other governments.

- I. Due to/from Other Funds - During the course of operations numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.
- J. Due to/from Other Governments - Due to/from other governments represents state tax credits due from the State of Iowa, various shared revenues, grants, and reimbursements receivable and taxes and other revenues collected by the County which will be remitted to other governments.
- K. Inventories - Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.
- L. Compensated Absences - County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts and related benefits is reported in the governmental fund financial statements only for employees that have resigned or retired. The compensated absence liability has been computed based on rates of pay in effect at June 30, 2014. The compensated absence liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Roads Funds.
- M. Deferred Outflows / Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds financial statements and in the governmental activities of the government-wide financial statements. The governmental activities in the government-wide statements report unavailable revenues from subsequent year property taxes. The

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2014

Note 1 - Summary of Significant Accounting Policies – (Continued)

governmental funds report unavailable revenues from subsequent year property taxes, delinquent property taxes, and other miscellaneous items. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

- N. Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide statement of net position. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of \$5,000. Property and equipment of the County is depreciated using the straight line method over the following estimated useful lives:

Improvements Other Than Buildings	10 – 25 Years
Buildings and Structures	10 – 50 Years
Infrastructure	15 – 65 Years
Machinery and Equipment	5 – 20 Years

- O. Discounts, premiums and issuance costs on long-term debt – In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Discounts and premiums on the issuance of long-term debt are deferred and amortized over the life of the debt using the effective interest method. Bond issue cost is recognized in the current period.

In the fund financial statements, governmental fund types recognize discounts and premiums on long-term debt as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Discounts and premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

- P. Fund Equity – In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance approved prior to year end. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2014

Note 1 - Summary of Significant Accounting Policies – (Continued)

Assigned – Amounts the Board of Supervisors intend to use for specific purposes.

Unassigned – All amounts not included in other classifications.

Q. Net Position – The net position of the Internal Service Funds is designated for anticipated future catastrophic losses of the County.

Note 2 - Cash and Investments

As of June 30, 2014, the County's cash and investments were as follows:

Cash, statement of net position	\$	27,045,816
Cash, fiduciary funds		7,894,371
Investments		7,574,243
		\$ 42,514,430

The County maintains cash and investment pools for certain funds where the resources have been pooled in order to maximize investment opportunities. Income from investments is recorded in the General Fund unless otherwise provided by law.

Authorized investments: The County is authorized by statute and policy to invest public funds in interest-bearing savings accounts, money market accounts and checking accounts, obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the County and State of Iowa Statute, Chapter 12C; and perfected repurchase agreements, pooled funds including but not limited to mutual funds, trusts and third party management arrangement or improvement certificates of a drainage district. However, the County's investment policy additionally limits investments stating that any bank must be on the most recent State of Iowa Approved Bank List. Additionally, investments in (1) reverse repurchase agreements and (2) securities derived from interest-only cash flows from an underlying collateral debt instrument where there is risk of loss due to early redemption of the collateral are prohibited.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the County's investment policy, the County minimizes the market value risk of investments in the portfolio by separating operating funds from other funds available for investment. Operating funds may not be invested in investments with maturity dates in excess of 397 days. Nonoperating funds may be invested in investments with maturities no greater than 30 months. This ensures that securities mature to meet cash requirements for operations, thereby avoiding the need to sell securities in the open market prior to maturity.

Investment Type	Maturities	Fair Value
IPAIT Diversified, Money Market Mutual Fund	N/A	\$ 6,912,292
Government Bonds	N/A	10,000
Money market mutual fund	N/A	7,636
Mutual funds, equities	N/A	644,315
		\$ 7,574,243

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2014

Note 2 - Cash and Investments (Continued)

As of June 30, 2014, the County's investments were rated as follows:

Investment Type	Moody's Investors Services	Standard & Poor's
IPAIT Diversified, Money Market Mutual Fund	Not rated	Not rated
Money market mutual fund	Not rated	Not rated
Mutual funds, equities	Not rated	Not rated
Government Bonds	N/A	N/A

Concentration of credit risk: The County's investment policy is to apply the prudent-person rule: Investments shall be made utilizing the judgment and care, under the circumstances then present, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investments, considering probable safety of their capital as well as the probable income to be derived. The County did not have any investments in any one issuer that represent 5% more of total County investments: mutual funds are excluded from this consideration given the County does not "hold" the underlying investments.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of June 30, 2014, the County's investments were insured or were not subject to custodial credit risk. Time deposits in excess of FDIC insurable limits are secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. Chapter 12C of the Code of Iowa requires all County funds to be deposited into an approved depository and be either insured or collateralized. As of June 30, 2014, the County's deposits with financial institutions were entirely covered by federal depository insurance or insured by the state through pooled collateral, state sinking funds and by the state's ability to assess for lost funds.

Note 3 - Interfund Receivables and Payables

As of June 30, 2014, short-term interfund borrowings for operating purposes were as follows:

	Due From Other Funds	Due To Other Funds
Governmental funds, major funds:		
General	\$ 10,336	\$ 503,007
Mental Health	-	105
Rural Basic	-	388
Secondary Roads	-	1,413
Capital Projects	500,000	1,860
Debt Service	90,000	-
Enterprise funds, major funds:		
Country View Care Facility	15	93,578
Total	<u>\$ 600,351</u>	<u>\$ 600,351</u>

These balances represent amounts due between funds due to timing differences in services being performed and reimbursements being made.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2014

Note 4 - Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2014 is as follows:

Transfer In:	Transfer Out:				
	Secondary Roads	Capital Projects	General	Rural Services	Total Transfer In
Debt Service	\$ -	\$ 5,935,000	\$ -	\$ -	\$ 5,935,000
Capital Projects	-	-	500,000	-	500,000
Secondary Roads	-	-	869,114	2,036,890	2,906,004
General	315,132	-	-	-	315,132
Total Transfer Out	\$ 315,132	\$ 5,935,000	\$ 1,369,114	\$ 2,036,890	\$ 9,656,136

Transfers are used to:

1. Move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.
2. Move unrestricted revenues collected in the rural services fund to finance various programs and capital projects accounted for in other funds in accordance with budgetary authorizations.
3. Make corrections for receipts recorded in or expenditures expended from the wrong fund.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2014

Note 5 - Capital Assets

A summary of changes in capital assets, including the component unit, is as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 5,785,299	\$ 51,126	\$ -	\$ 5,836,425
Construction in Progress	1,006,768	5,216,321	3,896,836	2,326,253
Total capital assets not being depreciated	<u>6,792,067</u>	<u>5,267,447</u>	<u>3,896,836</u>	<u>8,162,678</u>
Capital assets being depreciated:				
Land Improvements	1,368,737	-	-	1,368,737
Buildings and Structures	28,661,721	581,805	-	29,243,526
Machinery and Equipment	11,983,739	2,459,391	441,778	14,001,352
Infrastructure	91,759,396	2,816,320	-	94,575,716
Total capital assets being depreciated	<u>133,773,593</u>	<u>5,857,516</u>	<u>441,778</u>	<u>139,189,331</u>
Less accumulated depreciation for:				
Land Improvements	947,246	43,920	-	991,166
Buildings and Structures	10,526,563	658,977	-	11,185,540
Machinery and Equipment	7,727,593	920,440	363,219	8,284,814
Infrastructure	26,835,121	3,546,708	-	30,381,829
Total accumulated depreciation	<u>46,036,523</u>	<u>5,170,045</u>	<u>363,219</u>	<u>50,843,349</u>
Total capital assets being depreciated, net	<u>87,737,070</u>	<u>687,471</u>	<u>78,559</u>	<u>88,345,982</u>
Governmental activities capital assets, net	<u>\$ 94,529,137</u>	<u>\$ 5,954,918</u>	<u>\$ 3,975,395</u>	<u>\$ 96,508,660</u>
Business-Type Activities:				
Capital assets being depreciated:				
Buildings and Structures	\$ 4,879,761	\$ -	\$ -	\$ 4,879,761
Improvements other than buildings	96,836	-	-	96,836
Vehicles	108,283	19,244	-	127,527
Equipment	427,529	-	-	427,529
Infrastructure	5,420,639	-	-	5,420,639
Total capital assets being depreciated	<u>10,933,048</u>	<u>19,244</u>	<u>-</u>	<u>10,952,292</u>
Less accumulated depreciation for:				
Buildings and structures	2,752,023	136,616	-	2,888,639
Improvements other than buildings	78,186	1,013	-	79,199
Vehicles	102,587	2,205	-	104,792
Equipment	302,419	23,824	-	326,243
Infrastructure	2,799,871	195,468	-	2,995,339
Total accumulated depreciation	<u>6,035,086</u>	<u>359,126</u>	<u>-</u>	<u>6,394,212</u>
Total capital assets being depreciated, net	<u>\$ 4,897,962</u>	<u>\$ (339,882)</u>	<u>\$ -</u>	<u>\$ 4,558,080</u>

Depreciation expense was charged to the governmental functions as follows:

Public safety and legal services	\$ 631,824
Physical health and social services	59,589
County environment and education	232,474
Roads and transportation	3,907,544
Government services to residents	53,436
Administration	285,178
	<u>\$ 5,170,045</u>

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2014

Note 5 - Capital Assets (Continued)

Depreciation expense was charged to the enterprise functions as follows:

Rural Water	\$ 66,729
Rural Sewer	128,739
Country View Care Facility	163,658
	<u>\$ 359,126</u>

Reconciliation of Net Investment in Capital Assets:

	Governmental Activities	Business-Type Activities
Land	\$ 5,836,425	\$ -
Construction in Progress	2,326,253	-
Capital Assets (net of accumulated depreciation)	88,345,982	4,558,080
Less * General Obligation Bonds	(32,468,984)	(450,000)
General Obligation Capital Loan Notes	(935,000)	-
Capital Leases	(21,278)	-
Premiums on Long Term Debt	(312,926)	-
Discounts on Long Term Debt	123,254	2,011
Net Investment in Capital Assets	<u>\$ 62,893,726</u>	<u>\$ 4,110,091</u>

*The general obligation bond amount shown in the governmental activities column does not include \$706,016 of outstanding bonds, as at year end these amounts were unspent, thus were included in the restricted component of net position. It also does not include \$5,935,000 which was issued as Series 2013B and was used to provide financing for the Solid Waste Commission.

Note 6 - E911 Lease Receivable

On July 22, 2008, the County issued General Obligation Bonds Series 2008B in order to purchase equipment for the E911 Service Board (a jointly governed organization to the County). The total principal and interest on the bonds was \$4,759,709 payable in semiannual payments starting December 1, 2009 and ending June 1, 2018. As of June 30, 2014, the 2008B bonds had an outstanding balance of \$1,735,000. The E911 Service Board is paying the County monthly installments ranging from \$30,000 to \$155,000 through December 15, 2018 with interest rates ranging from 4.00% to 4.60% per annum. The payments for the E911 Service Board are credited directly to the Debt Service Fund. The full amount of the loan funds has been drawn. As of June 30, 2014, the remaining principle balance on the lease receivable owed to the County was \$1,116,495.

Year Ending June 30,	Principal	Interest	Total
2015	\$ 282,785	\$ 77,215	\$ 360,000
2016	299,360	60,640	360,000
2017	317,180	42,820	360,000
2018	217,170	23,920	241,090
Total	<u>\$ 1,116,495</u>	<u>\$ 204,595</u>	<u>\$ 2,041,090</u>

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2014

Note 7 - Solid Waste Management Commission Note Receivable

On December 10, 2013, the County issued GO Bond Series 2013B in order to loan funds to the Commission for the operation of the Commission's landfill. The bonds issued totaled \$5,935,000 and were issued at a premium, after bond issue costs, the Commission received \$6,000,000. The Commission is required to make payments to the County in the amounts required by the amortization schedule for the bonds. At June 30, 2014, the outstanding balance is \$5,935,000.

Note 8 - Long-Term Liabilities

The following is a summary of changes in long-term liability for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Retirements/ Deletions	Balance June 30, 2014	Due Within One Year
Governmental activities:					
General obligation bonds	\$37,250,000	\$5,935,000	\$4,075,000	\$39,110,000	\$5,120,000
General obligation capital notes	1,240,000	-	305,000	935,000	305,000
Capital leases	30,591	-	9,313	21,278	10,494
Compensated absences	1,920,653	1,541,723	1,771,826	1,690,550	1,016,976
	<u>\$40,441,244</u>	<u>\$7,476,723</u>	<u>\$6,161,139</u>	<u>\$41,756,828</u>	<u>\$6,452,470</u>
Business-type activities					
General obligation bonds	\$ 530,000	\$ -	\$ 80,000	\$ 450,000	\$ 85,000
Compensated absences	432,925	404,088	422,067	414,946	266,815
	<u>\$ 962,925</u>	<u>\$ 404,088</u>	<u>\$ 502,067</u>	<u>\$ 864,946</u>	<u>\$ 351,815</u>

New debt issues: On December 10, 2013, Black Hawk County issued \$5,935,000 in General Obligation Bonds, Series 2013B. These bonds are due in annual installments of \$1,135,000 to \$1,215,000 at interest rates ranging from 1% to 2%. The bonds were used to finance operations at the County Solid Waste Commission. The Commission will pay the County as bond payments are due. See Note 7 for further details.

General Obligation bonds: General obligation bonds have been issued for both governmental and business-type activities. The portion of unmatured general obligation bonds reported in the governmental activities column in the statement of net position to be paid from the Debt Service Fund totaled \$39,110,000 as of June 30, 2014. These bonds bear interest with rates ranging from 1.00% to 5.625% and mature in varying annual amounts ranging from \$45,000 to \$1,065,000 through June 1, 2026.

The portion of unmatured general obligation bonds reported in the business-type activities column in the statement of net position to be paid from proprietary revenues totaled \$450,000 as of June 30, 2014. These bonds bear interest with rates ranging from 3.20% to 4.00% and mature in varying annual amounts ranging from \$75,000 to \$105,000 through June 1, 2019.

General obligation capital loan notes: General obligation capital loan notes have been issued for the governmental activities. The portion of unmatured general obligation capital loan notes reported in the governmental activities column in the statement of net position and to be paid from the Debt Service Fund totaled \$935,000 as of June 30, 2014. These notes bear interest with rates ranging from 0.40% to 4.71% and mature in varying annual amounts ranging from \$20,000 to \$320,000 through June 1, 2017.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2014

Note 8 - Long-Term Liabilities (Continued)

Capital leases: The County has a capital lease for food service equipment with zero interest payments ranging between \$404 to \$1,020 monthly through 2016. The net book value of the equipment is \$13,692 as of June 30, 2014.

Compensated absences: Compensated absences attributable to governmental activities are generally liquidated by the General Fund.

Summary of principal and interest maturities: Annual debt requirements to service all outstanding indebtedness as of June 30, 2014 are as follows:

Governmental Activities Year Ending June 30,	General Obligation Bonds		General Obligation Capital Notes		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 5,120,000	\$ 1,312,516	\$ 305,000	\$ 8,608	\$ 10,494	\$ -
2016	5,230,000	1,141,904	310,000	6,625	10,784	-
2017	5,365,000	1,005,708	320,000	3,680	-	-
2018	5,105,000	845,399	-	-	-	-
2019	4,290,000	684,078	-	-	-	-
2020-2024	12,890,000	1,606,443	-	-	-	-
2025-2026	1,110,000	56,025	-	-	-	-
	<u>\$ 39,110,000</u>	<u>\$ 6,652,073</u>	<u>\$ 935,000</u>	<u>\$ 18,913</u>	<u>\$ 21,278</u>	<u>\$ -</u>

Business-Type Activities Year Ending June 30,	General Obligation Bonds	
	Principal	Interest
2015	\$ 85,000	\$ 17,539
2016	85,000	14,309
2017	90,000	11,045
2018	95,000	7,552
2019	95,000	3,800
	<u>\$ 450,000</u>	<u>\$ 54,245</u>

The Governmental General Obligation Bonds are shown net of the unamortized premiums of \$312,926 and discounts of \$(123,254) on the Statement of Net Position.

GO Capital Loan Notes	\$ 935,000	Exhibit 1-Statement of Net Position	
General Obligation Bonds	39,110,000	General Obligation Bonds Payable-Current	\$ 5,120,000
Unamortized Discounts	(123,254)	GO Capital Loan Notes – Current	305,000
Unamortized Premiums	312,926	General Obligation Bonds Payable- Long Term	34,179,672
		GO Capital Loan Notes – Long Term	630,000
	<u>\$40,234,672</u>		<u>\$40,234,672</u>

The Rural Sewer general obligation bonds were also shown net of unamortized bond discount of \$2,011.

The computation of the County's legal margin as of June 30, 2014 is as follows:

January 2012 assessed valuation	\$ 5,433,600,269
Debt limit, 5% of assessed valuation (Iowa Statutory Limitation)	271,680,013
Total amount of debt applicable to debt margin	<u>40,495,000</u>
Legal debt margin	<u>\$ 231,185,013</u>

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2014

Note 9 - Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is available to any employee who, with the consent of Black Hawk County, elects to reduce a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, inservice distribution or unforeseeable emergency. The Plan was amended to comply with IRC Section 457(b) which allowed for the Plan to hold its assets in trust. Under these new requirements, the assets of the Plan are no longer subject to the general creditors of the County. The assets are maintained in trust by the employer in connection with the Plan. The Plan is maintained for the exclusive benefit of the employee or his/her beneficiary and, therefore, the liability and corresponding investment are not reflected in the financial statements.

Note 10 - Employee Health Insurance Plan

The County is self-insured for its employee medical coverage. The internal service, Health Insurance Fund, was established to account for revenues and expenses of the County's health insurance benefit plan. The benefit plan is funded by both employee and County contributions and is administered by a third party administrator, First Administrators, Inc., a stop-loss insurance policy, has been obtained for the health plan to limit the amount of payments by the County on an individual basis to \$100,000 per year. The annual maximum coverage limit for the employee medical plan is \$1,000,000. In addition to the individual stop loss coverage, the County has purchased aggregate excess loss coverage of 125% of expected claims during the year, approximately \$8,654,614.

Monthly payments of service fees and plan contributions to the internal service, Health Insurance Fund, are recorded as expenditures from the operating funds.

Amounts payable from the internal service, Health Insurance Fund, as of June 30, 2014 totaled \$1,038,554 which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses.

Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the claims payable in fiscal years 2013 and 2014 are as follows:

	2013	2014
Claims payable, beginning of year	\$ 773,058	\$ 899,699
Claims recognized	6,124,632	7,062,546
Claim payments and change in accrual	(5,997,991)	(6,923,691)
Claims payable, end of year	\$ 899,699	\$ 1,038,554

Note 11 - Risk Management

Black Hawk County is exposed to various risks of loss related to torts; theft damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has purchased commercial insurance to protect against errors and omissions and injuries to employees. The County is a member of the Iowa Communities Assurance Pool (ICAP). The membership in the ICAP protects against loss related to torts; theft, damage to and destruction of assets; and natural disasters. ICAP is a risk sharing pool where liability of each member is limited to their financial contribution; no member is responsible for the liabilities of any other member. The County is responsible for the first

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2014

Note 11 - Risk Management (Continued)

\$50,000 of settlements. Below is the activity of what has been accrued for the deductibles of outstanding claims under the pooled plan.

	2013	2014
Claims payable, beginning of year	\$ 49,391	\$ 90,236
Claims recognized	95,500	266,891
Claim payments and change in accrual	(54,655)	(76,835)
Claims payable, end of year	<u>\$ 90,236</u>	<u>\$ 280,292</u>

Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 12 - Pension and Retirement

Iowa Public Employees Retirement System - The County contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Most regular plan members are required to contribute 5.95% of their annual covered salary and the County is required to contribute 8.93% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2014, 2013 and 2012 were \$2,536,883, \$2,475,054 and \$2,363,158, respectively, equal to the required contributions for each year.

Note 13 - Other Postemployment Benefits (OPEB)

Plan Description - The County operates a single-employer retiree benefit plan which provides self insured medical/prescription drug benefits for all active employees and retirees and their eligible dependents. Sheriff's deputies must be a minimum of age 50 with 22 or more years of service to be eligible for retiree benefits. All other employees must be a minimum of age 55 with four or more years of service to be eligible for retiree benefits. Benefits cease upon attaining age 65.

No stand alone financial report is issued, the plan is self-funded and included in the County's financial statements.

Funding Policy - The health insurance plan contributions on behalf of employees are negotiated by management and the union and governed by the County's union contracts. Retirees pay the full premium. The current funding policy of the County is to pay health claims as they occur.

Annual OPEB Cost and Net OPEB Obligation - The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2014

Note 13 - Other Postemployment Benefits (OPEB) (Continued)

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2014, the amount actually contributed to the plan and changes in the County's OPEB obligation:

Annual required contribution	\$ 262,000
Interest on net OPEB obligation	61,000
Adjustment to annual required contribution	<u>(52,000)</u>
Annual OPEB cost	271,000
Contributions made	<u>(113,000)</u>
Increase in net OPEB obligation	158,000
Net OPEB obligation beginning of year	<u>1,361,000</u>
Net OPEB obligation end of year	<u>\$ 1,519,000</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2014. The general fund, secondary roads fund, rural services fund, mental health fund and Country View Care Facility fund typically fund this liability.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years 2010 through 2014 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	\$ 271,000	42%	\$ 1,519,000
June 30, 2013	\$ 302,000	38%	\$ 1,361,000
June 30, 2012	\$ 302,000	38%	\$ 1,174,000
June 30, 2011	\$ 290,280	28%	\$ 987,000
June 30, 2010	\$ 362,000	2.8%	\$ 778,720

Funded Status and Funding Progress – As of July 1, 2013, the most recent actuarial valuation date for the period July 1, 2013 through June 30, 2014, the actuarial accrued liability was \$2,721,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,721,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$28,200,000 and the ratio of the UAAL to covered payroll was 9.6%. As of June 30, 2014, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2014

Note 13 - Other Postemployment Benefits (OPEB) (Continued)

required supplementary information in the section following the Notes to Financial Statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2013 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions includes a 4.5% discount rate based on the County's funding policy. The projected annual medical trend rate is 8.5%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.5% each year until reaching the 5% ultimate trend rate.

Mortality rates are from RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2013 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2013.

Assumptions also include a 3.5% rate of inflation and a 3.5% growth in payroll per annum. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Note 14 - Contingencies

The County receives significant financial assistance from the U.S. government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund that receives the grant. As of June 30, 2014, the County estimates that no material liabilities will result from such audits.

Pending Litigation

The County is a defendant in several lawsuits in the course of operations. In the opinion of the County Attorney and management, the resolution of such litigation will not have a material adverse effect on the future financial statements of the County.

Note 15 - Conduit Debt Obligations

The County has issued Health Care Facility and Industrial Revenue Bonds under the provisions of Chapter 419 of the Code of Iowa, to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and payable solely from the private-sector entity. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2014

Note 15 - Conduit Debt Obligations (Continued)

As of June 30, 2014, Industrial Revenue Bonds outstanding had an original issue amount of \$8,775,000. The outstanding balance at June 30, 2014 was \$6,582,738.

Note 16 - Construction Commitment

The County has entered into contracts totaling \$9,726,335 for various bridge and road construction, engineering and other maintenance projects, which were ongoing at year end. As of June 30, 2014, costs of \$4,451,097 had been incurred against the contracts. The balance of \$5,275,238 remaining at June 30, 2014 will be paid as work on the projects progress.

Note 17 - Deficit Equity Balance

The Drainage Districts Fund had a deficit fund balance at June 30, 2014, of \$254. This is due to timing of expenditures and assessments collected. It is anticipated that the fiscal year 2015 budget should correct this.

Note 18 – Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27*. This statement will be implemented for the fiscal year ending June 30, 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the government's proportionate share of the employee pension plan.

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, ALL GOVERNMENTAL FUND TYPES, BUDGETARY BASIS
Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Amended		
Revenue:				
Property tax	\$ 31,891,801	\$ 31,891,801	\$ 31,368,091	\$ (523,710)
Other County tax	3,879,252	3,879,252	4,384,124	504,872
Interest and penalty on property tax	384,500	384,500	386,573	2,073
Intergovernmental	12,726,605	14,283,462	13,754,762	(528,700)
Licenses and permits	501,100	501,100	507,388	6,288
Charges for services	4,181,710	4,230,542	4,697,632	467,090
Use of money and property	867,438	867,438	774,037	(93,401)
Miscellaneous, primarily contributions	1,670,122	2,192,454	2,148,351	(44,103)
Total Revenue	56,102,528	58,230,549	58,020,958	(209,591)
Expenditures:				
Current operating:				
Public safety and legal services	18,268,452	18,801,365	18,666,501	134,864
Physical health and social services	8,197,698	8,306,983	7,286,923	1,020,060
Mental health	7,346,351	7,346,351	6,531,467	814,884
County environment and education	3,094,069	4,820,639	4,731,197	89,442
Roads and transportation	5,601,325	6,175,580	5,473,766	701,814
Government services to residents	1,741,161	1,844,761	1,764,464	80,297
Administration	5,894,660	6,023,605	5,132,570	891,035
Capital projects	3,511,251	10,570,527	3,929,814	6,640,713
Debt service	5,663,255	5,663,255	5,686,249	(22,994)
Total Expenditures	59,318,222	69,553,066	59,202,951	10,350,115
Excess (deficiency) of revenues over expenditures	(3,215,694)	(11,322,517)	(1,181,993)	10,140,524
Other financing sources (uses):				
Transfers in	2,906,004	3,406,004	9,656,136	6,250,132
Transfers out	(2,906,004)	(3,406,004)	(9,656,136)	(6,250,132)
Proceeds from sale of capital assets	-	-	19,704	19,704
Issuance of bonds	-	6,069,062	5,935,000	(134,062)
Premiums on bonds issued	-	-	134,063	134,063
Total other financing sources (uses)	-	6,069,062	6,088,767	19,705
Net Change in Fund Balances	\$ (3,215,694)	\$ (5,253,455)	4,906,774	\$ 10,160,229
Fund balances - beginning of year			26,821,219	
Fund balances - end of year			<u>\$ 31,727,993</u>	

COUNTY OF BLACK HAWK, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2014

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the modified accrual basis following required public notice and hearing for all funds except Agency Funds, Enterprise Funds and the Internal Service Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized in the modified accrual budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$10,234,844. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2014, disbursements exceeded the amounts budgeted in the County's debt service function.

COUNTY OF BLACK HAWK, IOWA
 SCHEDULE OF FUNDING PROGRESS FOR THE
 RETIREE HEALTH PLAN
 For the Year Ended June 30, 2014

REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009	July 1, 2008 *	\$ -	\$ 4,319,000	\$ 4,319,000	0.00%	\$ 22,723,576	19.0%
2010	July 1, 2009	\$ -	\$ 3,432,000	\$ 3,432,000	0.00%	\$ 23,861,244	14.4%
2011	July 1, 2009	\$ -	\$ 3,432,000	\$ 3,432,000	0.00%	\$ 27,072,108	12.7%
2012	July 1, 2011	\$ -	\$ 2,905,000	\$ 2,905,000	0.00%	\$ 27,322,434	10.6%
2013	July 1, 2011	\$ -	\$ 2,905,000	\$ 2,905,000	0.00%	\$ 28,058,641	10.4%
2014	July 1, 2013	\$ -	\$ 2,721,000	\$ 2,721,000	0.00%	\$ 28,200,000	9.6%

* Fiscal 2009 was the first year for calculating the Post Employment Benefit Obligation so information from previous years is not available.

See Note 12 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost and Net OPEB Obligation, funding status and funding progress.

COUNTY OF BLACK HAWK, IOWA
 COMBINING BALANCE SHEET
 Governmental Nonmajor Funds
 JUNE 30, 2014

	Special Revenue Funds		
	Resource Enhancement and Protection	County Recorder's Records Management	Sheriff's Comissary
Assets			
Cash and Pooled Investments	\$ 109,426	\$ 23,185	\$ 196,248
Receivables:			
Accounts	-	2,134	10,561
Total Assets	<u>109,426</u>	<u>25,319</u>	<u>206,809</u>
Liabilities, Deferred Inflows and Equity			
Liabilities:			
Accounts Payable	2,417	6,600	21,705
Total Liabilities	<u>2,417</u>	<u>6,600</u>	<u>21,705</u>
Fund Balances:			
Restricted for:			
Records Management Purposes	-	18,719	-
Other Purposes	-	-	185,104
Conservation Purposes	107,009	-	-
Assigned for:			
Conservation Land Acquisition	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>107,009</u>	<u>18,719</u>	<u>185,104</u>
Total Liabilities Deferred Inflows and Equity	<u>\$ 109,426</u>	<u>\$ 25,319</u>	<u>\$ 206,809</u>

Special Revenue Funds		Capital Projects		
Drainage Districts	Friends of Hartman Reserve Fund	Conservation Land Acquisition Fund		Total
\$ -	\$ 937,559	\$ 23,234	\$	1,289,652
-	-	1,050		13,745
-	937,559	24,284		1,303,397
254	90,324	-		121,300
254	90,324	-		121,300
-	-	-		18,719
-	-	-		185,104
-	847,235	-		954,244
-	-	24,284		24,284
(254)	-	-		(254)
(254)	847,235	24,284		1,182,097
\$ -	\$ 937,559	\$ 24,284	\$	1,303,397

COUNTY OF BLACK HAWK, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
Year Ended June 30, 2014

	Special Revenue Funds		
	Resource Enhancement and Protection	County Recorder's Records Management	Sheriff's Comissary
Revenue:			
Intergovernmental	\$ 51,408	\$ -	\$ -
Charges for services	-	22,879	141,044
Use of money and property	477	82	-
Miscellaneous	44,928	-	-
Total Revenue	<u>96,813</u>	<u>22,961</u>	<u>141,044</u>
Expenditures:			
Current operating:			
Public safety and legal services	-	-	93,586
County environment and education	63,506	-	-
Government services to residents	-	10,583	-
Total Expenditures	<u>63,506</u>	<u>10,583</u>	<u>93,586</u>
Excess (deficiency) of revenues over expenditures	<u>33,307</u>	<u>12,378</u>	<u>47,458</u>
Net Change in Fund Balances	33,307	12,378	47,458
Fund balances - beginning of year	<u>73,702</u>	<u>6,341</u>	<u>137,646</u>
Fund balances - end of year	<u>\$ 107,009</u>	<u>\$ 18,719</u>	<u>\$ 185,104</u>

Special Revenue Funds		Capital Projects		
Drainage Districts	Friends of Hartman Reserve Fund	Conservation Land Acquisition Fund		Total
\$ -	\$ 9,971	\$ -		\$ 61,379
-	26,306	-		190,229
-	88,834	-		89,393
-	153,124	22,922		220,974
-	278,235	22,922		561,975
-	-	-		93,586
87	139,359	14,283		217,235
-	-	-		10,583
87	139,359	14,283		321,404
(87)	138,876	8,639		240,571
(87)	138,876	8,639		240,571
(167)	708,359	15,645		941,526
\$ (254)	\$ 847,235	\$ 24,284		\$ 1,182,097

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF NET POSITION
 Enterprise Nonmajor Funds
 JUNE 30, 2014

	Business Type Activities		
	Rural Sewer	Rural Water	Total
ASSETS			
Current Assets:			
Cash and Pooled Investments	\$ 77,868	\$ 177,530	\$ 255,398
Investments			
Receivables:			
Accounts	32,344	2,267	34,611
Total Current Assets	110,212	179,797	290,009
Noncurrent Assets:			
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	1,772,835	652,463	2,425,298
Total Noncurrent Assets	1,772,835	652,463	2,425,298
Total Assets	1,883,047	832,260	2,715,307
LIABILITIES			
Accounts Payable	3,258	12,016	15,274
Accrued Interest Payable	1,462	-	1,462
Current Portion of General Obligation Bonds Due to Other Governments	85,000	-	85,000
	16	158	174
Total Current Liabilities	89,736	12,174	101,910
Noncurrent Liabilities:			
Due in more than one year:			
General Obligation Bonds	362,989	-	362,989
Total Noncurrent Liabilities	362,989	-	362,989
Total Liabilities	452,725	12,174	464,899
NET POSITION			
Invested in Capital Assets, Net Investment in Capital Assets Unrestricted	1,324,846	652,463	1,977,309
	105,476	167,623	273,099
Total Net Position	\$ 1,430,322	\$ 820,086	\$ 2,250,408

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Enterprise Nonmajor Funds
Year Ended June 30, 2014

	Business Type Activities		
	Rural Sewer	Rural Water	Total
Operating Revenues:			
Charges for Services	\$ 192,757	\$ 34,313	\$ 227,070
Total Operating Revenue	<u>192,757</u>	<u>34,313</u>	<u>227,070</u>
Operating Expenses:			
Contract Services	39,915	750	40,665
Repairs and Improvements	64,548	872	65,420
Utilities	3,436	-	3,436
Miscellaneous		21,706	21,706
Depreciation	128,739	66,729	195,468
Total Operating Expenses	<u>236,638</u>	<u>90,057</u>	<u>326,695</u>
Operating (Loss)	(43,881)	(55,744)	(99,625)
Non-Operating Income (Expenses):			
Interest Income	744	898	1,642
Interest Expense	(20,705)	-	(20,705)
Total Non-Operating Income	<u>(19,961)</u>	<u>898</u>	<u>(19,063)</u>
Change in Net Position	(63,842)	(54,846)	(118,688)
Net Position - Beginning	<u>1,494,164</u>	<u>874,932</u>	<u>2,369,096</u>
Net Position - Ending	<u>\$ 1,430,322</u>	<u>\$ 820,086</u>	<u>\$ 2,250,408</u>

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CASH FLOWS
Enterprise Nonmajor Funds
Year Ended June 30, 2014

	Business Type Activities		
	Rural Sewer	Rural Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 190,694	\$ 40,962	\$ 231,656
Cash Paid to Suppliers for Goods and Services	(108,298)	(11,170)	(119,468)
Net Cash Provided by Operating Activities	<u>82,396</u>	<u>29,792</u>	<u>112,188</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments on capital loan notes and bonds	(80,000)	-	(80,000)
Interest paid on capital loan bonds and notes	(20,554)	-	(20,554)
Net Cash (Used) for Capital and Related Financing Activities	<u>(100,554)</u>	<u>-</u>	<u>(100,554)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends on Investments	744	898	1,642
Net Increase (Decrease) in Cash and Cash Equivalents	(17,414)	30,690	13,276
Cash and Cash Equivalents at Beginning of Year	95,282	146,840	242,122
Cash and Cash Equivalents at End of Year	<u>\$ 77,868</u>	<u>\$ 177,530</u>	<u>\$ 255,398</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Net Operating (Loss)	\$ (43,881)	\$ (55,744)	\$ (99,625)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	128,739	66,729	195,468
(Increase) Decrease in Assets:			
Accounts Receivable	(2,063)	6,649	4,586
Increase (Decrease) in Liabilities:			
Accounts Payable	(415)	12,000	11,585
Due to Other Governments	16	158	174
Total Adjustments	<u>126,277</u>	<u>85,536</u>	<u>211,813</u>
Net Cash Provided by Operating Activities	<u>\$ 82,396</u>	<u>\$ 29,792</u>	<u>\$ 112,188</u>

COUNTY OF BLACK HAWK, IOWA
 Combining Statement of Net Position
 Internal Service Funds
 JUNE 30, 2014

ASSETS	Health Insurance	Self-Insurance	Office Equipment	Total
<u>Current Assets</u>				
Cash and Pooled Investments	\$ 5,658,026	\$ 573,126	\$ 58,555	\$ 6,289,707
Receivables:				
Accounts Receivable	310,259	250	-	310,509
Total Assets	5,968,285	573,376	58,555	6,600,216
LIABILITIES				
<u>Current Liabilities</u>				
Accounts Payable	21,701	1,700	358	23,759
Accrued Claims	1,038,554	280,292	-	1,318,846
Total Current Liabilities	1,060,255	281,992	358	1,342,605
Total Liabilities	1,060,255	281,992	358	1,342,605
NET POSITION				
Unrestricted	\$ 4,908,030	\$ 291,384	\$ 58,197	\$ 5,257,611

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 Internal Service Funds
 Year Ended June 30, 2014

	Health Insurance	Self-Insurance	Office Equipment	Total
Operating revenues:				
Charges for services to operating funds	\$ 6,670,890	\$ 180,132	\$ -	\$ 6,851,022
Total operating revenue	<u>6,670,890</u>	<u>180,132</u>	<u>-</u>	<u>6,851,022</u>
Operating expenses:				
Contract Services	7,992,707	546,202	5,719	8,544,628
Total operating expenses	<u>7,992,707</u>	<u>546,202</u>	<u>5,719</u>	<u>8,544,628</u>
Operating income	(1,321,817)	(366,070)	(5,719)	(1,693,606)
Nonoperating income:				
Revenues and Interest on investments	35,357	2,660	320	38,337
Change in Net Position	(1,286,460)	(363,410)	(5,399)	(1,655,269)
Net position- beginning	<u>6,194,490</u>	<u>654,794</u>	<u>63,596</u>	<u>6,912,880</u>
Net position - ending	<u>\$ 4,908,030</u>	<u>\$ 291,384</u>	<u>\$ 58,197</u>	<u>\$ 5,257,611</u>

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF CASH FLOWS
 Internal Service Funds
 Year Ended June 30, 2014

	Health Insurance	Self-Insurance	Office Equipment	Total
Cash flows from operating activities:				
Cash received from customers and users	\$ 6,393,181	\$ 181,125	\$ -	\$ 6,574,306
Cash paid for claims and administrative provider	(7,838,706)	(354,446)	(5,361)	(8,198,513)
Net cash (used) by operating activities	<u>(1,445,525)</u>	<u>(173,321)</u>	<u>(5,361)</u>	<u>(1,624,207)</u>
Cash flows from investing activities:				
Interest on investments	35,357	2,660	320	38,337
Net (decrease) in cash and cash equivalents	<u>(1,410,168)</u>	<u>(170,661)</u>	<u>(5,041)</u>	<u>(1,585,870)</u>
Cash and pooled investments - beginning of year	7,068,194	743,787	63,596	7,875,577
Cash and pooled investments - end of year	<u>\$ 5,658,026</u>	<u>\$ 573,126</u>	<u>\$ 58,555</u>	<u>\$ 6,289,707</u>
Reconciliation of operating income (loss) to net cash provided (used) in operating activities:				
Operating income (loss)	\$ (1,321,817)	\$ (366,070)	\$ (5,719)	\$(1,693,606)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
(Increase) Decrease in Assets:				
Accounts receivable	(277,709)	993	-	(276,716)
Increase (Decrease) in Liabilities:				
Accounts payable	15,146	1,700	358	17,204
Claims payable	138,855	190,056	-	328,911
Net cash provided (used) from operating activities	<u>\$ (1,445,525)</u>	<u>\$ (173,321)</u>	<u>\$ (5,361)</u>	<u>\$(1,624,207)</u>

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Agency Funds
 Year Ended June 30, 2014

	Balance July 1, 2013	Addi- tions	Deduc- tions	Balance June 30, 2014
County Offices Fund				
<i>Assets</i>				
Cash and Pooled Investments	\$ 380,218	\$ 521,542	\$ 380,218	\$ 521,542
Property Tax and Other Receivables	7,800	1,851	7,799	1,852
Total Assets	<u>388,018</u>	<u>523,393</u>	<u>388,017</u>	<u>523,394</u>
<i>Liabilities</i>				
Trust Payable	343,393	481,718	343,393	481,718
Due to Other Governments	44,625	41,675	44,624	41,676
Total Liabilities	<u>388,018</u>	<u>523,393</u>	<u>388,017</u>	<u>523,394</u>
Agricultural Extension Education				
<i>Assets</i>				
Cash and Pooled Investments	4,627	459,632	460,287	3,972
Property Tax and Other Receivables	447,414	457,544	447,414	457,544
Total Assets	<u>452,041</u>	<u>917,176</u>	<u>907,701</u>	<u>461,516</u>
<i>Liabilities</i>				
Due to Other Governments	452,041	469,762	460,287	461,516
Total Liabilities	<u>452,041</u>	<u>469,762</u>	<u>460,287</u>	<u>461,516</u>
County Assessor Fund				
<i>Assets</i>				
Cash and Pooled Investments	1,357,600	1,673,999	1,218,617	1,812,982
Property Tax and Other Receivable	1,618,320	1,460,338	1,618,320	1,460,338
Total Assets	<u>2,975,920</u>	<u>3,134,337</u>	<u>2,836,937</u>	<u>3,273,320</u>
<i>Liabilities</i>				
Accounts Payable	222,455	27,122	222,454	27,123
Due to Other Governments	2,753,465	3,246,191	2,753,459	3,246,197
Total Liabilities	<u>2,975,920</u>	<u>3,273,313</u>	<u>2,975,913</u>	<u>3,273,320</u>
Schools Taxing District Fund				
<i>Assets</i>				
Cash and Pooled Investments	762,441	74,965,797	75,056,963	671,275
Property Tax and Other Receivable	73,041,896	70,649,835	73,041,896	70,649,835
Total Assets	<u>73,804,337</u>	<u>145,615,632</u>	<u>148,098,859</u>	<u>71,321,110</u>
<i>Liabilities</i>				
Due to Other Governments	73,804,337	72,573,736	75,056,963	71,321,110
Total Liabilities	<u>\$ 73,804,337</u>	<u>\$ 72,573,736</u>	<u>\$ 75,056,963</u>	<u>\$ 71,321,110</u>

(Continued)

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
 Agency Funds
 Year Ended June 30, 2014

	Balance July 1, 2013	Addi- tions	Deduc- tions	Balance June 30, 2014
Community College Taxing District				
Assets				
Cash and Pooled Investments	\$ 49,908	\$ 4,948,918	\$ 4,955,469	\$ 43,357
Property Tax and Other Receivable	4,796,155	4,572,001	4,796,154	4,572,002
Total Asset	<u>4,846,063</u>	<u>9,520,919</u>	<u>9,751,623</u>	<u>4,615,359</u>
Liabilities				
Due to Other Governments	4,846,063	4,724,765	4,955,469	4,615,359
Total Liabilities	<u>4,846,063</u>	<u>4,724,765</u>	<u>4,955,469</u>	<u>4,615,359</u>
Corporations Taxing District Fund				
Assets				
Cash and Pooled Investments	718,975	73,497,398	73,446,507	769,866
Property Tax and Other Receivable	72,068,859	75,273,480	72,068,858	75,273,481
Total Assets	<u>72,787,834</u>	<u>148,770,878</u>	<u>145,515,365</u>	<u>76,043,347</u>
Liabilities				
Due to Other Governments	72,787,834	76,702,020	73,446,507	76,043,347
Total Liabilities	<u>72,787,834</u>	<u>76,702,020</u>	<u>73,446,507</u>	<u>76,043,347</u>
City Special Assessments Fund				
Assets				
Cash and Pooled Investments	26,151	290,605	278,980	37,776
Property Tax and Other Receivable	142,206	184,215	142,206	184,215
Total Assets	<u>168,357</u>	<u>474,820</u>	<u>421,186</u>	<u>221,991</u>
Liabilities				
Due to Other Governments	168,357	332,614	278,980	221,991
Total Liabilities	<u>\$ 168,357</u>	<u>\$ 332,614</u>	<u>\$ 278,980</u>	<u>\$ 221,991</u>

(Continued)

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
 Agency Funds
 Year Ended June 30, 2014

	Balance July 1, 2013	Addi- tions	Deduc- tions	Balance June 30, 2014
Auto License and Use Tax Fund				
<i>Assets</i>				
Cash and Pooled Investments	\$ 2,736,572	\$ 34,004,482	\$ 33,969,923	\$ 2,771,131
Total Assets	<u>2,736,572</u>	<u>34,004,482</u>	<u>33,969,923</u>	<u>2,771,131</u>
<i>Liabilities</i>				
Due to Other Governments	2,736,572	34,004,482	33,969,923	2,771,131
Total Liabilities	<u>2,736,572</u>	<u>34,004,482</u>	<u>33,969,923</u>	<u>2,771,131</u>
Other Funds				
<i>Assets</i>				
Cash and Pooled Investments	1,100,071	8,494,390	8,331,991	1,262,470
Property Tax and Other Receivable	620,855	654,027	620,854	654,028
Total Assets	<u>1,720,926</u>	<u>9,148,417</u>	<u>8,952,845</u>	<u>1,916,498</u>
<i>Liabilities</i>				
Trust Payable	607,831	6,547,228	6,287,972	867,087
Accounts Payable and Accrued Liabilities	87,964	9,469	37,962	59,471
Due to Other Governments	1,025,131	1,248,382	1,283,573	989,940
Total Liabilities	<u>\$ 1,720,926</u>	<u>\$ 7,805,079</u>	<u>\$ 7,609,507</u>	<u>\$ 1,916,498</u>

(Continued)

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
 Agency Funds
 Year Ended June 30, 2014

	Balance July 1, 2013	Addi- tions	Deduc- tions	Balance June 30, 2014
Total All Agency Funds				
<i>Assets</i>				
Cash and Pooled Investments	\$ 7,136,563	\$ 198,856,763	\$ 198,098,955	\$ 7,894,371
Property Tax and Other Receivable	152,743,505	153,253,291	152,743,501	153,253,295
Total Assets	<u>159,880,068</u>	<u>352,110,054</u>	<u>350,842,456</u>	<u>161,147,666</u>
<i>Liabilities</i>				
Accounts Payable	310,419	36,591	260,416	86,594
Due to Other Governments	158,618,425	193,343,627	192,249,785	159,712,267
Trusts Payable	951,224	7,028,946	6,631,365	1,348,805
Total Liabilities	<u>\$ 159,880,068</u>	<u>\$ 200,409,164</u>	<u>\$ 199,141,566</u>	<u>\$ 161,147,666</u>

Black Hawk County, Iowa

**Statistical Section
Contents**

The statistical section of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the County's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	75
Revenue Capacity	
These schedules contain information to help the reader assess the County's most significant local revenue sources, the property tax (or sales tax).	87
Debt Capacity	
These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.	95
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	100
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	102

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The County implemented GASB Statement No. 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

Black Hawk County, Iowa

**Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

	2005	2006	2007
Governmental activities:			
Net Investment in Capital Assets	\$ 37,693,275	\$ 41,703,511	\$ 44,413,745
Restricted	1,798,441	7,517,884	6,502,517
Unrestricted	9,368,982	4,471,819	5,949,336
Total governmental activities net position	\$ 48,860,698	\$ 53,693,214	\$ 56,865,598
Business-type activities:			
Net Investment in Capital Assets	\$ 2,522,274	\$ 2,449,044	\$ 1,438,878
Restricted	-	-	963,156
Unrestricted	413,494	420,879	408,493
Total business-type activities net position	\$ 2,935,768	\$ 2,869,923	\$ 2,800,527
Primary government:			
Net Investment in Capital Assets	\$ 40,215,549	\$ 44,152,555	\$ 45,852,623
Restricted	1,798,441	7,517,884	7,455,673
Unrestricted	9,782,476	4,892,698	6,357,829
Total primary government net position	\$ 51,796,466	\$ 56,563,137	\$ 59,666,125

Source: County records

Fiscal Year						
2008	2009	2010	2011	2012	2013	2014
\$ 46,981,577	\$ 49,946,957	\$ 55,621,608	\$ 52,154,674	\$ 55,310,782	\$ 55,929,989	\$ 62,893,726
6,350,678	10,351,227	6,790,101	13,742,221	12,135,498	16,372,523	14,805,215
10,807,901	12,996,278	12,239,242	14,958,730	16,229,395	16,140,723	14,160,493
<u>\$ 64,140,156</u>	<u>\$ 73,294,462</u>	<u>\$ 74,650,951</u>	<u>\$ 80,855,625</u>	<u>\$ 83,675,675</u>	<u>\$ 88,443,235</u>	<u>\$ 91,859,434</u>
\$ 1,461,863	\$ 2,277,715	\$ 2,251,494	\$ 5,369,297	\$ 4,600,839	\$ 4,370,375	\$ 4,110,091
873,765	-	-	-	-	-	-
324,739	325,564	283,836	1,181,802	2,681,600	2,626,223	2,597,127
<u>\$ 2,660,367</u>	<u>\$ 2,603,279</u>	<u>\$ 2,535,330</u>	<u>\$ 6,551,099</u>	<u>\$ 7,282,439</u>	<u>\$ 6,996,598</u>	<u>\$ 6,707,218</u>
\$ 48,443,440	\$ 52,224,672	\$ 57,873,102	\$ 57,523,971	\$ 59,911,621	\$ 60,300,364	\$ 67,003,817
7,224,443	10,351,227	6,790,101	13,742,221	12,135,498	16,372,523	14,805,215
11,132,640	13,321,842	12,523,078	16,140,532	18,910,995	18,766,946	16,757,620
<u>\$ 66,800,523</u>	<u>\$ 75,897,741</u>	<u>\$ 77,186,281</u>	<u>\$ 87,406,724</u>	<u>\$ 90,958,114</u>	<u>\$ 95,439,833</u>	<u>\$ 98,566,652</u>

Black Hawk County, Iowa

Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (Unaudited)

	2005	2006	2007
Expenses:			
Governmental activities:			
Public safety and legal services	\$ 14,902,387	\$ 15,997,089	\$ 14,899,182
Physical health and social services	9,340,367	10,331,387	10,640,808
Mental health	19,594,365	20,128,555	21,030,553
County environment and education	2,253,945	2,315,684	2,908,155
Roads and transportation	4,172,656	5,731,706	5,895,167
Governmental services to residents	1,459,390	1,501,746	1,534,397
Administration	4,764,053	4,773,716	5,020,133
Interest on long-term debt	448,283	433,064	422,793
Total governmental activities expenses	56,935,446	61,212,947	62,351,188
Business-type activities:			
Rural sewer	237,628	229,229	292,510
Rural water	84,261	93,589	86,273
Country View Care Facility**	-	-	-
Total business-type activities expenses	321,889	322,818	378,783
Total government expenses	\$ 57,257,335	\$ 61,535,765	\$ 62,729,971
Program revenues:			
Governmental activities:			
Charges for services:			
Public safety and legal services	\$ 713,135	\$ 872,871	\$ 843,694
Physical health and social services	1,178,374	1,419,539	1,427,374
Mental health	1,404,823	1,453,995	1,464,696
County environment and education	424,511	412,542	470,176
Roads and transportation	4,096	3,957	3,835
Governmental services to residents	1,786,679	1,813,549	1,760,240
Administration	721,527	858,011	918,388
Operating grants and contributions	22,089,424	23,594,453	24,172,120
Capital grants and contributions	1,914,812	3,213,418	1,419,484
Total governmental activities program revenues	30,237,381	33,642,335	32,480,007
Business-type activities:			
Charges for services:			
Rural sewer	141,156	179,670	190,289
Rural water	88,742	73,934	87,325
Country View Care Facility*	-	-	-
Operating grants and contributions	-	-	20,704
Total business-type activities program revenues	229,898	253,604	298,318
Total government program revenues	\$ 30,467,279	\$ 33,895,939	\$ 32,778,325

(Continued)

Fiscal Year						
2008	2009	2010	2011	2012	2013	2014
\$ 15,213,200	\$ 15,871,852	\$ 16,737,313	\$ 17,708,648	\$ 17,614,051	\$ 18,156,232	\$ 18,764,343
10,942,877	12,192,983	11,695,480	8,344,752	7,711,949	7,871,355	7,290,096
21,301,854	19,914,329	20,535,742	2,874,676	9,248,329	5,567,395	6,531,543
2,404,401	5,871,685	4,460,783	4,554,435	3,619,566	4,792,164	4,879,483
6,738,742	7,305,032	6,983,934	7,761,476	8,057,683	8,997,547	8,576,219
1,836,987	2,515,000	2,131,600	1,563,909	1,626,233	1,765,826	1,804,827
5,274,253	5,463,590	5,767,744	5,253,070	5,159,646	5,837,436	6,837,855
453,455	1,020,416	1,226,964	1,371,330	1,518,393	1,402,736	1,378,717
64,165,769	70,154,887	69,539,560	49,432,296	54,555,850	54,390,691	56,063,083
324,573	276,608	248,272	253,880	238,802	225,898	257,343
82,386	81,838	78,045	90,506	82,222	67,468	90,057
-	-	-	11,096,457	11,606,877	12,308,641	12,746,339
406,959	358,446	326,317	11,440,843	11,927,901	12,602,007	13,093,739
\$ 64,572,728	\$ 70,513,333	\$ 69,865,877	\$ 60,873,139	\$ 66,483,751	\$ 66,992,698	\$ 69,156,822
\$ 901,593	\$ 933,657	\$ 1,037,347	\$ 2,237,579	\$ 2,337,436	\$ 2,347,199	\$ 2,244,895
1,401,837	1,418,603	1,479,510	1,018,620	998,478	1,126,233	886,355
1,686,870	1,818,427	1,760,556	58,210	48,814	37,029	40,344
525,109	500,511	491,836	557,394	633,515	674,546	778,727
6,167	5,922	5,989	13,389	24,913	43,123	50,574
1,672,055	1,636,723	1,712,826	1,769,692	1,881,925	2,046,771	1,995,821
865,750	750,314	936,159	691,587	964,040	624,934	547,738
26,083,543	32,506,243	25,737,204	11,149,510	10,539,342	10,324,098	10,463,557
2,444,339	3,616,441	1,481,509	4,672,902	3,548,186	5,065,574	4,026,136
35,587,263	43,186,841	34,642,936	22,168,883	20,976,649	22,289,507	21,034,147
165,970	200,579	198,287	188,650	206,923	187,687	192,757
63,024	64,513	59,659	62,483	56,928	62,142	34,313
-	-	-	13,271,064	12,303,826	11,940,324	12,517,547
2,761	-	-	-	-	46,168	-
231,755	265,092	257,946	13,522,197	12,567,677	12,236,321	12,744,617
\$ 35,819,018	\$ 43,451,933	\$ 34,900,882	\$ 35,691,080	\$ 33,544,326	\$ 34,525,828	\$ 33,778,764

Black Hawk County, Iowa

Changes in Net Position (Continued)
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (Unaudited)

	2005	2006	2007
Net (expense)/revenue:			
Governmental activities	\$ (26,698,065)	\$ (27,570,612)	\$ (29,871,181)
Business-type activities	(91,991)	(69,214)	(80,465)
Total government net expense	\$ (26,790,056)	\$ (27,639,826)	\$ (29,951,646)
General revenues and other changes in net assets:			
Governmental activities:			
Taxes:			
Property taxes	\$ 24,159,740	\$ 25,330,735	\$ 25,487,836
Other taxes	3,444,459	3,601,967	3,482,384
State tax replacement credits	1,151,699	1,179,717	1,145,229
Investment earnings	681,081	1,069,135	1,605,979
Gain on disposal of capital assets	-	18,803	-
Miscellaneous	1,443,425	1,202,771	1,322,137
Total governmental activities	30,880,404	32,403,126	33,043,565
Business-type activities:			
Unrestricted grants and contributions	-	-	-
Investment earnings	2,129	3,389	5,796
Miscellaneous	-	-	5,273
Total business-type activities	2,129	3,369	11,069
Total government	\$ 30,882,533	\$ 32,406,497	\$ 33,054,634
Change in net assets:			
Governmental activities	\$ 4,182,339	\$ 4,832,516	\$ 3,172,384
Business-type activities	(89,862)	(65,845)	(69,396)
Total primary government	\$ 4,092,477	\$ 4,766,671	\$ 3,102,988

* Country View Care Facility placed into an enterprise fund in FY2011

Source: County records

Fiscal Year						
2008	2009	2010	2011	2012	2013	2014
\$ (28,578,506)	\$ (26,968,046)	\$ (34,896,624)	\$ (27,263,413)	\$ (33,579,201)	\$ (32,101,184)	\$ (35,028,936)
(175,204)	(93,354)	(68,371)	2,081,354	639,776	(365,686)	(349,122)
\$ (28,753,710)	\$ (27,061,400)	\$ (34,964,995)	\$ (25,182,059)	\$ (32,939,425)	\$ (32,466,870)	\$ (35,378,058)
\$ 25,967,840	\$ 27,593,677	\$ 28,083,985	\$ 29,656,058	\$ 30,719,060	\$ 31,446,791	\$ 32,418,805
4,139,438	4,358,516	4,352,102	3,587,407	3,785,891	3,628,660	3,766,622
1,102,343	1,082,828	1,122,280	875,035	864,425	996,825	1,170,706
1,372,116	1,198,968	914,311	605,731	341,262	390,127	405,838
-	-	-	12,481	40,207	105,782	-
3,271,327	1,888,363	1,780,435	586,432	658,450	564,567	683,165
35,853,064	36,122,352	36,253,113	35,323,144	36,409,295	37,132,752	38,445,136
-	-	-	20,748	-	-	-
35,044	36,266	422	2,170	1,765	1,615	1,642
-	-	-	56,440	79,755	78,230	58,100
35,044	36,266	422	79,358	81,520	79,845	59,742
\$ 35,888,108	\$ 36,158,618	\$ 36,253,535	\$ 35,402,502	\$ 36,490,815	\$ 37,212,597	\$ 38,504,878
\$ 7,274,558	\$ 9,154,306	\$ 1,356,489	\$ 8,059,731	\$ 2,830,094	\$ 5,031,568	\$ 3,416,200
(140,160)	(57,088)	(67,949)	2,160,712	721,296	(285,841)	(289,380)
\$ 7,134,398	\$ 9,097,218	\$ 1,288,540	\$ 10,220,443	\$ 3,551,390	\$ 4,745,727	\$ 3,126,820

Black Hawk County, Iowa

**Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

	2005	2006	2007	2008
General Fund:				
Reserved	\$ 1,803,573	\$ 2,503,998	\$ 3,014,288	\$ 3,014,288
Unreserved	3,544,707	3,659,487	4,418,391	7,993,680
Nonspendable ¹	-	-	-	-
Restricted ¹	-	-	-	-
Committed ¹	-	-	-	-
Assigned ¹	-	-	-	-
Unassigned ¹	-	-	-	-
Total General Fund	\$ 5,348,280	\$ 6,163,485	\$ 7,432,679	\$ 11,007,968
All other governmental funds:				
Reserved	869,962	2,651,862	2,889,269	14,316,183
Unreserved for:				
Special Revenue Fund	6,415,129	5,744,807	3,915,859	4,253,897
Capital Projects Fund	236,745	(39,861)	35,927	12,789
Nonspendable ¹	-	-	-	-
Restricted ¹	-	-	-	-
Committed ¹	-	-	-	-
Assigned ¹	-	-	-	-
Unassigned ¹	-	-	-	-
Total All Other Government Funds	\$ 7,521,836	\$ 8,356,808	\$ 6,841,055	\$ 18,582,869
Total Government Funds				
Reserved	2,673,535	5,155,860	5,903,557	17,330,471
Unreserved for:				
General Fund	3,544,707	3,659,487	4,418,391	7,993,680
Special Revenue Fund	6,415,129	5,744,807	3,915,859	4,253,897
Capital Projects Fund	236,745	(39,861)	35,927	12,789
Nonspendable ¹	-	-	-	-
Restricted ¹	-	-	-	-
Committed ¹	-	-	-	-
Assigned ¹	-	-	-	-
Unassigned ¹	-	-	-	-
Total Government Funds	\$ 12,870,116	\$ 14,520,293	\$ 14,273,734	\$ 29,590,837

(1) The County implemented GASB 54 in FY2011, which changed fund balance classifications for periods beginning after June 15, 2010.

Source: County records

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 3,849,541	\$ 3,230,289	\$ -	\$ -	\$ -	\$ -
7,023,597	7,009,230	-	-	-	-
-	-	-	-	36,089	-
-	-	3,973,689	4,338,973	4,595,183	4,826,969
-	-	905,202	424,083	376,858	275,309
-	-	-	-	-	-
-	-	6,889,135	8,666,837	9,931,736	10,644,194
\$ 10,873,138	\$ 10,239,519	\$ 11,768,026	\$ 13,429,893	\$ 14,939,866	\$ 15,746,472
8,042,035	10,061,865	-	-	-	-
6,526,298	3,807,069	-	-	-	-
(297,364)	(432,789)	-	-	-	-
-	-	350,881	363,567	366,428	395,252
-	-	27,151,125	14,199,768	11,499,447	15,562,239
-	-	-	-	-	-
-	-	26,076	27,126	15,645	24,284
-	-	-	-	(167)	(254)
\$ 14,270,969	\$ 13,436,145	\$ 27,528,082	\$ 14,590,461	\$ 11,881,353	\$ 15,981,521
11,891,576	13,292,154	-	-	-	-
7,023,597	7,009,230	-	-	-	-
6,526,298	3,807,069	-	-	-	-
(297,364)	(432,789)	-	-	-	-
-	-	350,881	363,567	402,517	395,252
-	-	31,124,814	18,538,741	16,094,630	20,389,208
-	-	905,202	424,083	376,858	275,309
-	-	26,076	27,126	15,645	24,284
-	-	6,889,135	8,666,837	9,931,569	10,643,940
\$ 25,144,107	\$ 23,675,664	\$ 39,296,108	\$ 28,020,354	\$ 26,821,219	\$ 31,727,993

Black Hawk County, Iowa

**Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

	2005	2006	2007	2008
Revenues:				
Property and other County tax	\$ 27,604,199	\$ 28,548,171	\$ 28,940,081	\$ 30,128,426
Interest and penalty on property tax	322,842	345,844	359,860	501,651
Intergovernmental	25,455,131	24,895,285	25,832,554	27,337,150
Licenses and permits	366,377	359,161	357,952	503,428
Charges for service	5,430,239	5,912,720	5,916,816	5,966,101
Use of money and property	892,949	1,185,643	1,588,001	1,347,329
Miscellaneous	1,226,929	1,074,547	1,437,258	1,526,478
Total revenues	61,298,666	62,321,371	64,432,522	67,310,563
Expenditures:				
Public safety and legal services	14,915,737	16,177,369	14,644,919	15,147,782
Physical health and social services	9,325,786	10,356,702	10,700,336	11,133,191
Mental health	19,720,045	20,236,700	21,172,522	21,699,357
County environment and education	2,381,472	2,242,623	2,769,241	2,366,295
Roads and transportation	4,387,687	4,312,500	4,320,351	5,199,582
Governmental services to residents	1,512,553	1,492,111	1,525,049	1,519,451
Administration	4,541,497	4,604,180	4,925,462	5,134,223
Debt service:				
Interest	449,919	430,187	429,266	415,697
Principal	2,370,000	2,317,182	2,103,093	2,322,725
Debt issuance costs	-	51,241	23,112	69,904
Capital projects	1,667,820	2,367,104	3,569,460	2,015,652
Total expenditures	61,272,516	63,587,899	66,182,811	67,023,859
Excess of revenues over (under) expenditures	26,150	(1,266,528)	(1,750,289)	286,704
Other financing sources (uses):				
Proceeds from the sale of land and capital assets	3,818	76,751	3,530	1,506,229
Transfers in	1,636,204	1,624,082	1,701,065	1,860,555
Transfers out	(1,635,204)	(1,749,082)	(1,701,065)	(1,860,555)
General obligation bonds and notes issued	-	2,980,000	2,010,000	13,260,000
Redemption of refunded bonds	-	-	(500,000)	-
Discount on general obligation bonds and notes	-	(15,046)	(9,800)	(74,315)
Premiums on Bonds Issued	-	-	-	-
Insurance proceeds	-	-	-	338,485
Payments received on capital lease receivable	-	-	-	-
Lease income	333,000	-	-	-
Total other financing sources (uses)	336,818	2,916,705	1,503,730	15,030,399
Net change in fund balances	\$ 362,968	\$ 1,650,177	\$ (246,559)	\$ 15,317,103
Debt service as % of noncapital expenditures	4.73%	4.49%	4.04%	4.21%

Source: County records

Fiscal Year						
	2009	2010	2011	2012	2013	2014
\$	31,932,977	\$ 32,268,714	\$ 32,978,105	\$ 34,201,174	\$ 34,721,423	\$ 35,752,215
	404,936	410,634	390,102	394,076	388,657	386,573
	33,107,903	26,983,363	15,642,743	13,112,737	15,879,589	13,754,762
	494,664	485,311	495,724	491,139	501,326	507,388
	6,133,983	6,444,766	4,384,639	4,588,753	4,993,451	4,697,632
	1,175,036	1,492,422	1,081,883	730,816	751,108	774,037
	1,628,863	1,822,656	1,945,529	2,120,679	1,981,607	2,148,351
	74,878,362	69,907,866	56,918,725	55,639,374	59,217,161	58,020,958
	16,202,010	17,080,739	17,456,467	17,484,855	17,607,744	18,666,501
	12,443,549	11,901,238	8,209,118	7,654,874	7,869,190	7,286,923
	20,469,347	21,254,887	2,872,865	9,246,928	5,562,162	6,531,467
	6,210,048	4,971,752	5,911,886	4,133,703	7,403,138	4,731,197
	5,740,813	5,099,989	5,559,563	6,297,366	5,861,318	5,473,766
	1,846,197	1,729,895	1,501,987	1,562,243	1,705,478	1,764,464
	5,295,627	5,506,549	5,541,663	5,092,556	4,845,504	5,132,570
	1,009,945	1,192,563	1,275,881	1,472,757	1,371,981	1,296,937
	3,300,126	3,965,776	3,046,508	4,112,334	4,698,264	4,389,312
	76,995	43,145	100,714	51,568	32,273	56,238
	11,560,272	6,931,728	8,726,249	12,100,276	5,577,646	3,873,576
	84,154,929	79,678,261	60,202,901	69,209,480	62,534,698	59,202,951
	(9,276,567)	(9,770,395)	(3,284,176)	(13,570,106)	(3,317,537)	(1,181,993)
	1,023	55,649	-	30,240	37,883	19,704
	1,991,922	2,083,911	2,129,046	2,517,777	3,306,530	9,656,136
	(1,991,922)	(2,083,911)	(2,222,768)	(2,517,777)	(3,306,530)	(9,656,136)
	3,863,600	8,290,000	18,905,000	3,080,000	2,000,000	5,935,000
	-	-	-	(820,000)	-	-
	(30,400)	(66,320)	(88,301)	(6,466)	-	-
	-	-	181,643	-	80,548	134,063
	283,305	22,623	-	10,551	-	-
	712,309	-	-	-	-	-
	-	-	-	-	-	-
	4,829,837	8,301,952	18,904,620	2,294,323	2,118,431	6,088,767
\$	(4,446,730)	\$ (1,468,443)	\$ 15,620,444	\$ (11,275,783)	\$ (1,199,106)	\$ 4,906,774
	5.94%	7.09%	8.40%	9.78%	10.66%	10.28%

Black Hawk County, Iowa

**Program Revenues by Function/Program
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

Function / Program	2005	2006	2007
Governmental activities:			
Public safety and legal services	\$ 3,215,931	\$ 3,595,716	\$ 2,672,347
Physical health and social services	4,980,027	5,580,813	5,734,785
Mental health	13,204,719	14,093,443	15,529,395
County environment and education	725,917	626,765	783,596
Roads and transportation	5,063,526	6,344,156	4,506,350
Governmental services to residents	1,829,095	2,057,134	1,789,887
Administration	1,218,166	1,344,308	1,463,647
Total governmental activities	30,237,381	33,642,335	32,480,007
Business-type activities:			
Rural sewer	141,156	179,670	210,993
Rural water	88,742	73,934	87,325
Country View Care Facility*	-	-	-
Total business-type activities	229,898	253,604	298,318
Total government	\$ 30,467,279	\$ 33,895,939	\$ 32,778,325

* Country View Care Facility placed into an enterprise fund in FY2011

Source: County records

	2008	2009	2010	2011	2012	2013	2014
\$	2,817,366	\$ 3,025,628	\$ 2,935,329	\$ 4,596,276	\$ 4,543,611	\$ 4,644,341	\$ 5,341,884
	6,578,669	8,489,683	7,356,412	4,360,327	4,193,830	4,235,862	3,912,685
	16,389,743	17,201,625	12,586,504	561,339	506,910	539,902	564,657
	861,542	3,855,514	2,555,491	4,592,852	2,536,371	5,794,947	3,091,890
	5,778,396	7,326,096	4,529,550	4,476,977	5,522,567	3,847,359	4,912,605
	1,771,488	1,724,611	2,107,594	1,793,214	1,967,223	2,046,771	2,112,511
	1,390,059	1,763,684	2,572,056	1,787,898	1,706,137	1,180,325	1,097,915
	35,587,263	43,186,841	34,642,936	22,168,883	20,976,649	22,289,507	21,034,147
	168,731	200,579	198,287	188,650	206,923	187,687	192,757
	63,024	84,513	59,659	62,483	56,928	62,142	34,313
	-	-	-	13,271,064	12,303,826	11,986,492	12,517,547
	231,755	265,092	257,946	13,522,197	12,567,677	12,236,321	12,744,617
\$	35,819,018	\$ 43,451,933	\$ 34,900,882	\$ 35,691,080	\$ 33,544,326	\$ 34,525,828	\$ 33,778,764

Black Hawk County, Iowa

Tax Revenues by Source, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Fiscal Year	Property	Local Option Sales Tax	Utility Replacement Excise Tax	Other Tax	Total
2005	\$ 24,159,740	\$ 2,411,109	\$ 921,881	\$ 111,469	\$ 27,604,199
2006	24,942,457	2,605,674	904,326	95,714	28,548,171
2007	25,438,232	2,496,495	887,759	102,773	28,940,081
2008	25,954,609	2,787,561	869,608	516,648	30,128,426
2009	27,574,461	2,896,574	964,312	497,630	31,932,977
2010	28,046,535	2,773,380	950,249	498,550	32,268,714
2011	28,571,374	2,924,158	915,122	507,099	32,917,753
2012	29,723,661	2,972,672	976,129	526,780	34,199,242
2013	30,442,122	2,807,922	923,183	546,366	34,719,593
2014	31,368,091	2,952,640	883,736	547,748	35,752,215
Change 2005-2014	29.84%	22.46%	-4.14%	391.39%	29.52%

Source: County records

Black Hawk County, Iowa

**Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(dollars in thousands)
(Unaudited)**

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Agricultural Property	TIF Property	Other Property	Less:	Total Taxable Assessed Property	Total Direct Tax Rate Urban
							Military Tax-Exempt Property		
2005	\$ 1,933,806	\$ 1,009,717	\$ 117,602	\$ 233,745	\$ 202,216	\$ 195,247	\$ 15,259	\$ 3,677,074	\$ 7.49
2006	1,953,383	1,018,912	119,013	234,112	213,333	187,134	14,650	3,711,237	7.61
2007	2,076,900	1,045,299	123,095	249,026	268,567	191,819	14,577	3,940,129	7.39
2008	2,123,552	1,061,673	122,062	249,456	284,869	182,634	14,279	4,009,967	7.41
2009	2,263,853	1,180,234	117,722	259,931	347,247	198,667	15,283	4,352,371	6.94
2010	2,405,460	1,193,974	119,012	273,699	383,558	206,079	14,975	4,566,807	6.71
2011	2,502,546	1,186,978	120,459	274,346	416,892	208,213	13,403	4,696,031	6.67
2012	2,642,989	1,200,554	118,995	286,322	419,779	215,751	13,031	4,871,360	6.60
2013	2,890,123	1,285,937	147,273	292,825	458,530	213,032	12,650	5,275,071	6.24
2014	3,055,033	1,411,401	177,235	305,307	283,298	213,603	12,275	5,433,600	6.02

Source: Black Hawk County Information Technology Department and Black Hawk County Assessor

Note: Property is assessed at actual value; therefore, the assessed values are equal to the actual value.

Tax rates are per \$1,000 of assessed value.

Black Hawk County, Iowa

**Principal Property Taxpayers
Current Year and Nine Years Ago
(dollars in thousands)
(Unaudited)**

Taxpayer	2005			2014		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$ 117,414	1	3.38%	\$ 185,446	1	3.60%
Target Corporation	23,640	6	0.68	98,500	2	1.91
IOC Black Hawk County, Inc.	-	-	-	64,833	3	1.26
Deere and Company	27,643	5	0.80	59,336	4	1.15
Cedar Falls Utilities	-	-	-	53,808	5	1.04
GG and A Crossroads Mall, LLC	33,315	4	0.96	35,728	6	0.69
Qwest Corporation	33,322	3	0.96	30,203	7	0.59
College Square Mall Partners, LLC	35,743	2	1.03	30,199	8	0.59
Northern Natural Gas Co.	15,036	9	0.43	23,798	9	0.46
Con Agra	-	-	-	21,602	10	0.42
Tyson Fresh Meats (IBP Inc.)	19,245	7	0.55	-	-	-
Nordyke, David M.	15,324	8	0.44	-	-	-
Hunt Wesson, Inc.	3,603	10	0.10	-	-	-
Total	\$ 324,285		9.33%	\$ 603,452		11.71%

Source: Black Hawk County Information Technology Department and Black Hawk County Assessor

Black Hawk County, Iowa

**Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ended June 30	Property Taxes Levied for the Fiscal Year	Property Taxes Collected Within the Fiscal Year of the Levy		Property Tax Collections In Subsequent Years	Property Tax Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 131,390,823	\$ 131,207,146	99.86	\$ 28,386	\$ 131,235,532	99.88
2006	135,805,464	135,584,839	99.84	34,737	135,619,576	99.86
2007	143,359,171	143,096,906	99.82	69,698	143,166,604	99.87
2008	146,299,165	145,909,251	99.73	137,703	146,046,954	99.83
2009	159,054,529	158,537,222	99.67	130,965	158,668,187	99.76
2010	164,871,504	164,582,136	99.82	81,946	164,664,082	99.87
2011	171,020,072	170,018,109	99.41	127,194	170,145,303	99.49
2012	175,786,426	175,378,631	99.77	94,705	175,473,336	99.82
2013	184,252,986	182,952,820	99.29	38,278	182,991,098	99.32
2014	183,858,465	183,110,439	99.59	(422,117)	182,688,322	99.36

Total tax collection solely for Black Hawk County, Iowa:

2005	\$ 23,998,146
2006	24,790,096
2007	25,313,302
2008	25,954,609
2009	27,547,914
2010	28,035,371
2011	28,578,595
2012	29,718,148
2013	30,430,730
2014	31,368,091

Source: Black Hawk County, Treasurer's Office

Black Hawk County, Iowa

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

(Unaudited)

	2005	2006	2007	2008
County Direct Rates:				
General Basic	3.50	3.50	3.50	3.50
General Supplemental	1.75	1.90	1.76	1.77
MH/DD Service	1.66	1.65	1.57	1.55
Debt Service	0.58	0.56	0.56	0.58
Total Urban County Rate	7.49	7.61	7.39	7.41
Rural Basic	0.34	0.32	0.28	0.25
Total Rural County Rate	7.83	7.93	7.67	7.66
City and Town Rates:				
Waterloo	18.79	19.16	18.85	18.77
Cedar Falls	13.65	14.05	13.84	13.61
Dunkerton	11.37	11.23	11.13	8.45
Elk Run Heights	6.40	6.30	6.00	6.00
Evansdale	7.50	7.50	6.83	6.75
Gilbertville	9.77	11.33	11.86	12.46
Hudson	9.73	9.73	9.73	9.73
Janesville	13.06	13.18	12.63	12.50
Jesup	12.42	14.50	13.12	12.62
LaPorte City	12.09	12.91	15.39	14.91
Raymond	6.70	6.70	6.90	6.90
Township Rates:				
Barclay	0.66	0.66	0.68	0.46
Bennington	0.58	0.58	0.56	0.56
Big Creek	0.67	0.63	0.60	0.61
Black Hawk	0.54	0.55	0.54	0.54
Cedar	0.58	0.59	0.52	0.53
Cedar Falls	0.58	0.58	0.57	0.58
Eagle	0.52	0.50	0.50	0.55
East Waterloo	-	0.15	0.17	0.17
Fox	0.60	0.31	0.38	0.39
Lester	0.69	0.70	0.70	0.70
Lincoln	0.56	0.55	0.58	0.59
Mt. Vernon	0.41	0.41	0.41	0.41
Orange	0.39	0.40	0.27	0.28
Poyner	0.63	0.67	0.67	0.67
Spring Creek	0.71	0.72	0.75	0.76
Union	0.64	0.61	0.64	0.63
Washington	0.41	0.41	0.39	0.35

(Continued)

Fiscal Year						
2009	2010	2011	2012	2013	2014	
3.50	3.50	3.50	3.50	3.50	3.50	3.50
1.42	1.26	1.39	1.14	0.90		0.77
1.44	1.37	1.34	1.29	1.20		1.12
0.58	0.58	0.44	0.67	0.64		0.63
6.94	6.71	6.67	6.60	6.24		6.02
2.79	2.86	2.88	3.00	3.15		3.26
9.72	9.57	9.55	9.59	9.39		9.28

18.37	18.31	18.26	18.53	18.21	17.49
13.26	13.02	12.99	12.86	12.20	12.02
8.10	8.10	8.43	8.58	8.50	8.46
6.00	6.00	6.01	6.01	6.01	6.01
6.74	6.75	6.88	6.88	6.88	6.31
11.54	11.25	12.27	11.09	10.58	10.57
9.73	9.73	9.73	9.73	9.73	9.73
12.40	12.26	12.08	11.68	11.60	11.41
12.55	13.00	13.95	14.78	14.77	14.72
14.91	14.55	14.54	14.51	14.51	15.52
6.90	6.90	6.90	6.92	6.92	6.92

0.44	0.36	0.34	0.33	0.54	0.52
0.56	0.55	0.55	0.56	0.55	0.55
0.58	0.55	0.57	0.50	0.45	0.44
0.53	0.57	0.57	0.49	0.51	0.51
0.57	0.56	0.58	0.56	0.53	0.56
0.58	0.56	0.56	0.57	0.55	0.48
0.54	0.52	0.47	0.63	0.49	0.65
0.16	0.16	0.16	0.14	0.12	0.11
0.26	0.21	0.26	0.31	0.39	0.44
0.69	0.65	0.69	0.67	0.64	0.66
0.59	0.62	0.61	0.70	0.63	0.63
0.41	0.41	0.41	0.42	0.04	0.39
0.38	0.34	0.35	0.36	0.40	0.40
0.66	0.76	0.66	0.63	0.64	0.61
0.74	0.74	0.69	0.77	0.72	0.68
0.68	0.61	0.68	0.74	0.62	0.66
0.33	0.32	0.36	0.39	0.35	0.33

Black Hawk County, Iowa

Direct and Overlapping Property Tax Rates (Continued)

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

(Unaudited)

	2005	2006	2007	2008
School District Rates:				
Waterloo	15.62	15.99	16.33	16.75
Cedar Falls	13.01	13.03	13.02	13.13
Dunkerton	12.94	14.44	13.73	14.02
Elk Run Heights	15.62	15.99	16.33	16.75
Evansdale	15.62	15.99	16.33	16.75
Gilbertville	15.62	15.99	16.33	16.75
Hudson	15.63	15.11	15.53	15.96
Janesville	11.58	11.84	11.94	11.83
Jesup	11.32	11.37	11.46	11.62
LaPorte City	11.90	11.94	12.29	12.50
Raymond	15.62	15.99	16.33	16.75
Other:				
State	-	-	-	-
Hawkeye CC - Area VII	1.00	1.07	1.04	0.83
Kirkwood - Area X	0.67	0.65	0.87	0.86
Ag. Extension	0.04	0.04	0.04	0.08
Special Appraiser*	0.07	0.06	0.01	0.03
Assessor	0.26	0.25	0.25	0.24

Source: Black Hawk County, Auditor's Office

* Special Appraiser and Assessor rates combined in FY13

Fiscal Year					
2009	2010	2011	2012	2013	2014
16.66	16.46	16.44	16.28	15.80	15.73
13.73	13.73	14.15	13.79	13.38	12.83
14.10	13.86	15.94	16.00	15.99	15.20
16.66	16.46	16.44	16.28	15.80	15.73
16.66	16.46	16.44	16.28	15.80	15.73
16.66	16.46	16.44	16.28	15.80	15.73
15.98	15.88	16.90	16.89	16.49	15.79
11.82	12.22	11.84	12.33	13.03	12.54
11.76	11.78	11.92	12.94	12.94	12.92
12.68	12.57	12.71	12.70	12.07	12.14
16.66	16.46	16.44	16.28	15.80	15.73
-	-	0.00	0.00	0.00	0.00
1.00	0.93	1.00	0.96	0.96	0.95
0.85	0.84	0.93	1.00	1.08	1.06
0.08	0.08	0.08	0.09	0.09	0.09
0.06	0.08	0.09	0.02	-	-
0.22	0.24	0.22	0.21	0.28	0.32

Black Hawk County, Iowa

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(dollars in thousands, except per capita)

(Unaudited)

Fiscal Year	Governmental Activities			Business-Type Activities		Total Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	General Capital Loan Notes	Capital Lease Purchase Agreement	General Obligation Bonds	General Capital Loan Notes			
2005	\$ 9,725	\$ 1,260	\$ 333	\$ 650	\$ 1,025	\$ 12,993	0.35	\$ 103.06
2006	10,405	1,365	211	565	975	13,521	0.44	107.40
2007	10,155	1,125	108	1,450	920	13,758	0.34	109.10
2008	21,260	1,065	-	1,290	860	24,475	0.57	192.04
2009	22,040	790	58	1,130	-	24,018	0.54	190.46
2010	26,655	505	53	960	-	28,173	0.61	217.93
2011	42,605	420	46	790	-	43,861	0.92	334.59
2012	39,525	1,655	39	610	-	41,829	0.85	317.97
2013	37,250	1,240	31	530	-	39,051	0.76	296.24
2014	39,300	935	21	450	-	40,706	0.78	307.11

* Calculation made using population and personal income figures from Demographics and Economic Statistics Table.

Source: County records

Black Hawk County, Iowa

Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years
(dollars in thousands, except per capita)
 (Unaudited)

Fiscal Year	General Bonded Debt Outstanding		Percentage Actual Taxable Value of Property	Per Capita*
	General Obligation Bonds	Total		
2005	\$ 10,375	\$ 10,375	0.30	\$ 82.27
2006	10,970	10,970	0.29	87.14
2007	11,605	11,605	0.29	92.03
2008	22,550	22,550	0.56	176.94
2009	23,170	23,170	0.53	180.53
2010	27,615	27,615	0.60	213.61
2011	43,395	43,395	0.92	331.03
2012	40,135	40,135	0.82	305.10
2013	39,020	39,020	0.74	296.01
2014	40,495	40,495	0.75	305.52

* Calculated using population figure from Demographics and Economic Statistics Table.

Source: County records

Black Hawk County, Iowa

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2014
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
County direct debt	\$ 40,066,278	100.00%	\$ 40,066,278
City debt:			
Cedar Falls	9,640,000	100.00	9,640,000
Dunkerton	1,157,500	100.00	1,157,500
Elk Run Heights	-	100.00	-
Evansdale	2,615,000	100.00	2,615,000
Gilbertville	1,230,000	100.00	1,230,000
Hudson	5,165,000	100.00	5,165,000
Janesville	-	18.98	-
Jesup	2,410,000	6.78	163,398
LaPorte City	3,310,000	100.00	3,310,000
Raymond	630,000	100.00	630,000
Waterloo	71,508,917	100.00	71,508,917
Subtotal, City debt			95,419,815
School district debt:			
Cedar Falls	-	100.00	-
Denver	4,320,000	21.16	914,112
Dike-New Hartford	382,000	5.12	19,558
Dunkerton	170,000	99.39	168,963
Gladbrook-Reinbeck	-	7.83	-
Hudson	-	100.00	-
Janesville	-	48.77	-
Jesup	2,770,000	28.54	790,558
Union (LaPorte City/Dysart)	-	41.40	-
Vinton-Shellsburg	9,100,000	0.04	3,640
Wapsie Valley	8,790,000	5.29	464,991
Waterloo	-	100.00	-
Waverly-Shellrock	16,090,000	0.12	19,308
Subtotal, school district debt			2,381,130
College, Hawkeye Community College	2,000,000	59.14	1,182,800
Total overlapping debt			98,983,745
Total direct and overlapping debt			\$ 139,050,023

Source: Cities and school districts within Black Hawk County

* The overlapping debt percentage is arrived at by first calculating the amount of valuation that exists for each city or school district that is partially or wholly within the County. This is determined by the County Assessor's Office. That valuation figure is then divided by the total for the entire city or school district to determine the percentage that lies within the County. That percentage is then used proportionately to determine the amount of overlapping debt.

Black Hawk County, Iowa

Legal Debt Margin Information

As of June 30, 2014

(dollars in thousands)

(Unaudited)

	2005	2006	2007	2008
Debt limit	\$ 183,854	\$ 185,562	\$ 183,249	\$ 200,498
Total net debt applicable to limit	12,993	13,521	13,758	24,475
Legal debt margin	\$ 170,861	\$ 172,041	\$ 169,491	\$ 176,023
Total net debt applicable to the limit as a percentage of debt limit	7.60%	7.86%	8.12%	13.90%

Source: County records

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value **\$ 5,433,600,269**

Debt limit (5% of assessed value) **271,680,013**

Debt applicable to limit:

General obligation bonds **39,560,000**

General obligation capital loan notes **935,000**

Total net applicable to limit **40,495,000**

Legal debt margin **\$ 231,185,013**

	2009	2010	2011	2012	2013	2014
\$	217,618	\$ 228,340	\$ 234,802	\$ 243,568	\$ 263,754	\$ 271,680,013
	24,018	28,173	43,815	41,790	39,020	40,495,000
\$	193,600	\$ 200,167	\$ 190,987	\$ 201,778	\$ 224,734	\$ 231,185,013
	12.41%	14.07%	22.94%	20.71%	17.36%	17.52%

Black Hawk County, Iowa

**Demographic and Economic Statistics
Last Ten Calendar Years
(Unaudited)**

Year	Population ⁶	Personal Income (000s) ¹	Per Capita Personal Income ¹	Farm Proprietors ³	School Enrollment ⁴	Unemployment Rate ²
2004	125,707	3,752,691	29,853	940	17,437	5.0
2005	125,891	3,878,324	30,807	930	16,920	4.6
2006	126,106	4,014,054	31,528	930	16,431	3.9
2007	127,446	4,194,885	32,915	930	16,334	4.3
2008	128,040	4,500,196	35,147	940	17,042	4.5
2009	129,276	4,582,209	35,445	960	17,219	5.8
2010	131,090	4,772,869	36,409	960	17,277	6.1
2011	131,549	4,927,973	37,461	960	18,056	6.2
2012	131,820	5,106,005	38,735	960	18,219	5.5
2013*	132,546	5,221,406	39,393	N/A	18,344	5.0

¹ Source: Bureau of Economic Analysis, U.S. Dept of Commerce

² Source: Iowa Workforce Development website (June of FY)

³ Source: USDA National Agricultural Statistics Service

⁴ Source: School districts in Black Hawk County (certified enrollment 2014-2015)

⁶ Source: Estimate from U.S. Census Bureau website

* Per capita personal income was calculated by taking the 2012 figure and multiplying it by the State of Iowa average increase of 1.7%

* Personal Income was calculated by multiplying per capita income by the population to arrive at total personal income..

Black Hawk County, Iowa

**Principal Employers
Current Year and Nine Years Ago
(Unaudited)**

Employer	2005			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
John Deere	4,600	1	6.44%	6,000	1	8.45%
Wheaton Franciscan Healthcare	3,000	2	4.20	3,059	2	4.31
Tyson Fresh Meats (IBP Inc.)	2,250	3	3.15	2,889	3	4.07
University of Northern Iowa	1,769	4	2.48	1,738	4	2.45
Unity Point Health (Allen Hospital)	1,714	5	2.40	1,616	5	2.28
Bertch Cabinet Manufacturing Co.	1,500	6	2.10	-	-	-
Waterloo Public Schools	1,436	7	2.01	1,608	6	2.26
Omega Cabinets	1,260	8	1.76	-	-	-
Hy-Vee	894	9	1.25	1,547	7	2.18
Wal-Mart Stores	757	10	1.06	1,047	8	1.47
Target Distribution	-	-	-	860	9	1.21
CBE Companies, Inc.	-	-	-	800	10	1.13

Sources: Greater Cedar Valley Alliance, Iowa Workforce and Speer Financial, Inc.

Black Hawk County, Iowa

Full-Time Equivalent County Government Employees by Function /Program
 Last Ten Fiscal Years
 (Unaudited)

Function / Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety and legal services:										
Sheriff	133.90	133.00	134.00	132.00	132.00	134.00	134.00	134.00	134.00	134.00
Attorney	28.50	28.90	28.10	28.90	28.80	29.80	29.80	30.80	30.80	30.80
Consolidated comm ctr	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.20
District court administration**	1.00	1.00	-	-	-	-	-	-	-	-
Child support recovery*	11.50	8.50	-	-	-	-	-	-	-	-
Physical health and social services:										
Health department	95.25	88.23	89.93	90.43	88.22	89.81	86.15	93.00	93.00	90.39
Community services**	2.50	2.50	11.00	9.00	9.00	9.00	8.00	8.00	9.00	9.00
Youth shelter***	10.00	9.80	11.50	8.80	10.50	11.29	12.84	13.30	10.60	-
Veteran affairs	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03
Mental health:										
Country View	190.00	189.50	190.50	190.50	171.00	181.50	184.00	180.50	184.60	185.70
C.P.C.**	5.50	5.50	-	-	-	-	-	-	-	-
County environment and education,										
Conservation	25.56	25.54	28.14	28.84	27.26	26.85	26.29	27.29	26.63	26.44
Roads and transportation, engineer	43.40	43.40	43.40	43.40	43.80	43.90	43.90	44.30	44.30	44.30
Governmental services to residents:										
Treasurer	13.00	13.00	12.50	12.50	12.50	12.50	10.50	10.50	11.50	11.50
Recorder	11.00	11.00	11.00	11.00	10.00	10.00	9.00	9.00	9.00	9.00
Auditor: elections	3.40	3.40	3.40	3.40	3.40	3.40	3.60	3.50	3.30	3.30
Administration:										
Board office	7.00	8.00	8.00	7.50	7.50	7.50	7.50	7.50	8.00	8.00
Auditor	16.60	13.00	13.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Treasurer	11.00	10.10	10.60	10.60	10.60	10.50	9.00	8.50	7.50	7.50
Human resources	4.20	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.10	3.10
Information technology	8.00	7.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00
Maintenance	8.00	7.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00
Civil service	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total	660.34	643.67	643.10	635.90	613.61	630.08	622.61	628.22	630.36	618.26

Note: All figures are from March budget certification for each fiscal year.

Source: Black Hawk County, Auditor's Office

* Contract for Child Support Recovery not renewed

** District Court Admin and C.P.C. now fall under Community Services

*** Youth Shelter closed at end of FY13

Black Hawk County, Iowa

**Operating Indicators by Function/Program
Last Ten Fiscal Years
(Unaudited)**

Function/Program	2005	2006	2007	2008
Public safety and legal services:				
Sheriff:				
# of civil papers served	17,042	17,700	16,590	17,971
# of arrests made	2,914	3,148	3,035	3,358
# of jail bookings	8,349	8,093	8,533	8,621
# of service calls	10,785	12,784	9,405	11,945
Attorney, # of felonies/aggravated fieldcases filed	1,989	2,161	1,949	2,084
Physical health and social services:				
Health Department:				
# of Success Street visits	3,738	2,901	2,719	3,486
# of environmental inspections	2,432	2,621	2,442	2,572
# of home care aide visits	22,544	21,707	19,556	18,323
# of home care aide clients	358	300	223	231
Community Services, # of people seen	1,948	2,258	2,566	2,080
Youth Shelter, # of kids per year**	206	148	98	152
Veteran Affairs, # of new clients per year	226	256	260	284
Mental health:				
Country View, census per year	50,874	53,335	51,790	52,008
C.P.C., # of people seen	3,852	5,503	3,730	2,869
County environment and education conservation:				
Hartman Reserve visitors	55,000	55,000	55,000	55,900
Campers	30,663	30,890	37,910	42,999
Lodge/Shelter Usage	*	28,891	27,009	26,865
Roads and transportation:				
Engineer:				
# of miles of road paved	10	11	5	7
# of bridges/culverts repaired/replaced	11	14	17	17
Governmental services to residents:				
Treasurer, titles issued	38,342	38,050	37,150	39,731
Recorder, documents recorded	30,800	30,952	32,158	26,345
Auditor: Elections:				
# of active voters	78,447	77,058	77,058	77,058
# of inactive voters	4,274	5,073	5,073	5,073
# of absentee ballots	1,358	11,002	11,002	11,002
Administration, maintenance, sq. ft maintained				
	353,980	353,980	353,980	353,980

Source: County records

Note: Indicators are not available for some departments due to their function.

* Information not available.

** Youth Shelter was closed at the end of FY13

Fiscal Year					
2009	2010	2011	2012	2013	2014
20,043	19,507	19,905	18,162	17,122	*
3,384	4,449	4,337	4,130	4,107	*
9,157	9,558	9,153	9,244	9,040	*
14,463	14,583	14,047	15,328	13,769	*
1,691	1,716	1,947	1,445	1,458	1,268
3,968	4,031	3,427	3,302	3,277	3,093
2,810	2,600	3,202	2,605	3,326	3,351
15,801	15,122	13,305	10,692	9,969	8,818
194	188	206	157	149	83
2,077	3,057	3,298	3,319	2,992	3,511
143	161	173	190	**	**
305	309	258	277	440	312
56,285	55,382	56,839	57,982	57,881	58,847
2,985	3,250	3,384	3,422	3,512	3,488
56,200	53,290	51,112	51,865	50,827	51,539
41,938	47,333	40,588	43,877	37,477	44,607
21,269	27,671	26,137	28,761	25,139	34,000
17	24	9	22	20	5
8	7	12	9	13	10
41,506	41,447	42,704	42,842	40,814	37,311
25,841	24,771	24,554	24,859	27,396	23,340
86,891	81,464	81,715	78,448	81,066	81,700
5,323	5,934	6,516	5,669	5,784	7,094
23,999	947	15,844	1,501	31,944	1,464
444,393	444,393	444,393	458,633	458,633	458,633

Black Hawk County, Iowa

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(Unaudited)**

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety and legal services:										
Sheriff										
# of patrol cars	18	18	18	18	19	19	21	21	21	19
Physical health and social services:										
Health Department										
# of vehicles	18	18	17	17	17	17	17	18	19	18
County environment and education:										
Conservation										
# of acres managed	8,055	8,053	7,990	8,175	8,325	8,325	8,387	8,613	8,776	8,773
Roads and transportation:										
Engineer:										
# of vehicles	73	73	74	74	75	74	76	76	78	75
# of buildings	15	15	15	15	16	15	15	15	15	15
Administration:										
Maintenance										
# of buildings maintained	4	4	4	4	6	6	6	9	9	9

Source: All statistics from various Black Hawk County, Iowa departments.

Note: Numerous departments do not have capital specific to their area and have, therefore, been eliminated from this exhibit.

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2014

Federal Grantor Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
Passed through the Iowa Department of Public Health:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5884NU58	\$ 35,316
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5883NU58	17,707
			<u>53,023</u>
Passed through the Iowa Department of Human Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	53,367
			<u>106,390</u>
U.S. Department of Defense			
1033 Program	12.005	OFW 0509 20140512	733,000
			<u>733,000</u>
U.S. Department of Housing and Urban Development:			
Passed through the Iowa Department of Human Services:			
Lead Hazard Reduction Demonstration Grant Program	14.905	IALHB0498-11	43,839
			<u>43,839</u>
Passed through the Iowa Department of Economic Development:			
Community Development Block Grants/States Program			
Jumpstart Residential	14.228	08-DRH-201	1,818,296
			<u>1,818,296</u>
U.S. Department of Justice:			
Passed through the Governor's Office of Drug Control Policy: and the City of Waterloo			
Project Safe Neighborhoods	16.609	11-PSN-ND11	6,043
			<u>6,043</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0999	5,893
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-2462	5,320
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-0617	1,531
Edward Byrne Memorial Justice Assistance Grant Program	16.738	11-JAG-58456	96,300
Edward Byrne Memorial Justice Assistance Grant Program-ARRA	16.804	2009-SB-B9-2347	15,273
			<u>124,317</u>
Passed through the Iowa Department of Justice:			
Federal Violence Against Women Act Court Training and Improvement Grants	16.013	VW-14-91-CJ	38,093
Crime Victim Assistance	16.575	VA-14-91-CJ	28,724
Federal Violence Against Women Formula Grants	16.588	VW-14-91-CJ	28,771
State Criminal Alien Assistance Program	16.606	2013-AP-BX-0734	14,092
Methamphetamine Drug Hot Spots Grant	16.710	10-Hotspots-Interdiction-14	2,863
Equitable Sharing Program	16.922	WC-IAN-111	1,023
U.S. Department of Transportation:			
Passed through the Iowa Dept of Transportation			
Recreational Trails Program	20.219	NRT-NT08-(001)-9G-07	31,539
Highway Planning and Construction Grant	20.205	BROS-COO7(114)-8J-07	412,166
			<u>\$ 443,705</u>

COUNTY OF BLACK HAWK, IOWA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2014

Federal Grantor Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Identifying Number	Federal Expenditures
Passed through Iowa Department of Public Safety- Governor's Traffic Safety Division: State and Community Highway Safety	20.601	PAP 013-410 TASK 04	\$ 2,864
Passed through the Iowa Department of Public Health: National Priority Safety Programs	20.616	PAP 014-405d-M6OT	17,676
U.S. Department of Health and Human Services: Passed through the Iowa Secretary of State: Voting Access for Individuals with Disabilities	93.617	002-PPAP-2014	251
Passed through the Iowa Department of Public Health: Public Health Emergency Preparedness	93.069	5883BT07	12,750
Public Health Emergency Preparedness	93.069	5884BT12	36,220
			<u>48,970</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2014-TB01	3,800
Childhood Lead Poisoning Prevention Projects	93.070	5883LP01	5,173
Immunization Grants	93.268	5883I406	13,661
Immunization Grants	93.268	5884I406	17,903
			<u>31,564</u>
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	5884I407	4,525
Centers for Disease Control and Prevention Technical Assistance	93.283	5884CRC10	8,525
Centers for Disease Control and Prevention Technical Assistance	93.283	5884NB02	29,080
			<u>37,605</u>
HIV Prevention Activities- Health Department Based	93.940	5884AP03	10,822
HIV Prevention Activities- Health Department Based	93.940	5883AP03	6,503
			<u>17,325</u>
Maternal and Child Health Services Block Grant to the States	93.994	5884DH01	12,000
Maternal and Child Health Services Block Grant to the States	93.994	5884MH03	57,016
Maternal and Child Health Services Block Grant to the States	93.994	5883MH03	69,090
			<u>138,106</u>
Passed through the Iowa Department of Human Services: Community Transformation Grant	93.531	5884HP01	43,623
Community Transformation Grant	93.531	5883HP01	24,985
			<u>\$ 68,608</u>

COUNTY OF BLACK HAWK, IOWA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2014

Federal Grantor Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Identifying Number	Federal Expenditures
Human Services Administrative Reimbursements:			
Medical Assistance Program	93.778	N/A	\$ 89,801
State Children's Insurance Program	93.767	N/A	228
Foster Care - Title IV-E	93.658	N/A	20,489
Refugee and Entrant Assistance	93.566	N/A	122
Adoption Assistance	93.659	N/A	6,922
Child Care Development Fund	93.596	N/A	15,549
Social Services Block Grant	93.667	N/A	16,491
			<u>149,602</u>
U.S. Department of Homeland Security:			
Passed through the United States Coast Guard			
Passed through the Iowa Department of Natural Resources			
Boating Safety Financial Assistance	97.012	WRAC-13-564	2,094
Boating Safety Financial Assistance	97.012	WRAC-13-565	4,761
Boating Safety Financial Assistance	97.012	WRAC-12-561	800
			<u>7,655</u>
Passed through Iowa Department of Economic Development:			
Hazard Mitigation Grant	97.039	HMGP-DR-1763-160-01	93,497
			<u>93,497</u>
Passed through Iowa Disaster Services Division:			
Emergency Management Performance Grants	97.042	FY 14 EMPG	39,000
Emergency Management Performance Grants	97.042	FY 13 EMPG	9,968
			<u>48,968</u>
Total expenditures of federal awards			<u>\$ 4,065,345</u>

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (Continued)
Year Ended June 30, 2014

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Black Hawk County for the year ended June 30, 2014. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the Schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 - Significant Accounting Policies

Revenue from federal awards is recognized when the County has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

Note 3 - Subrecipients

Of the federal expenditures presented in the schedule, Black Hawk County provided federal awards to subrecipients as follows:

Jumpstart (CDBG)	14.228	\$ 1,818,296
Recreational Trails Program (City of Waterloo)	20.219	31,539

COUNTY OF BLACK HAWK, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Part I: Summary of the Independent Auditor's Results

- (a) Unmodified opinions were issued on the financial statements.
- (b) A material weakness in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) The audit did not disclose any significant deficiencies in internal control over major programs.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (h) The County of Black Hawk, Iowa, did not qualify as a low-risk auditee.
- (i) The major programs identified on the Schedule of Expenditures of Federal Awards include:

<u>CFDA #</u>	<u>Program Name</u>
14.228	Community Development Block Grants/States Program
12.005	Section 1033 Exchange Program
20.205/20.219	Highway Planning and Construction Cluster

Part II: Findings Related to the Financial Statements Reported in Accordance with Government Auditing Standards-

Instances of Non-compliance:

No matters were reported. There were no prior year audit findings.

MATERIAL WEAKNESS:

2014-001: Financial Reporting

Observation – During the audit, we identified material amounts of receivables and payables not recorded in the County's financial statements. Adjustments were subsequently made by the County to properly included these amounts in the financial statements.

Recommendation – The County should implement procedures to ensure all receivables and payables are identified and included in the County's financial statements.

Response – We will double check these in the future to avoid missing any receivables and payables transactions.

Conclusion – Response accepted

Part III: Findings Related to Federal Expenditures

Instances of Non-Compliance:

None Noted

Significant Deficiencies:

None Noted.

COUNTY OF BLACK HAWK, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Part IV: Other Findings Related to Required Statutory Reporting

- IV-A-14** Certified Budget – Disbursements for the year ended June 30, 2014, exceeded the amounts budgeted in the County's debt service function.
- Recommendation – The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.
- Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors, by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the function budget is not increased. Such increases or decreases should be made before disbursements are allowed to exceed the appropriation.
- Response – We will amend the budget when required and appropriations will be watched more closely by the departments.
- Conclusion – Response accepted.
- IV-B-14** Questionable Expenses – We noted no expenditures that we believe may constitute unlawful expenditures from public funds as defined in an Attorney General's opinion dated April 25, 1979.
- IV-C-14** Travel Expenses – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- IV-D-14** Business Transactions – There were no business transactions between the County and County officials and/or employees during the year ended June 30, 2014.
- IV-E-14** Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions.
- IV-F-14** Board Minutes – No transactions were found that we believe should have been approved in the Board Minutes but were not.
- IV-G-14** County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from the County operations and, consequently, is not included in these financial statements. Disbursements during the year ended June 30, 2014 for the County Extension Office did not exceed the amount budgeted.
- IV-H-14** Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- IV-I-14** Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Supervisors
Black Hawk County, Iowa:

Report on Compliance for Each Major Federal Program:

We have audited compliance of Black Hawk County, Iowa (the County) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014. Black Hawk County, Iowa's major federal programs are identified in Part I of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each 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 each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

The 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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 a 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 consider 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
December 29, 2014



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
Black Hawk County, Iowa

We have audited, in accordance with U.S. generally accepted auditing standards 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, business-type activities, each major fund, the aggregate remaining fund information of Black Hawk County, Iowa, as of and for the year ended June 30, 2014, 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, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Black Hawk County, Iowa's internal control over financial reporting (internal control) to determine the 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 Black Hawk County, Iowa's internal control. Accordingly, we do not express an opinion on the effectiveness of the Black Hawk County, Iowa's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2014-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Black Hawk County, Iowa'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2014 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Black Hawk County, Iowa's Response to Findings

Black Hawk County, Iowa's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Black Hawk County, Iowa's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Black Hawk County during the course of our audit. Should you have any questions concerning any of the above matters we would be pleased to discuss them with you at your convenience.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
December 29, 2014