

BLACK HAWK COUNTY, IOWA
Comprehensive Annual Financial Report
Year Ended June 30, 2011

Prepared by:
James W. Bronner, Finance Director
Board of Supervisors Office

Grant Veeder
Auditor and Staff

Rita Schmidt
Treasurer and Staff

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Board of Supervisors

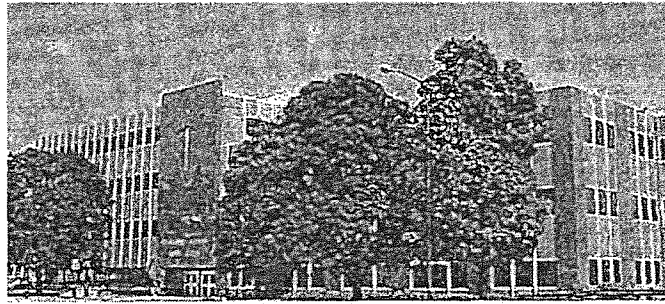
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December 21, 2011

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, 2011 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 unqualified ("clean") opinion on the Black Hawk County financial statements for the year ended June 30, 2011. 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 4th 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. 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 fourth 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. The unemployment rate was at 5% in 2004-2005. Over the next few years the rate averaged between 4% and 4.5% until October of 2009 as the economy worsened and the unemployment rate reached a high of 7.4%. Since that time, the rate had been gradually falling to 5.5% in September 2010, before increasing to 6.7% in January 2011. Forecasts show the rate dropping to below 6% and staying close to that amount for the remainder of the calendar year.

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, Wal-Mart and GMAC mortgage, 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 overall employment within the County and provide additional capital investment as well.

Deere and Company, the largest employer in the county, recently reported record earnings for the fourth-quarter. Double-digit sales increases of locally built tractors helped Deere achieve earnings of \$670 million for the quarter. Net Income increased from \$1.87 billion the prior year to approximately \$2.8 billion for 2011. Deere's Waterloo operations have been cited as a major contributor to the success of the fourth-quarter as large equipment sales remain strong with a record year for sales and net income for the division. Deere and Company recently announced that they are committing an additional \$90 million in investments to make improvements to the Waterloo foundry to eventually reduce costs and improve the overall cost-structure. Predictions for 2012 are for an even stronger year for the large equipment division.

Construction continues on the Hawkeye Community College regional truck training center. The total project will be built in phases with the overall finished cost estimate totaling approximately \$4 million. The center will provide hands-on training for driving large trucks, buses, motorcycles, police vehicles and numerous other vehicles. Additions to the training center were recently announced. They include both a \$1.38 million building to house a virtual hospital, along with a 10,000 square foot building for truck driving simulation and training work. The virtual hospital will be the second such building in the State and will assist in training individuals going into the medical field. Completion of these projects is scheduled for February of 2012.

Plans to build the Cedar Valley SportsPlex have also progressed. The \$23 million facility will include a gymnasium with basketball courts, a walking / running track, weight-lifting and cardio areas, and indoor soccer fields, along with other amenities. Bids for the 127,300 square foot facility will be opened in the coming weeks with construction for the project anticipated to be completed in October of 2013. An additional recreational pool is also scheduled at the facility with construction for that phase estimated to be completed in October of 2016. Private funds are being utilized for the majority of the funding to date.

Construction continues on a new human services campus just south of downtown Waterloo. The plan involves relocating three organizations into new facilities, Operation Threshold, the Northeast Iowa Food Bank and a facility for the Iowa Department of Corrections. Operation Threshold has completed their new building with approximately 27,600 square-feet of space. The prior location of the office was flooded in June of 2008. The \$6 million, 26,000 square-feet project for the Department of Corrections woman's facility has also been completed. Plans for the 45,000 square foot-food distribution center for the Food Bank continue to move forward as additional pledges have been secured for the approximate \$7 million needed to construct the facility. The distribution center currently serves 16 counties and has struggled to keep up with demand in past years due to space limitations. The Food Bank hopes to break ground July of 2012 with completion in July of 2013.

Plans for the Riverview Gardens in downtown Cedar Falls are moving ahead after three years of planning and development. The property will house three total buildings: two condominium buildings and one smaller commercial building. A restaurant is anticipated

years of planning and development. The property will house three total buildings: two condominium buildings and one smaller commercial building. A restaurant is anticipated to be housed in one of the condominiums. A total of 67 condo units and 20,000 square-feet of commercial space will exist when completed. The project will be built in phases with the final estimated value at approximately \$17 million.

A new industrial park is being developed in the northern portion of Cedar Falls. The industrial park will be located near the airport and will serve heavier industrial uses than the existing industrial park. One of the unique opportunities this industrial park will present is the access it will have for transportation by highway, rail or air. The park will be on 103 acres and consist of 20 lots. Potential occupants such as the Hudson Co-op are already relocating to the industrial park. The park hopes to add additional occupants during the next few months.

During the past ten years, the County's total expenses including debt and capital projects have decreased 8.8% overall. The largest factor in the decrease is in the Mental Health service area which saw a \$14.7 million decrease. Approximately \$11.7 million of the decrease is attributed to moving the Country View Care Facility into a non-budgetary enterprise fund. The decrease in Mental Health expenses offset significant increases in the Capital Projects and County Environment and Education service areas. These areas increased almost 800% and 205% respectively over the last ten years. The increase in the Capital Projects area is due to a significant increase in bonds being issued for road and bridge projects as the County tries to repair and reconstruct the aging bridge and road infrastructure within the County. County Environment and Education saw the second largest increase in expenditures due to the replacement of one of two nature trail bridges damaged during the floods of 2008, along with other flood related recovery projects. Construction on the second bridge should begin in the summer of 2012. The largest dollar increase was also in the Capital Projects category at \$7.76 million over the ten year period.

For the same ten year period, the County's total revenue has increased by 2.2%. 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 151% and 44% respectively, although the Licenses and Permits dollar increase was only \$151,000 compare to the \$1.9 million increase in the Miscellaneous category. Intergovernmental revenue decreased 35.4% or \$8.57 million primarily due to moving the Country View Care Facility into a non-budgetary enterprise fund. This decrease offset an increase of \$8.56 million in Property and Other County Tax of the last ten years.

Long-Term Financial Planning

The unassigned general fund balance for Black Hawk County is at 18.8 percent of the total general fund expenditures. The fiscal year 2011 percentage figure is in the middle of the 15 – 20 percent range, which is the preferred range for Black Hawk County. The total combined general fund balance (restricted, committed, and unassigned) is at just over 30% of total general fund expenditures. This is above the 25 percent threshold, which is the overall goal for the County. Black Hawk County will continue to diligently manage both of these balances so as to remain at or within the thresholds that are preferable for the County.

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 and will continue for the next few years. 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.

Black Hawk County continues to follow the twenty-year plan that was created with the assistance of the Institute for Decision Making at the University of Northern Iowa. As the 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. The overall twenty-year plan will be reviewed and adjusted as additional information and trends emerge.

Relevant Financial Policies

Black Hawk County has designated a portion of its fund balance for tax stabilization and to offset termination of 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 just under one million dollars. A recent sale of County owned farm land 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 bridges throughout Black Hawk County that span the Cedar River. Each has been in need of various levels of repair or replacement in recent years. Two of those bridges have been replaced. The third bridge replacement project which involves a pair of bridges is currently in process and scheduled to be finished in the fall of 2012. The estimated cost is just under \$7 million. The final of these four bridges will most likely be replaced in the next five to ten years.

Additionally, there are two bridges that are part of the Cedar Valley Nature Trail within Black Hawk County that also span the Cedar River. Flooding that occurred in the County during the summer of 2008 closed and damaged both of these bridges beyond repair. Engineering studies were completed outlining the costs of replacement or potential repair of each bridge. One of the bridges qualified for FEMA funding to be completely replaced. Construction started in the spring of 2010 and finished in July 2011. Funding for the second and larger of the two bridges was recently received from the State. The design of the bridge is almost complete with anticipated construction set to begin in the spring or summer of 2012.

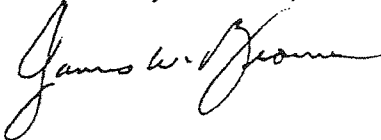
Awards and Acknowledgements

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, 2010. This was the sixth 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,

A handwritten signature in cursive script, appearing to read "James W. Bronner".

James W. Bronner
Finance Director

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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



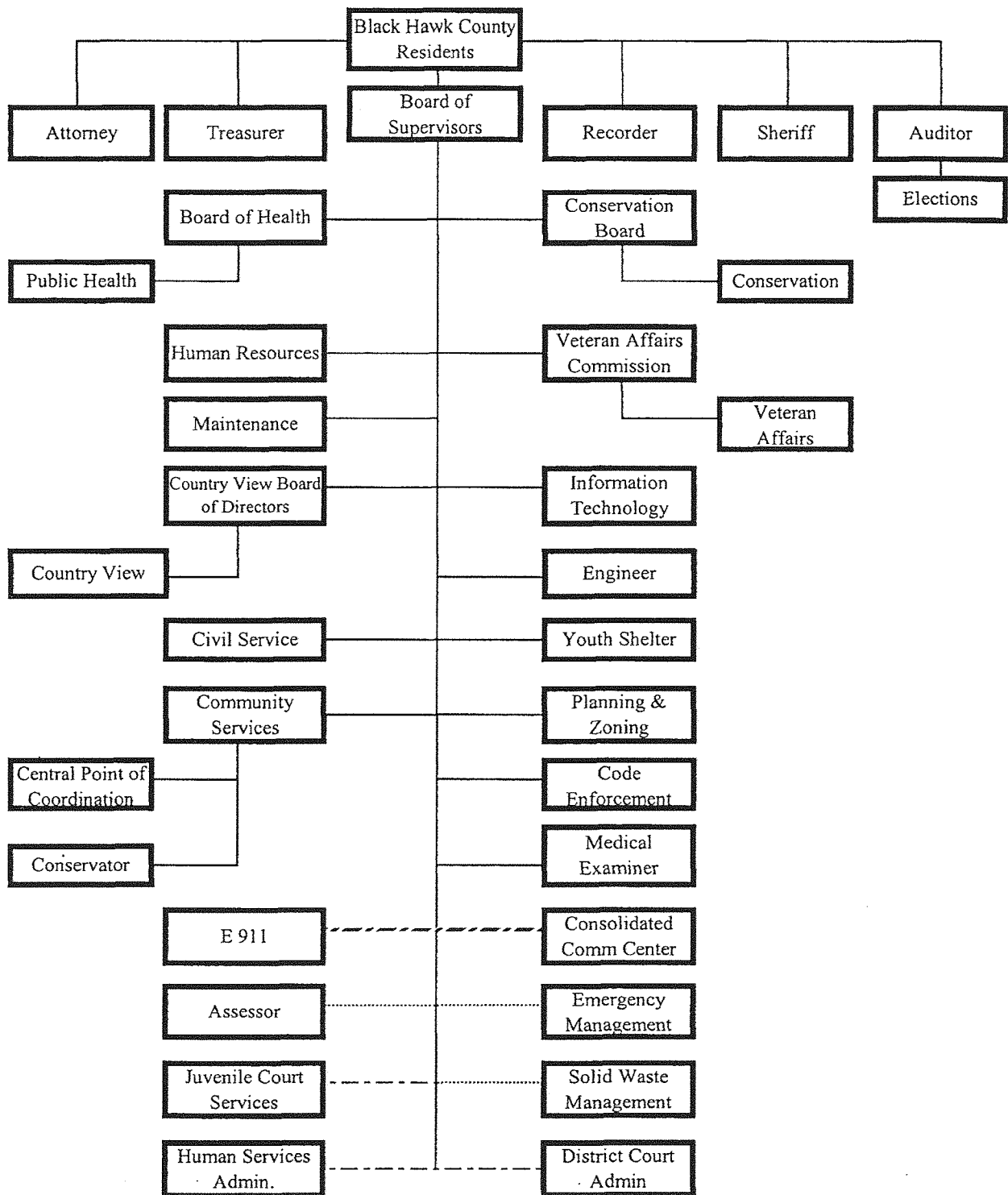
President

Executive Director

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	Tom Little	2013
Board of Supervisors, Chair Pro Tempore	John Miller	2013
Board of Supervisors	Scott Jordan	2013
Board of Supervisors	Frank Magsamen	2015
Board of Supervisors	Craig White	2015
County Attorney	Thomas Ferguson	2015
County Auditor	Grant Veeder	2013
County Recorder	Judy McCarthy	2015
County Sheriff	Tony Thompson	2013
County Treasurer	Rita M. Schmidt	2015
Associate Officials		
County Assessor	Tami McFarland	2015
Department Heads and Administration		
Community Services Director /		
Central Point of Coordination Administrator	Robert Lincoln	
Conservation Executive Director	Vern Fish	
Country View Administrator	Robert High	
County Buildings Superintendent	Rory Geving	
County Engineer	Catherine Nicholas	
County Planning & Zoning	Shane Graham	
Human Resources Director	Jerald R. Clyde	
Information Technology Director	Kim Veeder	
Public Health Director	Bruce Meisinger	
Veteran Affairs Director	Bennie Spain	
Youth Shelter Director	Amy Landers	
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

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, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Black Hawk County, Iowa as of June 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2011 on our consideration of Black Hawk County, Iowa'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying 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 financial statements. The combining nonmajor fund financial statements and the schedule of expenditures 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 financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the 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 it.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
December 27, 2011

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2011

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, 2011. 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, 2011 by \$87,406,724 (net assets). Of this amount, \$16,927,314 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors. For the fiscal year ended June 30, 2010, assets exceeded liabilities by \$77,186,281. Of this amount, \$12,523,078 was unrestricted.
- The County's total net assets increased by \$10,220,443 during the fiscal year ended June 30, 2011. Governmental activities increased \$6,204,674 and business-type activities increased by \$4,015,769. For fiscal year ended June 30, 2010, total net assets increased \$1,386,040. Governmental activities increased \$1,453,989 and business-type activities decreased \$67,949.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$39,296,108, an increase of \$15,620,444 in comparison with the prior year. Approximately 17.5 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, 2010, governmental funds reported combined ending fund balances of \$23,675,664.
- At the end of the current fiscal year, the County's unassigned fund balance for the General Fund was \$6,889,135 or 18.8 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 unreserved, undesignated fund balance for the General Fund as of June 30, 2010 was \$6,073,637 or 15 percent of total General Fund expenditures.
- The County's total debt increased by \$15,688,491 (56 percent) during the current fiscal year. Total debt for the fiscal year June 30, 2010, increased by \$4,054,067 (15 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 assets presents information on all of Black Hawk County, Iowa's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2011

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets 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).

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 thirteen 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 Secondary Roads Fund as major for public interest purposes. Data from the other seven 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.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2011

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 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 34 through 37 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 38 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 39 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 2011. 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 assets may serve as a useful indicator of a government's financial position. In the case of Black Hawk County, Iowa, assets exceeded liabilities by \$87,406,724 at the close of the most recent fiscal year.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2011

By far the largest portion of the County's net assets (65 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.

Net Assets of Governmental and Business-Type Activities						
	Governmental Activities		Business-Type Activities		Total	
	2010	2011	2010	2011	2010	2011
Current and Other Assets	\$ 69,049,578	\$ 84,162,471	\$ 289,068	\$ 3,184,686	\$ 69,338,646	\$ 87,347,157
Capital Assets	71,373,048	77,547,352	3,207,172	5,368,946	74,580,220	82,916,298
Total Assets	140,422,626	161,709,823	3,496,240	8,553,632	143,918,866	170,263,455
Long-term Liabilities	26,340,554	45,695,799	785,678	1,499,886	27,126,232	47,195,685
Other Liabilities	39,333,621	35,158,399	175,232	502,647	39,508,853	35,661,046
Total Liabilities	65,674,175	80,854,198	960,910	2,002,533	66,635,085	82,856,731
Net Assets:						
Invested in Capital Assets, net						
of related debt	55,621,608	52,154,674	2,251,494	4,582,515	57,873,102	56,737,189
Restricted	6,790,101	13,742,221	-	-	6,790,101	13,742,221
Unrestricted	12,239,242	14,958,730	283,836	1,968,584	12,523,078	16,927,314
Total Net Assets	\$ 74,650,951	\$ 80,855,625	\$ 2,535,330	\$ 6,551,099	\$ 77,186,281	\$ 87,406,724

An additional portion of the County's net assets (16 percent or \$28,700,951) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (19 percent or \$16,927,314) may be used to meet the County's ongoing obligations to citizens and creditors.

Net assets restricted through enabling legislation consists of \$1,692,454 for debt service, \$4,313,596 for mental health, \$1,388,393 for secondary roads, and \$3,973,689 for supplemental levy purposes and \$2,374,089 for various other restricted purposes, as of June 30, 2011.

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

Governmental activities: Governmental activities increased the County's net assets by \$6,204,674, as shown on the chart as follows. The 8.3 percent increase in net assets of the governmental activities is primarily the result of moving the Country View Care Facility into a non-budgetary enterprise fund reflected in the significant increase in business-type activities for FY11. The overall impact to mental health funding resulted in a significant decrease in both expenditures and revenue of \$11 million dollar and \$13 million respectively. Additionally reductions in mental health expenditures were a result of the timing of expenditures in the County Social Services department. Those expenditures were \$5 million less than in FY10. The movement of the care facility also impacted the Physical Health and Social Services area over \$3 million dollars as well for expenditure in the facility not related to mental health.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2011

Changes in Net Assets of Governmental and Business-Type Activities						
	Government Activities		Business-Type Activities		Total	
	2010	2011	2010	2011	2010	2011
Revenues:						
Program Revenues:						
Charges for Services	\$ 7,424,223	\$ 6,346,471	\$ 257,946	\$ 13,522,197	\$ 7,682,169	\$ 19,868,668
Operating Grants, Contributions and Restricted Interest	25,737,204	11,149,510	-	-	25,737,204	11,149,510
Capital Grants, Contributions and Restricted Interest	1,481,509	4,672,902	-	-	1,481,509	4,672,902
General Revenues:						
Taxes:						
Property	29,532,785	29,656,058	-	-	29,532,785	29,656,058
State Tax Credits	1,122,280	875,035	-	-	1,122,280	875,035
Local Option Sales	2,903,302	2,794,377	-	-	2,903,302	2,794,377
Investment Earnings	914,311	605,731	422	2,170	914,733	607,901
Miscellaneous	1,780,435	1,391,943	-	77,188	1,780,435	1,469,131
Total Revenues	70,896,049	57,492,027	258,368	13,601,555	71,154,417	71,093,582
Expenses:						
Public Safety and Legal Services	16,737,313	17,708,648	-	-	16,737,313	17,708,648
Physical Health and Social Services	11,695,480	8,344,752	-	-	11,695,480	8,344,752
Mental Health	20,535,742	2,874,676	-	-	20,535,742	2,874,676
County Environment and Education	4,460,783	4,554,435	-	-	4,460,783	4,554,435
Roads and Transportation	6,983,934	7,761,476	-	-	6,983,934	7,761,476
Government Services to Residents	2,131,600	1,563,909	-	-	2,131,600	1,563,909
Administration	5,767,744	5,253,070	-	-	5,767,744	5,253,070
Interest on Long-Term Debt	1,226,964	1,371,330	-	-	1,226,964	1,371,330
Country View Care Facility	-	-	-	11,096,457	-	11,096,457
Washburn Water and Sewer	-	-	326,317	344,386	326,317	344,386
Total Expenses	69,539,560	49,432,296	326,317	11,440,843	69,865,877	60,873,139
Increase (Decrease) in Net Assets	1,356,489	8,059,731	(67,949)	2,160,712	1,288,540	10,220,443
Transfers In (Out)	-	(1,855,057)	-	1,855,057	-	-
Net Assets, Beginning	73,294,462	74,650,951	2,603,279	2,535,330	75,897,741	77,186,281
Net Assets, Ending	\$ 74,650,951	\$ 80,855,625	\$ 2,535,330	\$ 6,551,099	\$ 77,186,281	\$ 87,406,724

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2011

The County enjoyed increases in various revenue sources: property tax revenue increased approximately \$123,000 due primarily to an increase in taxable assessed valuation partially offset with a decrease in property tax rates; and increases in capital grants, contributions, and restricted interest of over \$3 million due to bridge replacement funds through FEMA as well as a continuation of funds for the Federal Jumpstart program.

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 expenditures increased approximately \$971,000. This is primarily from increased health care costs for inmates of \$250,000 as the County shifted to twenty-four hour coverage in the jail along with salary and benefits increases in various departments such as the Sheriff's Office, Attorney's Office and Consolidated Communications.

Physical health and social services decreased approximately \$3.3 million as mentioned previously due to relocating the Country View Care Facility from the Mental Health Fund into a non-budgetary enterprise fund for FY11 for better tracking of the revenues and expenses.

County environment and education increased approximately 2% or \$94,000 due to salary and benefit increases for the Conservation Department.

Mental health functional expenses decreased by approximately \$17.6 million as was discussed previously. The reduction is primarily the result of moving the Country View Care Facility into a non-budgetary enterprise fund reflected to better track the revenues and expenses of the facility. The overall impact to Mental Health funding resulted in a significant decrease in both expenses and revenue of \$11 million dollar and \$13 million respectively. Additionally reductions in mental health expenses were a result of the timing of expenses in the County Social Services department. Those expenses were \$5 million less than in FY10.

Business-type activities: Business-type activities increased the County's net assets by \$4,015,769.

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 \$39,296,108 as of June 30, 2011. This was an increase of \$15,620,444, or 66 percent, over the prior year. This is primarily a result of modest increases in the General Fund and Mental Health Fund along with significant increases in the Capital Projects Fund. Of this total combined fund balance amount, \$6,889,135 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, 2011

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 \$6,889,135, while total fund balance reached \$11,768,026. 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 18.8 percent of total General Fund expenditures, while total fund balance represents just over 30 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 \$1,528,507 during the current fiscal year. The single largest factor in the increase in fund balance was an increase in intergovernmental revenues above what was anticipated of \$1.3 million. The majority of the revenue increase resulted from \$750,000 in additional Community Development Block Grant funds and FEMA funds along with \$250,000 in additional federal and state grant funds in the Health Department.

The Mental Health Fund had a fund balance of \$4,315,407, all of which is to be used for mental health functional expenditures. The fund balance increased by \$3,304,889 during fiscal year 2011. This increase is attributed to actual expenditures ending well below anticipated amounts in the County Social Services area.

The Rural Services Fund had a fund balance of \$1,555,669, which increased \$194,754 from the prior year. The fund increase is due to higher than expected Local Option Sales Tax revenue for fiscal year 2011.

The Secondary Roads Fund had a fund balance of \$1,345,489, which increased \$217,975 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 \$1,814,298 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 \$342,518 was due primarily to the funds from the Local Option Sales Tax that offsets some of the debt payments being higher than anticipated for FY11.

The Capital Projects Fund had a total fund balance of \$17,652,723. This fund balance increased \$9,937,322 due to the timing of the bond proceeds and the related project expenditures. The bond proceeds for fiscal year 2012 projects were received in fiscal year 2011, but the project expenditures will not occur until fiscal year 2012, resulting in an increase in fund balance for fiscal year 2011 above the anticipated bond proceeds for FY11 projects were also received in FY11.

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, 2011

Key changes in the budget amendments are as follows:

Expenditures increased \$10,899,096, which included:

- Approximately \$7.744 million for projects that began in fiscal year 2010, but finished in fiscal year 2011. The majority of these projects, \$7.043 million, were road and bridge projects along with \$226,000 in E911 Fund and \$475,000 in the Capital Improvement Fund.
- Approximately \$1.468 million in flood related expenses such as \$598,000 in bridge and nature trail repairs, \$600,000 in pass-through funds for the Federal Jumpstart program, and \$270,000 for the construction of a safe room in the Hickory Hills Conservation Park.
- Approximately \$385,000 in culvert and road repairs from the Secondary Roads Fund.
- Approximately \$340,000 for items in the Sheriff's Office. They consist of \$100,000 in housing inmates out of County, \$100,000 in additional room & board expenses, and \$140,000 in additional inmate healthcare costs.
- Approximately \$346,000 in additional federal and state grants from the Health Department. These additional expenses are offset by revenue as shown in the section below.
- Approximately \$160,000 in increased costs associated with the Toledo Juvenile Home as well as \$301,000 in additional repairs from the Maintenance department such as sprinkler corrections, chiller repairs, elevator upgrades / repairs and a phone system upgrade.

Revenues increased \$3,886,910 which included:

- Approximately \$1,575,000 in bond proceeds that were sold in FY2010, but needed to complete projects in FY2011.
- Approximately \$1.82 million in flood recovery items such as \$600,000 in pass-through funds for the Federal Jumpstart program, \$352,000 in I-JOBS and FEMA funds for road and culvert repairs, \$598,000 in grant and FEMA funds for bridge and nature trail repairs, \$270,000 in FEMA funds for the construction of a safe room in the Hickory Hills Conservation Park.
- Approximately \$322,000 in additional federal and state grant funding for the Health Department.

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, 2011 amounts to \$82,916,498 (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 11 percent.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2011

	Capital Assets, Net of Applicable Depreciation					
	Governmental Activities		Business-Type Activities		Total	
	2010	2011	2010	2011	2010	2011
Land	\$ 4,809,671	\$ 5,412,129	\$ -	\$ -	\$ 4,809,671	\$ 5,412,129
Construction-in-Progress	5,147,304	7,867,453	-	442,339	5,147,304	8,309,792
Buildings	30,859,015	27,460,681	-	4,220,476	30,859,015	31,681,157
Improvements other than Buildings	1,465,573	1,368,737	-	96,836	1,465,573	1,465,573
Equipment and Vehicles	11,057,401	11,116,673	-	522,902	11,057,401	11,639,575
Infrastructure	56,295,291	62,995,088	5,420,639	5,420,639	61,715,930	68,415,727
Accumulated Depreciation	(38,261,207)	(38,673,409)	(2,213,467)	(5,334,246)	(40,474,674)	(44,007,655)
Total Capital Assets	\$ 71,373,048	\$ 77,547,352	\$ 3,207,172	\$ 5,368,946	\$ 74,580,220	\$ 82,916,298

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

- Multiple secondary road projects including the replacement of the bridge deck on the Cedar Wapsi bridge along with numerous deck and structure repairs of other bridges were made. Additionally, reconstruction and resurfacing of approximately 9 miles of road was completed during fiscal year 2011.
- A new energy efficient boiler system was installed in the Pinecrest building along with new ceiling and floor tiles in the Country View care facility.
- A large shower building was constructed at the Hickory Hills park for the Conservation Department as well as the Evansdale bridge over the Cedar Valley Nature Trail being completed shortly after the end of the fiscal year.
- The kitchen at the Youth Shelter was remodeled and a new roof was placed on the Juvenile Court Services building.

Additional information concerning the County's capital assets can be found in Note 5 of the Notes to Basic Financial Statements on pages 41 and 42.

Long-term debt. At the close of the fiscal year ended June 30, 2011, the County had total long-term debt outstanding of \$46,238,042. Of this amount, \$43,815,000 comprises debt backed by the full faith and credit of the government and the remaining \$2,423,042 represents capital lease obligations and accrued compensated absences for the County's employees.

	2010	2011	2010	2011	2010	2011
General Obligation Bonds	\$ 26,655,000	\$ 42,605,000	\$ 960,000	\$ 790,000	\$ 27,615,000	\$ 43,395,000
General Obligation Capital Notes	505,000	420,000	-	-	505,000	420,000
Capital Leases	52,698	46,189	-	-	52,698	46,189
Compensated Absences	2,456,413	1,959,498	-	417,355	2,456,413	2,376,853
Total	\$ 29,669,111	\$ 45,030,687	\$ 960,000	\$ 1,207,355	\$ 30,629,111	\$ 46,238,042

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2011

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 2012 budget and the tax rates charged for various County activities. County officials are sensitive to economic factors such as the unemployment rate. The rate had decreased from 4.5 percent in January of 2007 to 4.4 percent in January 2008. January of 2009 saw a significant increase in the unemployment rate to 5.1 percent, reflecting the overall state of the economy. As the economy worsened, the unemployment rate peaked at 7.9% in October of 2009, but has gradually decreased since that time to 6.0% at the end of 2010. The rate remained steady and then slightly declined throughout 2011 before hitting 5.5% in September.

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 2002, the year-end Combined General Fund balance (General Basic and General Supplemental) had fallen to \$4,262,756 or just over 13 percent of expenditures. Since then, while maintaining minimal increases in tax levies, the Combined General Fund balance had increased to a fiscal year 2008 figure of \$11,007,968, before the recent economic downturn occurred and the fund balance decreased to a fiscal year 2010 figure of \$10,239,519. During FY11, the fund balance was increased to the largest amount it has been since the mid-1990's. This amount is just over 30 percent of expenditures which is at the upper end of the preferred range of 25 to 30 percent for Black Hawk County.

For fiscal year 2012, amounts available for appropriation are \$67.87 million. Budgeted expenditures are expected to increase approximately \$7.5 million over FY11 actual figures, while budgeted revenues are expected to decrease \$14 million. Of the expenditure increase, the Mental Health, MR & DD category is budgeted to increase approximately \$3.4 million due to increases in the demand for mental health services in the community. The remaining increases include expenditures of \$1.2 million for additional equipment purchases in the Engineer's Office along with an additional \$3 million in County Environment and Education fund primarily for bridge replacement and other construction related items for the Conservation Department. The decrease in revenues for FY12 compared to the FY11 actual figures is almost entirely due to a large reduction of \$17.4 million in bond proceeds. This reduction offsets the increases of \$1.1 million in property taxes and \$2.2 million intergovernmental revenue. If these estimates are realized, the County's budgetary operating balance is expected to slightly increase by the close of 2012.

In comparing fiscal year 2010 data for all counties, it is seen that Black Hawk County's levy rates are somewhat high falling into the top quarter of all counties. However, this is partly a result of a relatively low valuation. While Black Hawk County is fourth in the state in population and fifth in overall taxable valuation, it is 87th in per capita valuation. The County's economy in spending is demonstrated by the fact that it is 90th among the 99 counties in per capita spending and 97th in per capita taxes.

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 ASSETS
JUNE 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 28,286,598	\$ 1,973,947	\$ 30,260,545
Restricted Cash and Investments	18,293,364	-	18,293,364
Receivables:			
Property tax:			
Delinquent	209,218	-	209,218
Succeeding year	30,757,256	-	30,757,256
Accrued Interest	28,263	111	28,374
Accounts	635,938	237,666	873,604
Interest and Penalty on Property Tax, Net	283,992	-	283,992
Capital Lease	-	-	-
Internal Balances	97,863	(97,863)	-
Due from Other Governmental Agencies	3,091,483	976,984	4,068,467
Inventories	350,881	86,816	437,697
Total Current Assets	82,034,856	3,177,661	85,212,517
Noncurrent Assets			
Debt Issuance Cost	254,509	7,025	261,534
Capital Lease	1,873,106	-	1,873,106
Capital Assets			
Land	5,412,129	-	5,412,129
Construction in Progress	7,867,453	442,339	8,309,792
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	64,267,770	4,926,607	69,194,377
Total Non Current Assets	79,674,967	5,375,971	85,050,938
Total Assets	161,709,823	8,553,632	170,263,455
LIABILITIES			
Accounts Payable	1,717,253	93,810	1,811,063
Claims Payable	933,849	-	933,849
Due to Other Governmental Agencies	352,280	7,718	359,998
Deferred Revenue - Future Property Tax	30,757,256	-	30,757,256
Unearned Revenue	65,955	25,396	91,351
Accrued Interest Payable	121,844	2,482	124,326
Salaries and Benefits Payable	1,209,962	373,241	1,583,203
Total current liabilities	35,158,399	502,647	35,661,046
Noncurrent Liabilities:			
Due within one year:			
General Obligation Bonds	3,725,000	179,649	3,904,649
General Obligation Capital Loan Notes	90,000	-	90,000
Capital Leases	7,334	-	7,334
Compensated Absences	1,095,692	240,170	1,335,862
Due in more than one year:			
General Obligation Bonds	38,854,212	606,782	39,460,994
General Obligation Capital Loan Notes	330,000	-	330,000
Capital Leases	38,855	-	38,855
Compensated Absences	863,806	177,185	1,040,991
OPEB Liability	690,900	296,100	987,000
Total Noncurrent Liabilities	45,695,799	1,499,886	47,195,685
Total Liabilities	80,854,198	2,002,533	82,856,731
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	52,154,674	4,582,515	56,737,189
Restricted for:			
Debt Service	1,692,454	-	1,692,454
Mental Health Purposes	4,313,596	-	4,313,596
Supplemental levy purposes	3,973,689	-	3,973,689
Secondary Roads Purposes	1,388,393	-	1,388,393
Rural Services	1,555,669	-	1,555,669
Conservation	683,269	-	683,269
Other Purposes	135,151	-	135,151
Unrestricted	14,958,730	1,968,584	16,927,314
Total Net Assets	\$ 80,855,625	\$ 6,551,099	\$ 87,406,724

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2011

		Program Revenues
Functions/Programs	Expenses	Charges for Services
Primary Government:		
Governmental Activities:		
Public safety and legal services	\$ 17,708,648	\$ 2,237,579
Physical health and social services	8,344,752	1,018,620
Mental health	2,874,676	58,210
County environment and education	4,554,435	557,394
Roads and transportation	7,761,476	13,389
Government services to residents	1,563,909	1,769,692
Administration	5,253,070	691,587
Interest on long-term debt	1,371,330	-
Total governmental activities	49,432,296	6,346,471
Business-Type Activities		
Rural Sewer	253,880	188,650
Rural Water	90,506	62,483
Country View Care Facility	11,096,457	13,271,064
Total Business-Type Activities	11,440,843	13,522,197
Total	\$ 60,873,139	\$ 19,868,668

Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
Operating Grants Contributions	Capital Grants Contributions	Governmental Activities	Business-Type Activities	Total
\$ 2,358,697	\$ -	\$ (13,112,372)	\$ -	\$ (13,112,372)
3,341,707	-	(3,984,425)	-	(3,984,425)
503,129	-	(2,313,337)	-	(2,313,337)
383,074	3,652,384	38,417	-	38,417
3,443,070	1,020,518	(3,284,499)	-	(3,284,499)
23,522	-	229,305	-	229,305
1,096,311	-	(3,465,172)	-	(3,465,172)
-	-	(1,371,330)	-	(1,371,330)
11,149,510	4,672,902	(27,263,413)	-	(27,263,413)
-	-	-	(65,230)	(65,230)
-	-	-	(28,023)	(28,023)
-	-	-	2,174,607	2,174,607
-	-	-	2,081,354	2,081,354
\$ 11,149,510	\$ 4,672,902	(27,263,413)	2,081,354	(25,182,059)
General Revenues:				
Property and other county tax levied for:				
General Purposes		27,633,993	-	27,633,993
Debt Service		2,022,065	-	2,022,065
Interest and penalties on taxes		390,102	-	390,102
State tax credits		875,035	-	875,035
Local option sales tax		2,794,377	-	2,794,377
Gambling Taxes		402,928	-	402,928
Unrestricted Intergovernmental revenues		-	20,748	20,748
Unrestricted investment earnings		605,731	2,170	607,901
Gain on Sale of Fixed Assets		12,481	-	12,481
Miscellaneous		586,432	56,440	642,872
Transfers		(1,855,057)	1,855,057	-
Total general revenues		33,468,087	1,934,415	35,402,502
Change in net assets		6,204,674	4,015,769	10,220,443
Net assets - beginning		74,650,951	2,535,330	77,186,281
Net assets - ending		\$ 80,855,625	\$ 6,551,099	\$ 87,406,724

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
BALANCE SHEET
Governmental Funds
JUNE 30, 2011

	General	Mental Health
Assets		
Cash and Pooled Investments	\$ 11,622,390	\$ 3,959,499
Restricted Cash and Pooled Investments	-	-
Receivables:		
Property Tax	136,971	38,048
Future Property Tax	20,052,603	5,570,176
Accrued Interest	23,538	-
Accounts	586,321	132
Interest and Penalty on Property Tax	277,743	-
Due from Other Funds	19,233	3
Due from Other Governmental Agencies	1,972,123	373,807
Capital Lease	-	-
Inventories	-	-
Total Assets	<u>34,690,922</u>	<u>9,941,665</u>
Liabilities and Equity		
Liabilities:		
Accounts Payable	785,732	352
Due to Other Funds	4,642	1,349
Due to Other Governmental Agencies	328,562	-
Deferred Revenue	691,633	34,903
Deferred Revenue - Future Property Tax	20,052,603	5,570,176
Unearned Revenue	61,234	-
Salaries and Benefits Payable	998,490	19,478
Total Liabilities	<u>22,922,896</u>	<u>5,626,258</u>
Fund Balances:		
NonSpendable:		
Inventory	-	-
Restricted for:		
Debt Service	-	-
Supplemental Levy Purposes	3,973,689	-
Mental Health Purposes	-	4,315,407
Rural Services Purposes	-	-
Secondary Roads Purposes	-	-
Records Management Purposes	-	-
Conservation Purposes	-	-
Capital Improvement	-	-
Other Purposes	-	-
Committed for:		
Termination Benefits	905,202	-
Assigned for:		
Conservation Land Acquisition	-	-
Unassigned	6,889,135	-
Total Fund Balances	<u>11,768,026</u>	<u>4,315,407</u>
Total Liabilities and Equity	<u>\$ 34,690,922</u>	<u>\$ 9,941,665</u>

See Accompanying Notes to Financial Statements

Rural Services	Secondary Roads	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 1,372,463	\$ 1,074,686	\$ 1,472,932	\$ -	\$ 927,093	\$ 20,429,063
-	-	-	18,293,364	-	18,293,364
13,839	-	20,360	-	-	209,218
1,941,569	-	3,192,908	-	-	30,757,256
-	-	-	-	64	23,602
10,277	9,366	-	-	10,890	616,986
-	-	6,249	-	-	283,992
17	1,411	90,000	-	-	110,664
245,794	253,965	245,794	-	-	3,091,483
-	-	1,873,106	-	-	1,873,106
-	350,881	-	-	-	350,881
3,583,959	1,690,309	6,901,349	18,293,364	938,047	76,039,615
112	188,990	1,835	640,641	92,617	1,710,279
1,390	5,420	-	-	-	12,801
7,924	14,860	-	-	934	352,280
13,446	7,405	1,892,308	-	-	2,639,695
1,941,569	-	3,192,908	-	-	30,757,256
-	-	-	-	-	61,234
63,849	128,145	-	-	-	1,209,962
2,028,290	344,820	5,087,051	640,641	93,551	36,743,507
-	350,881	-	-	-	350,881
-	-	1,814,298	-	-	1,814,298
-	-	-	-	-	3,973,689
-	-	-	-	-	4,315,407
1,555,669	-	-	-	-	1,555,669
-	994,608	-	-	-	994,608
-	-	-	-	15,297	15,297
-	-	-	-	683,269	683,269
-	-	-	17,652,723	-	17,652,723
-	-	-	-	119,854	119,854
-	-	-	-	-	905,202
-	-	-	-	26,076	26,076
-	-	-	-	-	6,889,135
1,555,669	1,345,489	1,814,298	17,652,723	844,496	39,296,108
\$ 3,583,959	\$ 1,690,309	\$ 6,901,349	\$ 18,293,364	\$ 938,047	\$ 76,039,615

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

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

Total Fund Balance - Governmental Funds (page 28)		\$ 39,296,108
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds.		77,547,352
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 assets.		6,935,604
Deferred revenues from the balance sheet that provide current financial resources for governmental activities.		2,639,695
Accrued expenses from the balance sheet that require current financial resources for governmental activities.		
Accrued Compensated Absences	\$ (1,959,498)	
Other Post Employment Liabilities	<u>(690,900)</u>	(2,650,398)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Debt Issuance Costs	254,509	
General Obligation Bonds	(42,579,212)	
General Obligation Capital Loan Notes	(420,000)	
Capital Leases	(46,189)	
Accrued Interest Payable	<u>(121,844)</u>	<u>(42,912,736)</u>
Total Net Assets - Governmental Activities (page 24)		<u>\$ 80,855,625</u>

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
Year Ended June 30, 2011

	General	Mental Health	Rural Services
Revenue:			
Property tax	\$ 19,620,084	\$ 5,365,381	\$ 1,671,174
Other County Tax	1,122,096	182,549	1,539,892
Interest and penalty on property tax	390,102	-	-
Intergovernmental	10,825,747	665,305	92,765
Licenses and permits	389,377	-	93,704
Charges for services	4,151,544	58,090	3,955
Use of money and property	319,556	-	-
Miscellaneous	1,805,449	151	841
Total Revenue	38,623,955	6,271,476	3,402,331
Expenditures:			
Current operating:			
Public safety and legal services	15,770,822	-	1,586,559
Physical health and social services	8,209,118	-	-
Mental health	-	2,872,865	-
County environment and education	5,414,026	-	213,436
Roads and transportation	-	-	-
Government services to residents	1,475,409	-	641
Administration	5,541,663	-	-
Capital projects	-	-	-
Debt service:			
Principal	91,508	-	-
Bond Issuance Cost	1,070	-	-
Interest	20,530	-	-
Total Expenditures	36,524,146	2,872,865	1,800,636
Excess (deficiency) of revenues over expenditures	2,099,809	3,398,611	1,601,695
Other financing sources (uses):			
Transfers in	-	-	-
Transfers (out)	(722,105)	(93,722)	(1,406,941)
Discounts on bonds issued	-	-	-
Issuance of debt	146,880	-	-
Premium on Bonds Issued	3,923	-	-
Total other financing sources (uses)	(571,302)	(93,722)	(1,406,941)
Net Change in Fund Balances	1,528,507	3,304,889	194,754
Fund balances - beginning of year	10,239,519	1,010,518	1,360,915
Fund balances - end of year	\$ 11,768,026	\$ 4,315,407	\$ 1,555,669

See Accompanying Notes to Financial Statements

Secondary Roads	Debt Services	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,955,928	\$ -	\$ -	\$ 28,612,567
-	1,521,001	-	-	4,365,538
-	-	-	-	390,102
3,704,514	144,491	75,509	134,412	15,642,743
12,643	-	-	-	495,724
357	-	-	170,693	4,384,639
-	665,256	9,342	87,729	1,081,883
27,996	-	-	111,092	1,945,529
3,745,510	4,286,676	84,851	503,926	56,918,725
-	-	-	99,086	17,456,467
-	-	-	-	8,209,118
-	-	-	-	2,872,865
-	-	-	284,424	5,911,886
5,559,563	-	-	-	5,559,563
-	-	-	25,937	1,501,987
-	-	-	-	5,541,663
97,018	-	8,629,231	-	8,726,249
-	2,955,000	-	-	3,046,508
-	1,902	97,742	-	100,714
-	1,255,351	-	-	1,275,881
5,656,581	4,212,253	8,726,973	409,447	60,202,901
(1,911,071)	74,423	(8,642,122)	94,479	(3,284,176)
2,129,046	-	-	-	2,129,046
-	-	-	-	(2,222,768)
-	-	(88,301)	-	(88,301)
-	261,120	18,497,000	-	18,905,000
-	6,975	170,745	-	181,643
2,129,046	268,095	18,579,444	-	18,904,620
217,975	342,518	9,937,322	94,479	15,620,444
1,127,514	1,471,780	7,715,401	750,017	23,675,664
\$ 1,345,489	\$ 1,814,298	\$ 17,652,723	\$ 844,496	\$ 39,296,108

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
Year Ended June 30, 2011

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

Net change in fund balances - total governmental funds (page 31)	\$ 15,620,444
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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	\$ 11,717,529	
Depreciation expense	<u>(3,601,457)</u>	8,116,072

Capital Assets transferred to the Enterprise Funds from the Governmental Funds that are not reflected on the governmental funds	(1,943,977)
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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 assets on the statement of activities.	2,209
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Transfer of employee benefit liabilities to a newly created enterprise fund, this transfer is not reflected on the Governmental Fund statements.	649,101
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Revenues reported in the funds that are not available to provide current financial resources.	(396,256)
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Accrued interest expense that does not require current financial resources.	(33,133)
---	----------

Proceeds from issuance of long term debt.	(18,905,000)
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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.	168,016
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Compensated absences that do not require current financial resources.	81,430
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Other Post-Employment Benefits that do not require current financial resources.	(145,796)
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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
Year Ended June 30, 2011

The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net assets. 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	3,046,508	
Bond Issuance Costs	100,714	
Discount on issuance of long term debt	88,301	
Premium on issuance of long term debt	(181,643)	
Amortization of discounts on long term debt	(28,937)	
Amortization of debt issuance costs on long term debt	<u>(33,379)</u>	<u>2,991,564</u>

Change in net assets of governmental activities (page 26)		<u><u>\$ 6,204,674</u></u>
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COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF NET ASSETS
Proprietary Funds
JUNE 30, 2011

	Business Type Activities			Governmental
	Country View	Nonmajor		Activities
	Care Facility	Enterprise	Total	Internal
		Funds		Service
ASSETS				
Current Assets:				
Cash and Investments	\$ 1,780,541	\$ 193,406	\$ 1,973,947	\$ 7,857,535
Receivables (Net, where applicable, of allowance for uncollectibles)				
Accounts	194,344	43,322	237,666	18,952
Accrued Interest	-	111	111	4,661
Due from Other Funds	499	-	499	-
Due from Other Governmental Agencies	976,984	-	976,984	-
Inventories	86,816	-	86,816	-
Total Current Assets	3,039,184	236,839	3,276,023	7,881,148
Noncurrent Assets:				
Debt Issuance Cost		7,025	7,025	-
Construction in Progress	442,339	-	442,339	-
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	1,914,904	3,011,703	4,926,607	-
Total Noncurrent Assets	2,357,243	3,018,728	5,375,971	-
Total Assets	5,396,427	3,255,567	8,651,994	7,881,148
LIABILITIES				
Current Liabilities:				
Accounts Payable	92,151	1,659	93,810	6,974
Claims Payable	-	-	-	933,849
Accrued Interest Payable	-	2,482	2,482	-
Salaries and Benefits Payable	373,241	-	373,241	-
Due to Other Funds	98,362	-	98,362	-
Unearned Revenue	25,396	-	25,396	4,721
Due to Other Governments	7,718	-	7,718	-
Current portion of general obligation bonds	-	179,649	179,649	-
Compensated Absences	240,170	-	240,170	-
Total Current Liabilities	837,038	183,790	1,020,828	945,544
Noncurrent Liabilities:				
Due in more than one year:				
General Obligation Bonds	-	606,782	606,782	-
Compensated Absences	177,185	-	177,185	-
Net OPEB Liability	296,100	-	296,100	-
Total Noncurrent Liabilities	473,285	606,782	1,080,067	-
Total Liabilities	1,310,323	790,572	2,100,895	945,544
NET ASSETS				
Invested in Capital Assets,				
Net of Related Debt	2,357,243	2,225,272	4,582,515	-
Unrestricted	1,728,861	239,723	1,968,584	6,935,604
Total Net Assets	\$ 4,086,104	\$ 2,464,995	\$ 6,551,099	\$ 6,935,604

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Proprietary Funds
Year Ended June 30, 2011

	Business Type Activities			Governmental Activities
	Country View	Nonmajor Enterprise	Total	Internal Service
	Care Facility	Funds		
Operating Revenues:				
Charges for Services	\$ 13,271,064	\$ 251,133	\$13,522,197	\$ 6,597,094
Total Operating Revenue	13,271,064	251,133	13,522,197	6,597,094
Operating Expenses:				
Employee Services	8,940,106	-	8,940,106	-
Contract Services	1,247,368	102,312	1,349,680	6,488,381
Supplies	510,465	-	510,465	-
Repairs and Improvements	146,061	-	146,061	-
Utilities	158,945	3,280	162,225	-
Amortization	-	7,456	7,456	-
Depreciation	93,512	195,468	288,980	-
Total Operating Expenses	11,096,457	308,516	11,404,973	6,488,381
Operating Income (Loss)	2,174,607	(57,383)	2,117,224	108,713
Non-Operating Income (Expense):				
Interest Income	-	2,170	2,170	59,303
Intergovernmental Revenue	-	20,748	20,748	-
Other Non-operating Income	56,440	-	56,440	-
Interest Expense	-	(35,870)	(35,870)	-
Total Non-Operating Income (Expenses)	56,440	(12,952)	43,488	59,303
Income (Loss) Before Contributions and Transfers	2,231,047	(70,335)	2,160,712	168,016
Contributed Capital Revenue	1,761,335	-	1,761,335	-
Transfers In	93,722	-	93,722	-
Change in Net Assets	4,086,104	(70,335)	4,015,769	168,016
Net Assets - Beginning	-	2,535,330	2,535,330	6,767,588
Net Assets - Ending	\$ 4,086,104	\$2,464,995	\$ 6,551,099	\$ 6,935,604

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CASH FLOWS
Proprietary Funds
Year Ended June 30, 2011

	Business Type Activities			Governmental Activities
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 12,125,132	\$ 256,503	\$ 12,381,635	\$ 6,627,579
Cash Paid to Suppliers for Goods and Services	(1,956,064)	(106,198)	(2,062,262)	(18,353)
Cash Paid for claims and to administrative provider	-	-	-	(6,344,594)
Cash Paid to Employees for Services Provided	(8,502,512)	-	(8,502,512)	-
Other Non-Operating Income	56,440	-	56,440	-
Net Cash Provided by Operating Activities	1,722,996	150,305	1,873,301	264,632
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(40,318)	-	(40,318)	-
Payments on capital loan notes and bonds	-	(170,000)	(170,000)	-
Interest Paid on Notes and Bonds	-	(35,602)	(35,602)	-
Net Cash (Used) for Capital and Related Financing Activities	(40,318)	(205,602)	(245,920)	-
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Intergovernmental Receipts	-	20,748	20,748	-
Due From (To) Other Funds	97,863	-	97,863	(20,675)
Net Cash Provided (Used) by Non-Capital Financing Activities	97,863	20,748	118,611	(20,675)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends on Investments	-	2,080	2,080	55,288
Net Cash Provided from Investing Activities	-	2,080	2,080	55,288
Net Increase (Decrease) in Cash and Cash Equivalents	1,780,541	(32,469)	1,748,072	299,245
Cash and Cash Equivalents at Beginning of Year	-	225,875	225,875	7,558,290
Cash and Cash Equivalents at End of Year	\$ 1,780,541	\$ 193,406	\$ 1,973,947	\$ 7,857,535

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CASH FLOWS (Continued)
Proprietary Funds
Year Ended June 30, 2011

	Business Type Activities			Governmental Activities
	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)	\$ 2,174,607	\$ (57,383)	\$ 2,117,224	\$ 108,713
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	93,512	195,468	288,980	-
Amortization	-	7,456	7,456	-
Miscellaneous Non-Operating Income	56,440	-	56,440	-
(Increase) Decrease in Assets:				
Accounts Receivable	(194,344)	5,370	(188,974)	29,622
Due From Other Governments	(976,984)	-	(976,984)	-
Inventories	6,906	-	6,906	-
Increase (Decrease) in Liabilities				
Accounts Payable	92,151	(606)	91,545	1,295
Claims Payable	-	-	-	124,139
Unearned Revenue	25,396	-	25,396	863
Accrued Compensated Absences	1,869	-	1,869	-
Accrued Wages and Benefits	373,241	-	373,241	-
Other Post Employment Benefit Liability	62,484	-	62,484	-
Due To Other Governments	7,718	-	7,718	-
Total Adjustments	(451,611)	207,688	(243,923)	155,919
Net Cash Provided (Used) by Operating Activities	\$ 1,722,996	\$ 150,305	\$ 1,873,301	\$ 264,632

Supplemental Schedule of Noncash Capital and Related Financing Activities:

Transfer of Inventory	\$ 93,722	\$ -	\$ 93,722	\$ -
Amortization of Bond Discount	\$ -	\$ 753	\$ 753	\$ -
Contributed Capital	\$ 1,761,335	\$ -	\$ 1,761,335	\$ -

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF FIDUCIARY NET ASSETS
Agency Funds
JUNE 30, 2011

ASSETS

Cash and Pooled Investments	\$ 7,259,895
Property Taxes and Other	146,448,328
Total Assets	<u>153,708,223</u>

LIABILITIES

Accounts Payable and Accrued Liabilities	146,231
Due to Other Governments	152,139,089
Trusts Payable	1,422,903
Total Liabilities	<u>\$ 153,708,223</u>

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2011

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). Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance. 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.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2011

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

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. 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 Assets 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 Assets, 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 assets are reported in three parts -- invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The County first uses restricted resources to finance qualifying activities.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2011

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

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.

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 assets 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.

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

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2011

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

- 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.

Proprietary Fund Types – The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, 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).

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2011

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

"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 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.

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, 2011, disbursements did not exceed the amounts budgeted in any of the County's 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, 2009 to compute the amounts that became liens on property when the supervisors adopted the FY11 budget. These taxes were due and payable in two installments on September 30, 2010 and March 31, 2011 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, 2011

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 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, 2011. 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 Revenue - Although certain revenues are measurable, they are not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year-end.

Deferred revenue in the Statement of Net Assets consists of future year property tax receivable that will not be recognized as revenue until the year for which it is levied and unspent grant proceeds.

- 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

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2011

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

governmental activities column in the government-wide statement of net assets. 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 assets. Discounts and premiums on the issuance of long-term debt as well as issuance costs, are deferred and amortized over the life of the debt using the effective interest method.

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 or resolution 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.

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

Unassigned – All amounts not included in other classifications.

- Q. Net Assets – The net assets of the Internal Service Funds is designated for anticipated future catastrophic losses of the County.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2011

Note 2 - Cash and Investments

As of June 30, 2011, the County's cash and investments were as follows:

Cash, statement of net assets	\$ 36,526,567
Cash, fiduciary funds	7,259,895
Investments	<u>12,027,342</u>
	<u>\$ 56,304,303</u>

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	\$ 11,513,449
Government Bonds	N/A	63,902
Money market mutual fund	N/A	4,273
Mutual funds, equities	N/A	445,718
		<u>\$ 12,027,342</u>

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.

As of June 30, 2011, 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

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2011

Note 2 - Cash and Investments (Continued)

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, 2011, 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, 2011, 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, 2011, short-term interfund borrowings for operating purposes were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Governmental funds, major funds:		
General	\$ 19,233	\$ 4,642
Mental Health	3	1,349
Rural Basic	17	1,390
Secondary Roads	1,411	5,420
Capital Improvement	90,000	-
Enterprise funds, major funds:		
Country View Care Facility	499	98,362
Total	<u>\$ 111,163</u>	<u>\$ 111,163</u>

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

Note 4 - Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2011 is as follows:

	<u>Transfer Out:</u>			<u>Total Transfer In</u>
<u>Transfer In:</u>	<u>Mental Health</u>	<u>General</u>	<u>Rural Services</u>	
County View Care Facility	\$ 93,722	\$ -	\$ -	\$ 93,722
Secondary Roads	-	722,105	1,406,941	2,129,046
Total Transfer Out	<u>\$ 93,722</u>	<u>\$ 722,105</u>	<u>\$ 1,406,941</u>	<u>\$2,222,768</u>

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2011

Note 4 - Interfund Transfers (Continued)

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.

Note 5 - Capital Assets

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

	Balance July 1, 2010	Additions	Deletions	Transfers	Balance June 30, 2011
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 4,809,671	\$ 602,458	\$ -	\$ -	\$ 5,412,129
Construction in Progress	5,147,304	9,269,863	6,237,349	(312,365)	7,867,453
Total capital assets not being depreciated	9,956,975	9,872,321	6,237,349	(312,365)	13,279,582
Capital assets being depreciated:					
Land Improvements	1,465,573	-	-	(96,836)	1,368,737
Buildings and Structures	30,859,015	459,284	-	(3,857,618)	27,460,681
Machinery and Equipment	11,057,401	947,243	379,014	(508,957)	11,116,673
Infrastructure	56,295,291	6,699,797	-	-	62,995,088
Total capital assets being depreciated	99,677,280	8,106,324	379,014	(4,463,411)	102,941,179
Less accumulated depreciation for:					
Land Improvements	890,633	43,920	-	(75,147)	859,406
Buildings and Structures	11,209,718	597,869	-	(2,435,569)	9,372,018
Machinery and Equipment	7,755,273	654,249	357,456	(321,083)	7,730,983
Infrastructure	13,405,583	2,305,419	-	-	20,711,002
Total accumulated depreciation	33,261,207	3,601,457	357,456	(2,831,799)	38,673,409
Total capital assets being depreciated, net	66,416,073	4,504,867	21,558	(1,631,612)	64,267,770
Governmental activities capital assets, net	\$ 71,373,048	\$ 14,377,188	\$ 6,258,907	\$ (1,943,977)	\$ 77,547,352
Business-Type Activities:					
Capital assets being depreciated:					
Construction in Progress	\$ -	\$ 129,974	\$ -	\$ 312,365	\$ 442,339
Total capital assets not being depreciated	-	129,974	-	312,365	442,339
Capital assets being depreciated:					
Buildings and Structures	-	362,858	-	3,857,618	4,220,476
Improvements other than buildings	-	-	-	96,836	96,836
Vehicles	-	-	-	108,283	108,283
Equipment	-	13,945	-	400,674	414,619
Infrastructure	5,420,639	-	-	-	5,420,639
Total capital assets being depreciated	5,420,639	376,803	-	4,463,411	10,260,853
Less accumulated depreciation for:					
Buildings and structures	-	65,011	-	2,433,949	2,498,960
Improvements other than buildings	-	1,013	-	75,147	76,160
Vehicles	-	6,013	-	84,866	90,879
Equipment	-	21,475	-	237,837	259,312
Infrastructure	2,213,467	195,468	-	-	2,408,935
Total accumulated depreciation	2,213,467	288,980	-	2,831,799	5,334,246
Total capital assets being depreciated, net	3,207,172	87,823	-	1,631,612	4,926,607
Business-Type Activities Capital Assets, net	\$ 3,207,172	\$ 217,797	\$ -	\$ 1,943,977	\$ 5,368,946

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2011

Note 5 - Capital Assets (Continued)

Depreciation expense was charged to the governmental functions as follows:

Public safety and legal services	\$ 535,342
Physical health and social services	70,704
County environment and education	137,654
Roads and transportation	2,577,587
Government services to residents	55,329
Administration	224,841
	<u>\$ 3,601,457</u>

Depreciation expense was charged to the enterprise functions as follows:

Rural Water	\$ 66,729
Rural Sewer	128,739
Country View Care Facility	93,512
	<u>\$ 288,980</u>

Reconciliation of Invested in Capital Assets:

	Governmental Activities	Business-Type Activities
Land	\$ 5,412,129	\$ -
Construction in Progress	7,867,453	442,339
Capital Assets (net of accumulated depreciation)	64,267,770	4,926,607
Less * General Obligation Bonds	(24,952,277)	(790,000)
General Obligation Capital Loan Notes	(420,000)	-
Capital Leases	(46,189)	-
Premiums on Long Term Debt	(181,643)	-
Discounts on Long Term Debt	207,431	3,569
Invested in Capital Assets, Net of Related Debt	<u>\$ 52,154,674</u>	<u>\$ 4,582,515</u>

*The general obligation bond amount shown in the governmental activities column does not include \$17,652,723 of outstanding bonds, as at year end these amounts were unspent, thus were included in the restricted component of net assets.

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, 2011, the 2008B bonds had an outstanding balance of \$2,825,000. When fully drawn 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. In the current year, the County purchased \$50,536 of equipment for the E911 Commission. In total as of June 30, 2011, the County has purchased approximately \$3,572,000 of equipment. As of June 30, 2011, the remaining principle balance on the lease receivable owed to the County was \$1,873,106.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2011

Note 6 - E911 Lease Receivable (Continued)

Year Ending June 30,	Principal	Interest	Total
2012	\$ 237,882	\$ 122,118	\$ 360,000
2013	251,882	108,118	360,000
2014	266,847	93,153	360,000
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	\$ 1,873,106	\$ 527,984	\$ 2,401,090

Note 7 - Long-Term Liabilities

The following is a summary of changes in long-term liability for the year ended June 30, 2011:

	Balance June 30, 2010	Additions	Retirements/ Deletions	Transfers	Balance June 30, 2011	Due Within One Year
Governmental activities:						
General obligation bonds	\$26,655,000	\$18,905,000	\$2,955,000	\$ -	\$42,605,000	\$3,725,000
General obligation capital notes	505,000	-	85,000	-	420,000	90,000
Capital leases	52,698	-	6,509	-	46,189	7,334
Compensated absences	2,456,413	1,690,433	1,771,863	(415,485)	1,959,498	1,095,692
	<u>\$29,669,111</u>	<u>\$20,595,433</u>	<u>\$4,818,372</u>	<u>\$(415,485)</u>	<u>\$45,030,687</u>	<u>\$4,918,026</u>
Business-type activities						
General obligation bonds	\$ 960,000	\$ -	\$ 170,000	\$ -	\$ 790,000	\$ 180,000
Compensated absences	-	381,168	379,298	415,485	417,355	240,170
	<u>\$ 960,000</u>	<u>\$ 381,168</u>	<u>\$ 549,298</u>	<u>\$ 415,485</u>	<u>\$ 1,207,355</u>	<u>\$ 420,170</u>

New debt issues: On June 28, 2011, Black Hawk County issued \$18,905,000 in General Obligation Bonds, Series 2011. These bonds are due in annual installments of \$305,000 to \$570,000 through 2026 at interest rates ranging from 3.00% to 3.375%. The bonds were used to finance the costs of certain capital improvements and equipment acquisitions in the County and for the cost of issuance.

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 assets to be paid from the Debt Service Fund totaled \$42,605,000 as of June 30, 2011. These bonds bear interest with rates ranging from 2.375% 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 assets to be paid from proprietary revenues totaled \$790,000 as of June 30, 2011. 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 assets and to be paid from the Debt Service Fund totaled \$420,000 as of June 30, 2011. These notes bear interest with rates ranging from 3.50% to 4.71% and mature in varying annual amounts ranging from \$20,000 to \$40,000 through June 1, 2017.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2011

Note 7 - 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 \$34,229 as of June 30, 2011.

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, 2011 are as follows:

Governmental Activities	General Obligation Bonds		General Obligation Capital Notes		Capital Leases	
Year Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 3,725,000	\$1,460,497	\$90,000	\$17,243	\$ 7,334	\$ -
2013	3,830,000	1,372,197	90,000	13,746	8,264	-
2014	3,735,000	1,264,211	95,000	10,144	9,313	-
2015	3,630,000	1,150,586	95,000	6,287	10,494	-
2016	3,500,000	1,034,086	50,000	3,533	10,784	-
2017-2021	16,095,000	3,378,328	-	-	-	-
2022-2026	8,090,000	833,968	-	-	-	-
	<u>\$ 42,605,000</u>	<u>\$10,493,873</u>	<u>\$420,000</u>	<u>\$50,953</u>	<u>\$46,189</u>	<u>\$ -</u>

Business-Type Activities	General Obligation Bonds	
Year Ending June 30,	Principal	Interest
2012	\$ 180,000	\$ 29,786
2013	80,000	23,539
2014	80,000	20,555
2015	85,000	17,539
2016	85,000	14,309
2017-2019	280,000	22,397
	<u>\$ 790,000</u>	<u>\$ 128,125</u>

The Governmental General Obligation Bonds are shown net of the unamortized premiums of \$181,643 and discounts of \$(207,431) on the Statement of Net Assets.

General Obligation Bonds	\$42,605,000	Exhibit 1-Statement of Net Assets	
Unamortized Discounts	(207,431)	General Obligation Bonds Payable-Current	\$ 3,725,000
Unamortized Premiums	181,643	General Obligation bonds Payable-long term	38,854,212
	<u>\$42,579,212</u>		<u>\$42,579,212</u>

The Rural Water and Rural Sewer general obligation bonds were also shown net of unamortized bond discount of \$351 and \$3,218 respectively.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2011

Note 7 - Long-Term Liabilities (Continued)

The computation of the County's legal margin as of June 30, 2011 is as follows:

January 2009 assessed valuation	\$ 4,696,030,973
Debt limit, 5% of assessed valuation (Iowa Statutory Limitation)	234,801,549
Total amount of debt applicable to debt margin	43,815,000
Legal debt margin	<u><u>\$ 190,986,549</u></u>

Note 8 - 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 9 - 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 \$5,881,204.

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, 2011 totaled \$879,503 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 2010 and 2011 are as follows:

	2010	2011
Claims payable, beginning of year	\$ 675,239	\$ 726,710
Claims recognized	4,896,205	6,016,147
Claim payments and change in accrual	(4,844,734)	(5,863,354)
Claims payable, end of year	<u><u>\$ 726,710</u></u>	<u><u>\$ 879,503</u></u>

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2011

Note 10 - 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's 2011 contribution was \$125,000. The County is responsible for the first \$50,000 of settlements. Prior to joining ICAP, the County was self-insured for various risks of loss; \$54,346 has been accrued for these run-off claims and for the deductibles of outstanding claims under the pooled plan.

	2010	2011
Claims payable, beginning of year	\$ 110,500	\$ 83,000
Claims recognized	76,000	25,010
Claim payments and change in accrual	(103,500)	(53,664)
Claims payable, end of year	\$ 83,000	\$ 54,346

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

Note 11 - 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 4.50% of their annual covered salary and the County is required to contribute 6.95% 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, 2011, 2010 and 2009 were \$1,967,861, \$1,826,850, and \$1,689,715, respectively, equal to the required contributions for each year.

Note 12 - 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.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2011

Note 12 - Other Postemployment Benefits (OPEB) (Continued)

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.

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2011, the amount actually contributed to the plan and changes in the County's OPEB obligation:

Annual required contribution	\$ 359,000
Interest on net OPEB obligation	19,000
Adjustment to annual required contribution	<u>(87,720)</u>
Annual OPEB cost	290,280
Contributions made	<u>(82,000)</u>
Increase in net OPEB obligation	208,280
Net OPEB obligation beginning of year	<u>778,720</u>
Net OPEB obligation end of year	<u>\$ 987,000</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, 2011.

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 2009, 2010 and 2011 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2011	\$ 290,280	28%	\$ 987,000
June 30, 2010	\$ 362,000	2.8%	\$ 778,720
June 30, 2009	\$ 487,000	12.3%	\$ 427,000

Funded Status and Funding Progress – As of July 1, 2009, the most recent actuarial valuation date for the period July 1, 2010 through June 30, 2011, the actuarial accrued liability was \$3,432,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,432,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$27,000,000 and the ratio of the UAAL to covered payroll was 12.7%. As of June 30, 2011, 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 required supplementary information in the section following the Notes to Financial Statements, present multiyear trend information about whether the actuarial value of plan

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2011

Note 12 - Other Postemployment Benefits (OPEB) (Continued)

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, 2009 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 11%. 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, 2007 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2007.

Assumptions also include a 3.0% 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 13 - 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, 2011, 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 14 - 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, 2011

Note 14 - Conduit Debt Obligations (Continued)

As of June 30, 2011, Industrial Revenue Bonds outstanding had an original issue amount of \$8,355,000. The outstanding balance at June 30, 2011 was \$7,178,530.

Note 15 - Construction Commitment

The County has entered into contracts totaling \$17,052,765 for various bridge and road construction, engineering and other maintenance projects. As of June 30, 2011, costs of \$4,962,3010 had been incurred against the contracts. The balance of \$12,090,464 remaining at June 30, 2011 will be paid as work on the projects progress.

Note 16 - Fund Reclassification

The provisions of GASBS No.54 were implemented by the County for the fiscal year beginning July 1, 2010. Implementation required the County to reclassify the Conservation Land Acquisition Fund from a special revenue fund to a capital projects fund.

In addition, the County at July 1, 2010 reclassified the operations of the Country View Care Facility from inclusion in the Mental Health Fund to a separate enterprise fund.

Note 17 - Subsequent Event

A resolution authorizing the issuance of general obligation capital loan notes, in the amount of \$1,540,000, was approved in August 2011. Proceeds are to be used for the acquisition of various Secondary Roads equipment.

REQUIRED SUPPLEMENTARY INFORMATION

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Amended		
Revenue:				
Property tax	\$ 28,766,829	\$ 28,766,829	\$ 28,612,567	\$ (154,262)
Other County tax	3,910,126	3,910,126	4,365,538	455,412
Interest and penalty on property tax	384,000	384,000	390,102	6,102
Intergovernmental	15,047,195	17,083,860	15,642,743	(1,441,117)
Licenses and permits	464,850	466,891	495,724	28,833
Charges for services	4,079,196	4,190,517	4,384,639	194,122
Use of money and property	894,251	894,251	1,081,883	187,632
Miscellaneous, primarily contributions	1,344,368	1,506,151	1,945,529	439,378
Total Revenue	54,890,815	57,202,625	56,918,725	(283,900)
Expenditures:				
Current operating:				
Public safety and legal services	17,436,234	17,776,234	17,456,467	319,767
Physical health and social services	8,267,728	8,803,184	8,209,118	594,066
Mental health	8,544,500	8,544,500	2,872,865	5,671,635
County environment and education	5,303,350	6,885,825	5,911,886	973,939
Roads and transportation	5,312,684	5,562,942	5,559,563	3,379
Government services to residents	1,614,940	1,636,342	1,501,987	134,355
Administration	5,749,925	6,051,235	5,541,663	509,572
Capital projects	11,485,000	19,214,006	8,726,249	10,487,757
Debt service	4,535,792	4,674,981	4,423,103	251,878
Total Expenditures	68,250,153	79,149,249	60,202,901	18,946,348
Excess (deficiency) of revenues over expenditures	(13,359,338)	(21,946,624)	(3,284,176)	18,662,448
Other financing sources (uses):				
Transfers in	2,129,046	2,129,046	2,129,046	-
Transfers out	(2,129,046)	(2,129,046)	(2,222,768)	(93,722)
Discounts on bonds issued	-	-	(88,301)	(88,301)
Issuance of bonds	11,225,000	12,800,100	18,905,000	6,104,900
Premiums on bonds issued	-	-	181,643	181,643
Total other financing sources (uses)	11,225,000	12,800,100	18,904,620	6,104,520
Net Change in Fund Balances	\$ (2,134,338)	\$ (9,146,524)	15,620,444	\$ 24,766,968
Fund balances - beginning of year			23,675,664	
Fund balances - end of year			\$ 39,296,108	

COUNTY OF BLACK HAWK, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2011

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 and the Internal Service Fund, 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 \$10,899,096. 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, 2011, disbursements did not exceed the amounts budgeted in any of the County's functions.

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF FUNDING PROGRESS FOR THE
RETIREE HEALTH PLAN
For the Year Ended June 30, 2011

REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (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%

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

See Note 9 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.

OTHER SUPPLEMENTARY INFORMATION

COUNTY OF BLACK HAWK, IOWA
 COMBINING BALANCE SHEET
 Governmental Nonmajor Funds
 JUNE 30, 2011

	Special Revenue Funds			
	Resource Enhancement and Protection	County Recorder's Records Management	County Recorder's Electronic Fees	Sheriff's Comissary
Assets				
Cash and Pooled Investments	\$ 45,882	\$ 16,829	\$ 206	\$ 98,067
Receivables:				
Accrued Interest	55	9	-	-
Accounts	-	-	-	10,478
Total Assets	45,937	16,838	206	108,545
Liabilities and Equity				
Liabilities:				
Accounts Payable	500	1,747	-	869
Due to Other Governmental Agencies	934	-	-	-
Total Liabilities	1,434	1,747	-	869
Fund Balances:				
Restricted for:				
Records Management Purposes	-	15,091	206	-
Other Purposes	-	-	-	107,676
Conservation Purposes	44,503	-	-	-
Assigned for:				
Conservation Land Acquisition	-	-	-	-
Total Fund Balances	44,503	15,091	206	107,676
Total Liabilities and Equity	\$ 45,937	\$ 16,838	\$ 206	\$ 108,545

Special Revenue Funds		Capital Projects	
Drainage Districts	Friends of Hartman Acquisition Fund	Conservation Land Acquisition Fund	Total
\$ 12,178	\$ 728,267	\$ 25,664	\$ 927,093
-	-	-	64
-	-	412	10,890
12,178	728,267	26,076	938,047

-	89,501	-	92,617
-	-	-	934
-	89,501	-	93,551

-	-	-	15,297
12,178	-	-	119,854
-	638,766	-	683,269
-	-	26,076	26,076
12,178	638,766	26,076	844,496
\$ 12,178	\$ 728,267	\$ 26,076	\$ 938,047

COUNTY OF BLACK HAWK, IOWA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 Governmental Nonmajor Funds
 Year Ended June 30, 2011

	Special Revenue Funds			
	Resource Enhancement and Protection	County Recorder's Records Management	County Recorder's Electronic Fees	Sheriff's Comissary
Revenue:				
Intergovernmental	\$ 62,101	\$ -	\$ -	\$ -
Charges for services	-	24,494	-	118,041
Use of money and property	655	141	1	-
Miscellaneous	34,658	-	-	-
Total Revenue	97,414	24,635	1	118,041
Expenditures:				
Current operating:				
Public safety and legal services	-	-	-	99,086
County environment and education	122,221	-	-	-
Government services to residents	-	25,937	-	-
Total Expenditures	122,221	25,937	-	99,086
Excess (deficiency) of revenues over expenditures	(24,807)	(1,302)	1	18,955
Net Change in Fund Balances	(24,807)	(1,302)	1	18,955
Fund balances - beginning of year	69,310	16,393	205	88,721
Fund balances - end of year	\$ 44,503	\$ 15,091	\$ 206	\$ 107,676

Special Revenue Funds		Capital Projects	
Drainage Districts	Friends of Hartman Acquisition Fund	Conservation Land Acquisition Fund	Total
\$ -	\$ 72,311	\$ -	\$ 134,412
-	28,158	-	170,693
-	86,932	-	87,729
-	59,252	17,182	111,092
-	246,653	17,182	503,926
-	-	-	99,086
1,589	153,851	6,763	284,424
-	-	-	25,937
1,589	153,851	6,763	409,447
(1,589)	92,802	10,419	94,479
(1,589)	92,802	10,419	94,479
13,767	545,964	15,657	750,017
\$ 12,178	\$ 638,766	\$ 26,076	\$ 844,496

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF NET ASSETS
 Enterprise Nonmajor Funds
 JUNE 30, 2011

	Business Type Activities		
	Rural Sewer	Rural Water	Total
ASSETS			
Current Assets:			
Cash and Pooled Investments	\$ 46,552	\$ 146,854	\$ 193,406
Receivables:			
Accounts	34,226	9,096	43,322
Accrued Interest	26	85	111
Total Current Assets	80,804	156,035	236,839
Noncurrent Assets:			
Debt Issuance Cost	7,025	-	7,025
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	2,159,053	852,650	3,011,703
Total Noncurrent Assets	2,166,078	852,650	3,018,728
Total Assets	2,246,882	1,008,685	3,255,567
LIABILITIES			
Accounts Payable	1,646	13	1,659
Accrued Interest Payable	2,193	289	2,482
Current Portion of General Obligation Bonds	75,000	104,649	179,649
Total Current Liabilities	78,839	104,951	183,790
Noncurrent Liabilities:			
Due in more than one year:			
General Obligation Bonds	606,782	-	606,782
Total Noncurrent Liabilities	606,782	-	606,782
Total Liabilities	685,621	104,951	790,572
NET ASSETS			
Invested in Capital Assets,			
Net of Related Debt	1,477,271	748,001	2,225,272
Unrestricted	83,990	155,733	239,723
Total Net Assets	\$ 1,561,261	\$ 903,734	\$ 2,464,995

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Enterprise Nonmajor Funds
Year Ended June 30, 2011

	Business Type Activities		
	Rural Sewer	Rural Water	Total
Operating Revenues:			
Charges for Services	\$ 188,650	\$ 62,483	\$ 251,133
Total Operating Revenue	188,650	62,483	251,133
Operating Expenses:			
Contract Services	85,138	17,174	102,312
Utilities	3,280	-	3,280
Amortization	7,456	-	7,456
Depreciation	128,739	66,729	195,468
Total Operating Expenses	224,613	83,903	308,516
Operating (Loss)	(35,963)	(21,420)	(57,383)
Non-Operating Income (Expenses):			
Intergovernmental Revenue	20,748	-	20,748
Interest Income	536	1,634	2,170
Interest Expense	(29,267)	(6,603)	(35,870)
Total Non-Operating Income	(7,983)	(4,969)	(12,952)
Change in Net Assets	(43,946)	(26,389)	(70,335)
Net Assets - Beginning	1,605,207	930,123	2,535,330
Net Assets - Ending	\$ 1,561,261	\$ 903,734	\$ 2,464,995

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CASH FLOWS
Enterprise Nonmajor Funds
Year Ended June 30, 2011

	Business Type Activities		
	Rural Sewer	Rural Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 192,792	\$ 63,711	\$ 256,503
Cash Paid to Suppliers for Goods and Services	(88,942)	(17,256)	(106,198)
Net Cash Provided by Operating Activities	103,850	46,455	150,305
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments on capital loan notes and bonds	(75,000)	(95,000)	(170,000)
Interest paid on capital loan bonds and notes	(29,098)	(6,504)	(35,602)
Net Cash (Used) for Capital and Related Financing Activities	(104,098)	(101,504)	(205,602)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Receipts from Governmental Entities	20,748	-	20,748
Net Cash Provided for Non-Capital Financing Activities	20,748	-	20,748
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends on Investments	514	1,566	2,080
Net Increase (Decrease) in Cash and Cash Equivalents	21,014	(53,483)	(32,469)
Cash and Cash Equivalents at Beginning of Year	25,538	200,337	225,875
Cash and Cash Equivalents at End of Year	\$ 46,552	\$ 146,854	\$ 193,406
 Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Net Operating (Loss)	\$ (35,963)	\$ (21,420)	\$ (57,383)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	128,739	66,729	195,468
Amortization	7,456	-	7,456
(Increase) Decrease in Assets:			
Accounts Receivable	4,142	1,228	5,370
Increase (Decrease) in Liabilities:			
Accounts Payable	(524)	(82)	(606)
Total Adjustments	139,813	67,875	207,688
Net Cash Provided by Operating Activities	\$ 103,850	\$ 46,455	\$ 150,305

COUNTY OF BLACK HAWK, IOWA
Combining Statement of Net Assets
Internal Service Funds
JUNE 30, 2011

ASSETS	Health Insurance	Self-Insurance	Office Equipment	Total
<u>Current Assets</u>				
Cash and Pooled Investments	\$ 7,429,343	\$ 393,927	\$ 34,265	\$7,857,535
Receivables:				
Accrued Interest	4,456	183	22	4,661
Accounts Receivable	18,952	-	-	18,952
Total Assets	7,452,751	394,110	34,287	7,881,148
 LIABILITIES				
<u>Current Liabilities</u>				
Accounts Payable	3,392	2,770	812	6,974
Accrued Claims	879,503	54,346	-	933,849
Unearned Revenue	4,721	-	-	4,721
Total Current Liabilities	887,616	57,116	812	940,823
Total Liabilities	887,616	57,116	812	940,823
 NET ASSETS				
Unrestricted	\$ 6,565,135	\$ 336,994	\$ 33,475	\$6,935,604

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 Internal Service Funds
 Year Ended June 30, 2011

	Health Insurance	Self-Insurance	Office Equipment	Total
Operating revenues:				
Charges for services to operating funds	\$ 6,446,578	\$ 150,516	\$ -	\$6,597,094
Total operating revenue	6,446,578	150,516	-	6,597,094
Operating expenses:				
Contract Services	6,422,933	46,436	19,012	6,488,381
Total operating expenses	6,422,933	46,436	19,012	6,488,381
Operating income	23,645	104,080	(19,012)	108,713
Nonoperating income:				
Revenues and Interest on investments	56,721	2,257	325	59,303
Change in Net Assets	80,366	106,337	(18,687)	168,016
Net assets- beginning	6,484,769	230,657	52,162	6,767,588
Net assets - ending	\$ 6,565,135	\$ 336,994	\$ 33,475	\$6,935,604

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF CASH FLOWS
 Internal Service Funds
 Year Ended June 30, 2011

	Health Insurance	Self-Insurance	Office Equipment	Total
Cash flows from operating activities:				
Cash received from customers and users	\$ 6,477,063	\$ 150,516	\$ -	\$6,627,579
Cash paid for claims and administrative provider	(6,272,274)	(72,320)	-	(6,344,594)
Cash paid to suppliers for services	-	-	(18,353)	(18,353)
Net cash provided from operating activities	204,789	78,196	(18,353)	264,632
Cash flows from non-capital financing activities:				
Due from other funds	-	(20,675)	-	(20,675)
Cash flows from investing activities:				
Interest on investments	52,881	2,097	310	55,288
Net increase in cash and cash equivalents	257,670	59,618	(18,043)	299,245
Cash and pooled investments - beginning of year	7,171,673	334,309	52,308	7,558,290
Cash and pooled investments - end of year	\$ 7,429,343	\$ 393,927	\$ 34,265	\$7,857,535
Reconciliation of operating loss to net cash used in operating activities:				
Operating income	23,645	104,080	(19,012)	108,713
Change in assets and liabilities:				
Decrease in accounts receivable	29,622	-	-	29,622
Increase (Decrease) in accounts payable	(2,134)	2,770	659	1,295
Increase (Decrease) in claims payable	152,793	(28,654)	-	124,139
Increase in Unearned Revenue	863	-	-	863
Net cash provided from operating activities	\$ 204,789	\$ 78,196	\$ (18,353)	\$ 264,632

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Agency Funds
Year Ended June 30, 2011

	Balance July 1, 2010	Addi- tions	Deduc- tions	Balance June 30, 2011
County Offices Fund				
<i>Assets</i>				
Cash and Pooled Investments	\$ 551,265	\$ 732,043	\$ 551,265	\$ 732,043
Property Tax and Other Receivables	2,247	2,376	2,247	2,376
Total Assets	<u>553,512</u>	<u>734,419</u>	<u>553,512</u>	<u>734,419</u>
<i>Liabilities</i>				
Trust Payable	440,635	663,406	440,635	663,406
Due to Other Governments	112,877	71,012	112,876	71,013
Total Liabilities	<u>553,512</u>	<u>734,418</u>	<u>553,511</u>	<u>734,419</u>
Agricultural Extension Education				
<i>Assets</i>				
Cash and Pooled Investments	4,325	333,763	334,881	3,207
Property Tax and Other Recivables	327,394	376,637	327,394	376,637
Total Assets	<u>331,719</u>	<u>710,400</u>	<u>662,275</u>	<u>379,844</u>
<i>Liabilities</i>				
Due to Other Governments	<u>331,719</u>	<u>383,006</u>	<u>334,881</u>	<u>379,844</u>
Total Liabilities	<u>331,719</u>	<u>383,006</u>	<u>334,881</u>	<u>379,844</u>
County Assessor Fund				
<i>Assets</i>				
Cash and Pooled Investments	1,201,519	1,351,290	1,465,927	1,086,882
Property Tax and Other Receivable	1,294,846	1,002,680	1,294,846	1,002,680
Total Assets	<u>2,496,365</u>	<u>2,353,970</u>	<u>2,760,773</u>	<u>2,089,562</u>
<i>Liabilities</i>				
Accounts Payable	34,087	44,268	34,087	44,268
Due to Other Governments	2,462,278	2,045,288	2,462,272	2,045,294
Total Liabilities	<u>2,496,365</u>	<u>2,089,556</u>	<u>2,496,359</u>	<u>2,089,562</u>
Schools Taxing District Fund				
<i>Assets</i>				
Cash and Pooled Investments	840,992	66,604,764	66,796,061	649,695
Property Tax and Other Receivable	65,353,498	67,084,901	65,353,498	67,084,901
Total Assets	<u>66,194,490</u>	<u>133,689,665</u>	<u>132,149,559</u>	<u>67,734,596</u>
<i>Liabilities</i>				
Due to Other Governments	66,194,490	68,336,167	66,796,061	67,734,596
Total Liabilities	<u>\$ 66,194,490</u>	<u>\$ 68,336,167</u>	<u>\$ 66,796,061</u>	<u>\$ 67,734,596</u>

(Continued)

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2011

	Balance July 1, 2010	Addi- tions	Deduc- tions	Balance June 30, 2011
Community College Taxing District				
<i>Assets</i>				
Cash and Pooled Investments	\$ 52,242	\$ 4,390,866	\$ 4,401,380	\$ 41,728
Property Tax and Other Receivable	4,309,863	4,336,100	4,309,862	4,336,101
Total Asset	<u>4,362,105</u>	<u>8,726,966</u>	<u>8,711,242</u>	<u>4,377,829</u>
<i>Liabilities</i>				
Due to Other Governments	4,362,105	4,417,104	4,401,380	4,377,829
Total Liabilities	<u>4,362,105</u>	<u>4,417,104</u>	<u>4,401,380</u>	<u>4,377,829</u>
Corporations Taxing District Fund				
<i>Assets</i>				
Cash and Pooled Investments	942,356	71,776,796	72,045,604	673,548
Property Tax and Other Receivable	70,650,985	72,837,924	70,650,984	72,837,925
Total Assets	<u>71,593,341</u>	<u>144,614,720</u>	<u>142,696,588</u>	<u>73,511,473</u>
<i>Liabilities</i>				
Due to Other Governments	71,593,341	73,963,736	72,045,604	73,511,473
Total Liabilities	<u>71,593,341</u>	<u>73,963,736</u>	<u>72,045,604</u>	<u>73,511,473</u>
City Special Assessments Fund				
<i>Assets</i>				
Cash and Pooled Investments	18,054	185,684	185,908	17,830
Property Tax and Other Receivable	102,141	103,533	102,141	103,533
Total Assets	<u>120,195</u>	<u>289,217</u>	<u>288,049</u>	<u>121,363</u>
<i>Liabilities</i>				
Due to Other Governments	120,195	187,076	185,908	121,363
Total Liabilities	<u>\$ 120,195</u>	<u>\$ 187,076</u>	<u>\$ 185,908</u>	<u>\$ 121,363</u>

(Continued)

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2011

	Balance July 1, 2010	Addi- tions	Deduc- tions	Balance June 30, 2011
Auto License and Use Tax Fund				
<i>Assets</i>				
Cash and Pooled Investments	\$ 2,380,948	\$ 29,899,476	\$ 29,726,164	\$ 2,554,260
Property Tax and Other Receivable	137,387	130,679	137,388	130,678
Total Assets	<u>2,518,335</u>	<u>30,030,155</u>	<u>29,863,552</u>	<u>2,684,938</u>
<i>Liabilities</i>				
Due to Other Governments	<u>2,518,335</u>	<u>29,892,767</u>	<u>29,726,164</u>	<u>2,684,938</u>
Total Liabilities	<u>2,518,335</u>	<u>29,892,767</u>	<u>29,726,164</u>	<u>2,684,938</u>
Payroll Clearing Fund				
<i>Assets</i>				
Cash and Pooled Investments	-	17,346,229	17,346,229	-
Total Assets	<u>-</u>	<u>17,346,229</u>	<u>17,346,229</u>	<u>-</u>
<i>Liabilities</i>				
Due to Other Governments	-	17,346,229	17,346,229	-
Total Liabilities	<u>-</u>	<u>17,346,229</u>	<u>17,346,229</u>	<u>-</u>
Other Funds				
<i>Assets</i>				
Cash and Pooled Investments	1,477,297	6,483,677	6,460,272	1,500,702
Property Tax and Other Receivable	566,768	573,514	566,785	573,497
Total Assets	<u>2,044,065</u>	<u>7,057,191</u>	<u>7,027,057</u>	<u>2,074,199</u>
<i>Liabilities</i>				
Trust Payable	504,451	4,652,010	4,396,964	759,497
Accounts Payable and Accrued Liabilities	119,011	51,962	69,010	101,963
Due to Other Governments	1,420,603	1,343,194	1,551,058	1,212,739
Total Liabilities	<u>2,044,065</u>	<u>6,047,166</u>	<u>6,017,032</u>	<u>2,074,199</u>

(Continued)

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2011

	Balance July 1, 2010	Addi- tions	Deduc- tions	Balance June 30, 2011
Total All Agency Funds				
Assets				
Cash and Pooled Investments	\$ 7,468,998	\$ 199,104,588	\$ 199,313,691	\$ 7,259,895
Property Tax and Other Receivable	142,745,129	146,448,344	142,745,145	146,448,328
Total Assets	<u>150,214,127</u>	<u>345,552,932</u>	<u>342,058,836</u>	<u>153,708,223</u>
Liabilities				
Accounts Payable	153,098	96,230	103,097	146,231
Due to Other Governments	149,115,943	197,985,579	194,962,433	152,139,089
Trusts Payable	945,086	5,315,416	4,837,599	1,422,903
Total Liabilities	<u>\$ 150,214,127</u>	<u>\$ 203,397,225</u>	<u>\$ 199,903,129</u>	<u>\$ 153,708,223</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.	91
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 Assets by Component
Last Nine Fiscal Years*
(accrual basis of accounting)
(Unaudited)

	Fiscal Year	
	2003	2004
Governmental activities:		
Invested in capital assets, net of related debt	\$ 32,483,621	\$ 35,228,458
Restricted	12,221,319	9,612,277
Unrestricted	(739,318)	(162,376)
Total governmental activities net assets	\$ 43,965,622	\$ 44,678,359
Business-type activities:		
Invested in capital assets, net of related debt	\$ 2,714,369	\$ 2,583,887
Restricted	-	-
Unrestricted	323,911	441,743
Total business-type activities net assets	\$ 3,038,280	\$ 3,025,630
Primary government:		
Invested in capital assets, net of related debt	\$ 35,197,990	\$ 37,812,345
Restricted	12,221,319	9,612,277
Unrestricted	(415,407)	279,367
Total primary government net assets	\$ 47,003,902	\$ 47,703,989

* Black Hawk County, Iowa implemented GASB 34 in FY2003

Source: County records

Fiscal Year						
2005	2006	2007	2008	2009	2010	2011
\$ 37,693,275	\$ 41,703,511	\$ 44,413,745	\$ 46,981,577	\$ 49,946,957	\$ 55,621,608	\$ 52,154,674
1,798,441	7,517,884	6,502,517	6,350,678	10,351,227	6,790,101	13,742,221
9,368,982	4,471,819	5,949,336	10,807,901	12,996,278	12,239,242	14,958,730
\$ 48,860,698	\$ 53,693,214	\$ 56,865,598	\$ 64,140,156	\$ 73,294,462	\$ 74,650,951	\$ 80,855,625
\$ 2,522,274	\$ 2,449,044	\$ 1,438,878	\$ 1,461,863	\$ 2,277,715	\$ 2,251,494	\$ 4,582,515
-	-	953,156	873,765	-	-	-
413,494	420,879	408,493	324,739	325,564	283,836	1,968,584
\$ 2,935,768	\$ 2,869,923	\$ 2,800,527	\$ 2,660,367	\$ 2,603,279	\$ 2,535,330	\$ 6,551,099
\$ 40,215,549	\$ 44,152,555	\$ 45,852,623	\$ 48,443,440	\$ 52,224,672	\$ 57,873,102	\$ 56,737,189
1,798,441	7,517,884	7,455,673	7,224,443	10,351,227	6,790,101	13,742,221
9,782,476	4,892,698	6,357,829	11,132,640	13,321,842	12,523,078	16,927,314
\$ 51,796,466	\$ 56,563,137	\$ 59,666,125	\$ 66,800,523	\$ 75,897,741	\$ 77,186,281	\$ 87,406,724

Black Hawk County, Iowa

Changes in Net Assets

Last Nine Fiscal Years*

(accrual basis of accounting)

(Unaudited)

	Fiscal Year	
	2003	2004
Expenses:		
Governmental activities:		
Public safety and legal services	\$ 14,701,804	\$ 15,086,366
Physical health and social services	9,815,672	9,612,529
Mental health	18,136,480	19,056,283
County environment and education	2,113,189	3,236,159
Roads and transportation	4,838,006	5,006,474
Governmental services to residents	1,487,293	1,402,273
Administration	5,210,707	5,033,561
Nonprogram	285,192	343,994
Interest on long-term debt	608,305	506,881
Total governmental activities expenses	57,196,648	59,284,520
Business-type activities:		
Rural sewer	223,164	229,922
Rural water	109,192	143,930
Country View Care Facility**	-	-
Total business-type activities expenses	332,356	373,852
Total government expenses	\$ 57,529,004	\$ 59,658,372
Program revenues:		
Governmental activities:		
Charges for services:		
Public safety and legal services	\$ 1,007,559	\$ 1,280,802
Physical health and social services	2,196,194	3,420,811
Mental health	7,597,191	6,324,842
County environment and education	425,747	550,967
Roads and transportation	48,954	201,955
Governmental services to residents	1,917,368	1,915,475
Administration	1,334,891	756,928
Nonprogram	323,150	340,916
Operating grants and contributions	13,781,743	15,022,972
Capital grants and contributions	3,363,223	1,889,661
Total governmental activities program revenues	31,996,020	31,705,329
Business-type activities:		
Charges for services:		
Rural sewer	160,827	161,924
Rural water	116,586	98,438
Country View Care Facility**	-	-
Operating grants and contributions	-	-
Total business-type activities program revenues	277,413	260,362
Total government program revenues	\$ 32,273,433	\$ 31,965,691

(Continued)

Fiscal Year						
2005	2006	2007	2008	2009	2010	2011
\$ 14,902,387	\$ 15,997,089	\$ 14,899,182	\$ 15,213,200	\$ 15,871,852	\$ 16,737,313	\$ 17,708,648
9,340,367	10,331,387	10,640,808	10,942,877	12,192,983	11,695,480	8,344,752
19,594,365	20,128,555	21,030,553	21,301,854	19,914,329	20,535,742	2,874,676
2,253,945	2,315,684	2,908,155	2,404,401	5,871,685	4,460,783	4,554,435
4,172,656	5,731,706	5,895,167	6,738,742	7,305,032	6,983,934	7,761,476
1,459,390	1,501,746	1,534,397	1,836,987	2,515,000	2,131,600	1,563,909
4,764,053	4,773,716	5,020,133	5,274,253	5,463,590	5,767,744	5,253,070
-	-	-	-	-	-	-
448,283	433,064	422,793	453,455	1,020,416	1,226,964	1,371,330
56,935,446	61,212,947	62,351,188	64,165,769	70,154,887	69,539,560	49,432,296
237,628	229,229	292,510	324,573	276,608	248,272	253,880
84,261	93,589	86,273	82,386	81,838	78,045	90,506
-	-	-	-	-	-	11,096,457
321,889	322,818	378,783	406,959	358,446	326,317	11,440,843
\$ 57,257,335	\$ 61,535,765	\$ 62,729,971	\$ 64,572,728	\$ 70,513,333	\$ 69,865,877	\$ 60,873,139
\$ 713,135	\$ 872,871	\$ 843,694	\$ 901,593	\$ 933,657	\$ 1,037,347	\$ 2,237,579
1,178,374	1,419,539	1,427,374	1,401,837	1,418,603	1,479,510	1,018,620
1,404,823	1,453,995	1,464,696	1,686,870	1,818,427	1,760,556	58,210
424,511	412,542	470,176	525,109	500,511	491,836	557,394
4,096	3,957	3,835	6,167	5,922	5,989	13,389
1,786,679	1,813,549	1,760,240	1,672,055	1,636,723	1,712,826	1,769,692
721,527	858,011	918,388	865,750	750,314	936,159	691,587
-	-	-	-	-	-	-
22,089,424	23,594,453	24,172,120	26,083,543	32,506,243	25,737,204	11,149,510
1,914,812	3,213,418	1,419,484	2,444,339	3,616,441	1,481,509	4,672,902
30,237,381	33,642,335	32,480,007	35,587,263	43,186,841	34,642,936	22,168,883
141,156	179,670	190,289	165,970	200,579	198,287	188,650
88,742	73,934	87,325	63,024	64,513	59,659	62,483
-	-	-	-	-	-	13,271,064
-	-	20,704	2,761	-	-	-
229,898	253,604	298,318	231,755	265,092	257,946	13,522,197
\$ 30,467,279	\$ 33,895,939	\$ 32,778,325	\$ 35,819,018	\$ 43,451,933	\$ 34,900,882	\$ 35,691,080

Black Hawk County, Iowa

Changes in Net Assets (Continued) Last Nine Fiscal Years* (accrual basis of accounting) (Unaudited)

	Fiscal Year	
	2003	2004
Net (expense)/revenue:		
Governmental activities	\$ (25,626,983)	\$ (27,931,804)
Business-type activities	(54,943)	(113,490)
Total government net expense	\$ (25,681,926)	\$ (28,045,294)
General revenues and other changes in net assets:		
Governmental activities:		
Taxes:		
Property taxes	\$ 23,363,148	\$ 24,184,410
Other taxes	2,177,355	2,333,081
State tax replacement credits	1,755,456	1,212,641
Unrestricted grants and contributions	-	38,850
Investment earnings	714,133	467,567
Gain on disposal of capital assets	2,867	16,443
Miscellaneous	80,467	38,936
Transfers	-	-
Total governmental activities	28,093,426	28,291,928
Business-type activities:		
Unrestricted grants and contributions	-	95,000
Investment earnings	3,872	5,840
Miscellaneous	3,775	-
Transfers	-	-
Total business-type activities	7,647	100,840
Total government	\$ 28,101,073	\$ 28,392,768
Change in net assets:		
Governmental activities	\$ 2,892,798	\$ 712,737
Business-type activities	(47,296)	(12,650)
Total primary government	\$ 2,845,502	\$ 700,087

* Black Hawk County, Iowa implemented GASB 34 in FY2003

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

Source: County records

Fiscal Year						
2005	2006	2007	2008	2009	2010	2011
\$ (26,698,065)	\$ (27,570,612)	\$ (29,871,181)	\$ (28,578,506)	\$ (26,968,046)	\$ (34,896,624)	\$ (27,263,413)
(91,991)	(69,214)	(80,465)	(175,204)	(93,354)	(68,371)	2,081,354
\$ (26,790,056)	\$ (27,639,826)	\$ (29,951,646)	\$ (28,753,710)	\$ (27,061,400)	\$ (34,964,995)	\$ (25,182,059)
\$ 24,159,740	\$ 25,330,735	\$ 25,487,836	\$ 25,967,840	\$ 27,593,677	\$ 28,083,985	\$ 29,656,058
3,444,459	3,601,967	3,482,384	4,139,438	4,358,516	4,352,102	3,587,407
1,151,699	1,179,717	1,145,229	1,102,343	1,082,828	1,122,280	875,035
-	-	-	-	-	-	-
681,081	1,069,135	1,605,979	1,372,116	1,198,968	914,311	605,731
-	18,803	-	-	-	-	12,481
1,443,425	1,202,771	1,322,137	3,271,327	1,888,363	1,780,435	586,432
-	-	-	-	-	-	(1,855,057)
30,880,404	32,403,128	33,043,565	35,853,064	36,122,352	36,253,113	33,468,087
-	-	-	-	-	-	20,748
2,129	3,369	5,796	35,044	36,266	422	2,170
-	-	5,273	-	-	-	56,440
-	-	-	-	-	-	1,855,057
2,129	3,369	11,069	35,044	36,266	422	1,934,415
\$ 30,882,533	\$ 32,406,497	\$ 33,054,634	\$ 35,888,108	\$ 36,158,618	\$ 36,253,535	\$ 35,402,502
\$ 4,182,339	\$ 4,832,516	\$ 3,172,384	\$ 7,274,558	\$ 9,154,306	\$ 1,356,489	\$ 6,204,674
(89,862)	(65,845)	(69,396)	(140,160)	(57,088)	(67,949)	4,015,769
\$ 4,092,477	\$ 4,766,671	\$ 3,102,988	\$ 7,134,398	\$ 9,097,218	\$ 1,288,540	\$ 10,220,443

Black Hawk County, Iowa

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

	Fiscal Year			
	2002	2003	2004	2005
General Fund:				
Reserved	\$ 3,430,503	\$ 2,045,153	\$ 1,510,314	\$ 1,803,573
Unreserved	1,356,449	2,522,268	2,752,442	3,544,707
Nonspendable ¹	-	-	-	-
Restricted ¹	-	-	-	-
Committed ¹	-	-	-	-
Assigned ¹	-	-	-	-
Unassigned ¹	-	-	-	-
Total General Fund	\$ 4,786,952	\$ 4,567,421	\$ 4,262,756	\$ 5,348,280
All other governmental funds:				
Reserved	1,108,025	788,579	685,309	869,962
Unreserved for:				
Special Revenue Fund	7,242,782	6,884,985	6,595,798	6,415,129
Capital Projects Fund	587,467	1,731,486	963,285	236,745
Nonspendable ¹	-	-	-	-
Restricted ¹	-	-	-	-
Committed ¹	-	-	-	-
Assigned ¹	-	-	-	-
Unassigned ¹	-	-	-	-
Total All Other Government Funds	\$ 8,938,274	\$ 9,405,050	\$ 8,244,392	\$ 7,521,836
Total Government Funds				
Reserved	1,108,025	2,833,732	2,195,623	2,673,535
Unreserved for:				
General Fund		2,522,268	2,752,442	3,544,707
Special Revenue Fund	7,242,782	6,884,985	6,595,798	6,415,129
Capital Projects Fund	587,467	1,731,486	963,285	236,745
Nonspendable ¹	-	-	-	-
Restricted ¹	-	-	-	-
Committed ¹	-	-	-	-
Assigned ¹	-	-	-	-
Unassigned ¹	-	-	-	-
Total Government Funds	\$ 8,938,274	\$ 13,972,471	\$ 12,507,148	\$ 12,870,116

(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					
2006	2007	2008	2009	2010	2011
\$ 2,503,998	\$ 3,014,288	\$ 3,014,288	\$ 3,849,541	\$ 3,230,289	\$ -
3,659,487	4,418,391	7,993,680	7,023,597	7,009,230	-
-	-	-	-	-	-
-	-	-	-	-	3,973,689
-	-	-	-	-	905,202
-	-	-	-	-	-
-	-	-	-	-	6,889,135
\$ 6,163,485	\$ 7,432,679	\$ 11,007,968	\$ 10,873,138	\$ 10,239,519	\$ 11,768,026
2,651,862	2,889,269	14,316,183	8,042,035	10,061,865	-
5,744,807	3,915,859	4,253,897	6,526,298	3,807,069	-
(39,861)	35,927	12,789	(297,364)	(432,789)	-
-	-	-	-	-	350,881
-	-	-	-	-	27,151,125
-	-	-	-	-	-
-	-	-	-	-	26,076
-	-	-	-	-	-
\$ 8,356,808	\$ 6,841,055	\$ 18,582,869	\$ 14,270,969	\$ 13,436,145	\$ 27,528,082
5,155,860	5,903,557	17,330,471	11,891,576	13,292,154	-
3,659,487	4,418,391	7,993,680	7,023,597	7,009,230	-
5,744,807	3,915,859	4,253,897	6,526,298	3,807,069	-
(39,861)	35,927	12,789	(297,364)	(432,789)	-
-	-	-	-	-	350,881
-	-	-	-	-	31,124,814
-	-	-	-	-	905,202
-	-	-	-	-	26,076
-	-	-	-	-	6,889,135
\$ 14,520,293	\$ 14,273,734	\$ 29,590,837	\$ 25,144,107	\$ 23,675,664	\$ 39,296,108

Black Hawk County, Iowa

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2002	2003	2004	2005
Revenues:				
Property and other County tax	\$ 24,419,228	\$ 25,555,766	\$ 26,515,030	\$ 27,604,199
Interest and penalty on property tax	337,709	339,343	311,147	322,842
Intergovernmental	24,215,608	24,073,274	23,937,462	25,455,131
Licenses and permits	344,623	342,815	355,781	366,377
Charges for service	4,288,126	4,624,478	4,843,972	5,430,239
Use of money and property	1,025,169	905,556	774,126	892,949
Fines, forfeits and defaults	273,914	-	-	-
Miscellaneous	776,112	1,126,149	1,103,945	1,226,929
Total revenues	55,680,489	56,967,381	57,841,463	61,298,666
Expenditures:				
Public safety and legal services	13,759,118	14,250,874	14,477,334	14,915,737
Physical health and social services	9,964,422	9,742,599	9,430,765	9,325,786
Mental health	17,645,336	18,218,133	18,883,439	19,720,045
County environment and education	1,932,905	1,979,881	1,890,308	2,381,472
Roads and transportation	4,069,017	3,937,977	3,757,121	4,387,687
Governmental services to residents	1,436,204	1,493,129	1,383,953	1,512,553
Administration	4,830,170	5,028,006	4,914,851	4,541,497
Debt service:				
Interest	873,914	615,149	493,750	449,919
Principal	10,508,569	3,084,847	2,427,027	2,370,000
Debt issuance costs	-	-	-	-
Capital projects	971,109	1,308,079	4,214,097	1,667,820
Total expenditures	65,990,764	59,658,674	61,872,645	61,272,516
Excess of revenues over (under) expenditures	(10,310,275)	(2,691,293)	(4,031,182)	26,150
Other financing sources (uses):				
Proceeds from the sale of land and capital assets	5,577	307	1,470	3,818
Transfers in	2,110,341	1,838,002	1,807,392	1,635,204
Transfers out	(2,110,341)	(1,838,002)	(1,807,392)	(1,635,204)
Repayments of advances from other funds	-	600,005	-	-
General obligation bonds and notes issued	8,775,068	2,665,000	3,035,000	-
Redemption of refunded bonds	-	-	-	-
Discount on general obligation bonds and notes	-	(13,653)	(17,810)	-
Premiums on Bonds Issued	-	-	-	-
Insurance proceeds	-	-	-	-
Payments received on capital lease receivable	-	-	-	-
Lease income	-	-	-	333,000
Capital lease purchase refunding	-	-	(524,853)	-
Total other financing sources (uses)	8,780,645	3,251,659	2,493,807	336,818
Net change in fund balances	\$ (1,529,630)	\$ 560,366	\$ (1,537,375)	\$ 362,968
Debt service as % of noncapital expenditures	17.51%	6.34%	5.07%	4.73%

Source: County records

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 28,548,171	\$ 28,940,081	\$ 30,128,426	\$ 31,932,977	\$ 32,268,714	\$ 32,978,105
345,844	359,860	501,651	404,936	410,634	390,102
24,895,285	25,832,554	27,337,150	33,107,903	26,983,363	15,642,743
359,161	357,952	503,428	494,664	485,311	495,724
5,912,720	5,916,816	5,966,101	6,133,983	6,444,766	4,384,639
1,185,643	1,588,001	1,347,329	1,175,036	1,492,422	1,081,883
-	-	-	-	-	-
1,074,547	1,437,258	1,526,478	1,628,863	1,822,656	1,945,529
62,321,371	64,432,522	67,310,563	74,878,362	69,907,866	56,918,725
15,177,369	14,644,919	15,147,782	16,202,010	17,080,739	17,456,467
10,356,702	10,700,336	11,133,191	12,443,549	11,901,238	8,209,118
20,236,700	21,172,522	21,699,357	20,469,347	21,254,887	2,872,865
2,242,623	2,769,241	2,366,295	6,210,048	4,971,752	5,911,886
4,312,500	4,320,351	5,199,582	5,740,813	5,099,989	5,559,563
1,492,111	1,525,049	1,519,451	1,846,197	1,729,895	1,501,987
4,604,180	4,925,462	5,134,223	5,295,627	5,506,549	5,541,663
430,187	429,266	415,697	1,009,945	1,192,563	1,275,881
2,317,182	2,103,093	2,322,725	3,300,126	3,965,776	3,046,508
51,241	23,112	69,904	76,995	43,145	100,714
2,367,104	3,569,460	2,015,652	11,560,272	6,931,728	8,726,249
63,587,899	66,182,811	67,023,859	84,154,929	79,678,261	60,202,901
(1,266,528)	(1,750,289)	286,704	(9,276,567)	(9,770,395)	(3,284,176)
76,751	3,530	1,506,229	1,023	55,649	-
1,624,082	1,701,065	1,860,555	1,991,922	2,083,911	2,129,046
(1,749,082)	(1,701,065)	(1,860,555)	(1,991,922)	(2,083,911)	(2,222,768)
-	-	-	-	-	-
2,980,000	2,010,000	13,260,000	3,863,600	8,290,000	18,905,000
-	(500,000)	-	-	-	-
(15,046)	(9,800)	(74,315)	(30,400)	(66,320)	(88,301)
-	-	-	-	-	181,643
-	-	338,485	283,305	22,623	-
-	-	-	712,309	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,916,705	1,503,730	15,030,399	4,829,837	8,301,952	18,904,620
\$ 1,650,177	\$ (246,559)	\$ 15,317,103	\$ (4,446,730)	\$ (1,468,443)	\$ 15,620,444
4.49%	4.04%	4.21%	5.94%	7.09%	8.40%

Black Hawk County, Iowa

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

Function / Program	Fiscal Year		
	2003	2004	2005
Governmental activities:			
Public safety and legal services	\$ 3,251,994	\$ 3,526,059	\$ 3,215,931
Physical health and social services	4,062,996	5,748,433	4,980,027
Mental health	13,585,874	12,686,421	13,204,719
County environment and education	731,487	826,226	725,917
Roads and transportation	6,317,988	4,838,983	5,063,526
Governmental services to residents	1,917,368	1,937,386	1,829,095
Administration	1,720,139	1,494,806	1,218,166
Nonprogram	323,150	340,916	-
Interest on long-term debt	85,024	306,099	-
Total governmental activities	31,996,020	31,705,329	30,237,381
Business-type activities:			
Rural sewer	160,827	161,924	141,156
Rural water	116,586	98,438	88,742
Country View Care Facility**	-	-	-
Total business-type activities	277,413	260,362	229,898
Total government	\$ 32,273,433	\$ 31,965,691	\$ 30,467,279

* Black Hawk County, Iowa implemented GASB 34 in FY2003

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

Source: County records

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 3,595,716	\$ 2,672,347	\$ 2,817,366	\$ 3,025,628	\$ 2,935,329	\$ 4,596,276
5,580,813	5,734,785	6,578,669	8,489,683	7,356,412	4,360,327
14,093,443	15,529,395	16,389,743	17,201,625	12,586,504	561,339
626,765	783,596	861,542	3,655,514	2,555,491	4,592,852
6,344,156	4,506,350	5,778,396	7,326,096	4,529,550	4,476,977
2,057,134	1,789,887	1,771,488	1,724,611	2,107,594	1,793,214
1,344,308	1,463,647	1,390,059	1,763,684	2,572,056	1,787,898
-	-	-	-	-	-
-	-	-	-	-	-
33,642,335	32,480,007	35,587,263	43,186,841	34,642,936	22,168,883
179,670	210,993	168,731	200,579	198,287	188,650
73,934	87,325	63,024	64,513	59,659	62,483
-	-	-	-	-	13,271,064
253,604	298,318	231,755	265,092	257,946	13,522,197
\$ 33,895,939	\$ 32,778,325	\$ 35,819,018	\$ 43,451,933	\$ 34,900,882	\$ 35,691,080

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
2002	21,291,219	2,127,468	911,011	89,530	24,419,228
2003	22,393,437	2,177,356	896,232	88,741	25,555,766
2004	23,113,925	2,333,080	976,088	91,937	26,515,030
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
Change 2002-2011	34.19%	37.45%	0.45%	466.40%	34.80%

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: Military Tax-Exempt Property	Total Assessed Property	Total Direct Tax Rate Urban
2002	1,608,852	838,093	116,175	277,854	116,981	241,647	16,601	3,183,001	7.69
2003	1,771,183	828,732	116,518	292,674	125,561	220,161	16,607	3,338,222	7.62
2004	1,788,705	870,636	119,968	295,557	146,650	199,469	16,054	3,404,931	7.75
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

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	2002			2011		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$ 119,498	1	3.90%	\$ 171,610	1	4.01%
Deere and Company	58,626	2	1.91	28,524	8	0.67
U. S. West, Inc.	32,817	3	1.07	-	-	-
Iowa Beef Pack Inc.	23,259	6	0.76	25,139	10	0.59
College Square Mall Partners, LLC	29,610	4	0.97	32,775	6	0.77
Equitable Life Assurance Soc.	27,929	5	0.91	-	-	-
Northern Natural Gas Co.	15,674	7	0.51	-	-	-
Berth Cabinet Mfg, Inc.	12,072	8	0.39	-	-	-
Hunt Wesson, Inc.	3,603	10	0.12	-	-	-
LXP I L P	5,689	9	0.19	-	-	-
Con Agra	-	-	-	26,580	9	0.62
IOC Black Hawk County, Inc.	-	-	-	73,670	3	1.72
Target Corporation	-	-	-	89,036	2	2.08
Qwest Corporation	-	-	-	30,453	7	0.71
GG and A Crossroads Mall, LLC	-	-	-	40,084	5	0.94
Cedar Falls Utilities	-	-	-	47,357	4	1.11
Total	<u>\$ 328,777</u>		<u>10.73%</u>	<u>\$ 565,227</u>		<u>13.22%</u>

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
2002	109,302,507	108,892,858	99.63	140,831	109,033,689	99.75
2003	116,820,205	116,641,520	99.85	298,647	116,940,167	100.00
2004	121,510,800	121,323,365	99.85	70,297	121,393,662	99.90
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

Total tax collection solely for Black Hawk County, Iowa:

2002	21,292,939
2003	22,404,185
2004	23,115,922
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

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)

	Year Taxes are Payable			
	2002	2003	2004	2005
County Direct Rates:				
General Basic	3.50	3.50	3.50	3.50
General Supplemental	1.82	1.71	1.88	1.75
MH/DD Service	1.89	1.80	1.77	1.66
Debt Service	0.48	0.61	0.59	0.58
Total Urban County Rate	7.69	7.62	7.74	7.49
Rural Basic	-	-	-	0.34
Total Rural County Rate	7.69	7.62	7.74	7.83
City and Town Rates:				
Waterloo	17.80	18.37	18.91	18.79
Cedar Falls	14.10	13.65	14.40	13.65
Dunkerton	11.58	11.17	11.59	11.37
Elk Run Heights	7.00	6.50	6.40	6.40
Evansdale	7.05	7.31	7.26	7.50
Gilbertville	8.10	8.10	8.10	9.77
Hudson	7.63	7.63	7.63	9.73
Janesville	13.10	12.78	12.59	13.06
Jesup	12.62	12.31	12.74	12.42
LaPorte City	11.95	11.85	12.12	12.09
Raymond	6.79	6.42	6.42	6.70
Township Rates:				
Barclay	0.42	0.41	0.65	0.66
Bennington	0.51	0.61	0.56	0.58
Big Creek	0.47	0.62	0.59	0.67
Black Hawk	0.56	0.06	0.57	0.54
Cedar	0.38	0.50	0.55	0.58
Cedar Falls	0.58	0.57	0.58	0.58
Eagle	0.48	0.46	0.52	0.52
East Waterloo	-	-	-	-
Fox	0.47	0.42	0.41	0.60
Lester	0.66	0.65	0.64	0.69
Lincoln	0.57	0.55	0.54	0.56
Mt. Vernon	0.42	0.39	0.42	0.41
Orange	0.38	0.36	0.39	0.39
Poyner	0.51	0.55	0.61	0.63
Spring Creek	0.56	0.60	0.64	0.71
Union	0.26	0.89	0.67	0.64
Washington	0.38	0.40	0.42	0.41

(Continued)

Year Taxes are Payable					
2006	2007	2008	2009	2010	2011
3.50	3.50	3.50	3.50	3.50	3.50
1.90	1.76	1.77	1.42	1.26	1.39
1.65	1.57	1.55	1.44	1.37	1.34
0.56	0.56	0.58	0.58	0.58	0.44
7.61	7.39	7.41	6.94	6.71	6.67
0.32	0.28	0.25	2.79	2.86	2.88
7.93	7.67	7.66	9.72	9.57	9.55
19.16	18.85	18.77	18.37	18.31	18.26
14.05	13.84	13.61	13.26	13.02	12.99
11.23	11.13	8.45	8.10	8.10	8.43
6.30	6.00	6.00	6.00	6.00	6.01
7.50	6.83	6.75	6.74	6.75	6.88
11.33	11.86	12.46	11.54	11.25	12.27
9.73	9.73	9.73	9.73	9.73	9.73
13.18	12.63	12.50	12.40	12.26	12.08
14.50	13.12	12.62	12.55	13.00	13.95
12.91	15.39	14.91	14.91	14.55	14.54
6.70	6.90	6.90	6.90	6.90	6.90
0.66	0.68	0.46	0.44	0.36	0.34
0.58	0.56	0.56	0.56	0.55	0.55
0.63	0.60	0.61	0.58	0.55	0.57
0.55	0.54	0.54	0.53	0.57	0.57
0.59	0.52	0.53	0.57	0.56	0.58
0.58	0.57	0.58	0.58	0.56	0.56
0.50	0.50	0.55	0.54	0.52	0.47
0.15	0.17	0.17	0.16	0.16	0.16
0.31	0.38	0.39	0.26	0.21	0.26
0.70	0.70	0.70	0.69	0.65	0.69
0.55	0.58	0.59	0.59	0.62	0.61
0.41	0.41	0.41	0.41	0.41	0.41
0.40	0.27	0.28	0.38	0.34	0.35
0.67	0.67	0.67	0.66	0.76	0.66
0.72	0.75	0.76	0.74	0.74	0.69
0.61	0.64	0.63	0.68	0.61	0.68
0.41	0.39	0.35	0.33	0.32	0.36

Black Hawk County, Iowa

Direct and Overlapping Property Tax Rates (Continued)
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)
(Unaudited)

	Year Taxes are Payable			
	2002	2003	2004	2005
School District Rates:				
Waterloo	15.16	15.52	15.85	15.62
Cedar Falls	13.63	13.95	13.91	13.01
Dunkerton	11.49	12.61	12.58	12.94
Elk Run Heights	15.16	15.52	15.85	15.62
Evansdale	15.16	15.52	15.85	15.62
Gilbertville	15.16	15.52	15.85	15.62
Hudson	13.88	15.61	14.18	15.63
Janesville	10.19	11.00	11.23	11.58
Jesup	11.40	10.70	10.83	11.32
LaPorte City	10.99	11.21	11.50	11.90
Raymond	15.16	15.52	15.85	15.62
Other:				
State	0.01	-	-	-
Hawkeye CC - Area VII	0.70	0.78	0.75	1.00
Kirkwood - Area X	0.61	0.67	0.68	0.67
Ag. Extension	0.05	0.05	0.05	0.04
Special Appraiser	0.13	0.10	0.08	0.07
Assessor	0.25	0.25	0.26	0.26

Source: Black Hawk County, Auditor's Office

Year Taxes are Payable					
2006	2007	2008	2009	2010	2011
15.99	16.33	16.75	16.66	16.46	16.44
13.03	13.02	13.13	13.73	13.73	14.15
14.44	13.73	14.02	14.10	13.86	15.94
15.99	16.33	16.75	16.66	16.46	16.44
15.99	16.33	16.75	16.66	16.46	16.44
15.99	16.33	16.75	16.66	16.46	16.44
15.11	15.53	15.96	15.98	15.88	16.90
11.84	11.94	11.83	11.82	12.22	11.84
11.37	11.46	11.62	11.76	11.78	11.92
11.94	12.29	12.50	12.68	12.57	12.71
15.99	16.33	16.75	16.66	16.46	16.44
-	-	-	-	-	0.00
1.07	1.04	0.83	1.00	0.93	1.00
0.65	0.87	0.86	0.85	0.84	0.93
0.04	0.04	0.08	0.08	0.08	0.08
0.06	0.01	0.03	0.06	0.08	0.09
0.25	0.25	0.24	0.22	0.24	0.22

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 Obligation Capital Loan Notes	Capital Lease Purchase Agreement	General Obligation Bonds	General Obligation Capital Loan Notes			
2002	10,090	2,440	1,162	-	1,969	15,661	0.48	122.85
2003	10,430	1,990	852	-	1,861	15,133	0.45	119.65
2004	11,505	1,850	-	732	1,064	15,151	0.44	120.31
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

* 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		
2002	10,090	10,090	0.33	79.15
2003	10,430	10,430	0.32	82.46
2004	12,237	12,237	0.38	97.17
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

* 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, 2011

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
County direct debt	\$ 43,815,000	100.00%	\$ 43,815,000
City debt:			
Cedar Falls	26,365,000	100.00	26,365,000
Dunkerton	1,430,000	100.00	1,430,000
Elk Run Heights	130,000	100.00	130,000
Evansdale	2,835,000	100.00	2,835,000
Gilbertville	1,030,000	100.00	1,030,000
Hudson	2,195,000	100.00	2,195,000
Janesville	119,000	19.70	23,443
Jesup	2,840,000	5.90	167,560
LaPorte City	2,450,000	100.00	2,450,000
Raymond	780,000	100.00	780,000
Waterloo	85,590,000	100.00	85,590,000
Subtotal, City debt			122,996,003
School district debt:			
Cedar Falls	-	100.00	-
Denver	1,270,000	20.77	263,779
Dike-New Hartford	4,490,000	5.13	230,337
Dunkerton	1,925,000	99.34	1,912,295
Gladbrook-Reinbeck	410,000	7.57	31,037
Hudson	905,000	100.00	905,000
Janesville	-	48.71	-
Jesup	3,435,000	28.54	980,349
Union (LaPorte City/Dysart)	-	41.46	-
Vinton-Shellsburg	12,245,000	0.05	6,123
Wapsie Valley	7,690,000	5.36	412,184
Waterloo	-	100.00	-
Waverly-Shellrock	15,270,000	0.12	18,324
Subtotal, school district debt			4,759,428
College, Hawkeye Community College	10,035,000	58.87	5,907,605
Total overlapping debt			133,663,035
Total direct and overlapping debt			\$ 177,478,035

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, 2011

(dollars in thousands)

(Unaudited)

	2002	2003	2004	2005
Debt limit	\$ 159,150	\$ 166,911	\$ 170,247	\$ 183,854
Total net debt applicable to limit	13,692	13,272	13,355	12,993
Legal debt margin	\$ 145,458	\$ 153,639	\$ 156,892	\$ 170,861
Total net debt applicable to the limit as a percentage of debt limit	9.41%	8.64%	8.51%	7.60%

Source: County records

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value	<u>\$ 4,696,030,973</u>
Debt limit (5% of assessed value)	<u>234,801,549</u>
Debt applicable to limit:	
General obligation bonds	43,395,000
General obligation capital loan notes	<u>420,000</u>
Total net applicable to limit	<u>43,815,000</u>
Legal debt margin	<u>\$ 190,986,549</u>

2006	2007	2008	2009	2010	2011
\$ 185,562	\$ 183,249	\$ 200,498	\$ 217,618	\$ 228,340	\$ 234,802
13,521	13,758	24,475	24,018	28,173	43,815
<u>\$ 172,041</u>	<u>\$ 169,491</u>	<u>\$ 176,023</u>	<u>\$ 193,600</u>	<u>\$ 200,167</u>	<u>\$ 190,987</u>
7.86%	8.12%	13.90%	12.41%	14.07%	22.94%

Black Hawk County, Iowa

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

Year	Population ⁵	Personal Income (000s) ¹	Per Capita Personal Income ¹	Farm Proprietors ³	School Enrollment ⁴	Unemployment Rate ²
2001	127,485	3,230,348	25,339	960	17,249	3.4
2002	126,481	3,398,054	26,866	940	17,354	4.0
2003	125,936	3,467,136	27,531	940	17,404	4.6
2004	125,707	3,752,691	29,853	940	17,437	5.0
2005	125,891	3,878,324	30,807	930	16,920	4.7
2006	126,106	4,014,054	31,528	930	16,431	4.2
2007	127,446	4,194,885	32,915	930	16,334	4.4
2008	128,040	4,500,196	35,147	940	17,042	4.5
2009	129,276	4,582,209	35,445	960	17,204	5.5
2010 *	131,090	4,772,869	36,409	960	17,277	5.9

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

² Source: Iowa Workforce Development website

³ Source: USDA National Agricultural Statistics Service

⁴ Source: School districts in Black Hawk County

⁵ Source: Estimate from U.S. Census Bureau website

* Personal Income and Per Capita Personal Income were calculated using the state average decrease in personal income per capita of 2.72% and then multiplying by the population to arrive at total personal income.

Black Hawk County, Iowa

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

Employer	2002			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
John Deere	5,072	1	7.06%	5,300	1	7.58%
Wheaton Franciscan Healthcare	2,479	2	3.45	2,680	2	3.83%
Tyson Fresh Meats (IBP Inc.)	2,230	3	3.11	2,500	3	3.58%
Allen Memorial Hospital	1,430	5	1.99	2,080	4	2.98%
University of Northern Iowa	2,094	4	2.92	1,850	5	2.65%
Waterloo Public Schools	1,300	6	1.81	1,560	6	2.23%
Hy-Vee	851	10	1.19	1,130	8	1.62%
Area 267 Education Agency	-	-	-	1,150	7	1.65%
Bertch Cabinet Manufacturing Co.	1,262	7	1.76	-	-	-
Target Distribution	-	-	-	850	9	1.22%
Omega Cabinets	940	8	1.31	-	-	-
GMAC Mortgage	899	9	1.25	805	10	1.15%

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			
	2002	2003	2004	2005
Public safety and legal services:				
Sheriff	138.00	137.00	137.00	133.90
Attorney	28.60	29.50	28.50	28.50
Consolidated comm ctr	26.00	25.50	26.00	26.00
District court administration**	1.00	1.00	1.00	1.00
Child support recovery*	12.50	12.50	12.50	11.50
Physical health and social services:				
Health department	101.90	92.08	93.15	95.25
Community services**	7.00	7.00	6.00	2.50
Human services admin	-	-	-	-
Youth shelter	12.50	11.40	10.90	10.00
Veteran affairs	4.03	4.03	4.03	4.03
Mental health:				
Country View	210.00	209.00	191.00	190.00
C.P.C.**	4.00	5.00	5.00	5.50
County environment and education,				
Conservation	30.35	29.34	25.57	25.56
Roads and transportation, engineer	45.60	45.60	43.40	43.40
Governmental services to residents:				
Treasurer	15.00	15.00	13.00	13.00
Recorder	13.00	12.00	11.00	11.00
Auditor: elections	3.40	3.40	3.40	3.40
Administration:				
Board office	7.20	7.20	7.00	7.00
Auditor	18.80	17.80	16.60	16.60
Treasurer	14.00	12.00	11.00	11.00
Human resources	4.40	4.40	4.20	4.20
Information technology	9.00	8.00	8.00	8.00
Maintenance	24.80	22.80	21.80	8.00
Civil service	1.00	1.00	1.00	1.00
Total	732.08	712.55	681.05	660.34

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

Fiscal Year					
2006	2007	2008	2009	2010	2011
133.00	134.00	132.00	132.00	134.00	134.00
28.90	28.10	28.90	28.80	29.80	29.80
26.00	26.00	26.00	26.00	26.00	26.00
1.00	-	-	-	-	-
8.50	-	-	-	-	-
88.23	89.93	90.43	88.22	89.81	86.15
2.50	11.00	9.00	9.00	9.00	8.00
-	-	-	-	-	-
9.80	11.50	8.80	10.50	11.29	12.84
4.03	4.03	4.03	4.03	4.03	4.03
189.50	190.50	190.50	171.00	181.50	184.00
5.50	-	-	-	-	-
25.54	28.14	28.84	27.26	26.85	26.29
43.40	43.40	43.40	43.80	43.90	43.90
13.00	12.50	12.50	12.50	12.50	10.50
11.00	11.00	11.00	10.00	10.00	9.00
3.40	3.40	3.40	3.40	3.40	3.60
8.00	8.00	7.50	7.50	7.50	7.50
13.00	13.00	11.00	11.00	11.00	11.00
10.10	10.60	10.60	10.60	10.50	9.00
4.00	4.00	4.00	4.00	4.00	3.00
7.00	7.00	7.00	7.00	7.00	6.00
7.00	6.00	6.00	6.00	7.00	7.00
1.00	1.00	1.00	1.00	1.00	1.00
643.67	643.10	635.90	613.61	630.08	622.61

Black Hawk County, Iowa

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

Function/Program	Fiscal Year			
	2002	2003	2004	2005
Public safety and legal services:				
Sheriff:				
# of civil papers served	16,497	16,959	15,930	17,042
# of arrests made	2,793	2,991	2,863	2,914
# of jail bookings	8,164	8,193	8,720	8,349
# of service calls	10,655	9,957	9,829	10,785
Attorney, # of felonies/aggravated fieldcases filed	1,557	1,894	2,006	1,989
Physical health and social services:				
Health Department:				
# of Success Street visits	3,263	3,376	2,875	3,738
# of environmental inspections	2,376	2,788	3,270	2,432
# of home care aide visits	31,510	28,042	24,363	22,544
# of home care aide clients	603	481	430	358
Community Services, # of people seen	4,744	4,643	3,591	1,948
Youth Shelter, # of kids per year	360	425	335	206
Veteran Affairs, # of new clients per year	216	239	244	226
Mental health:				
Country View, census per year	51,926	54,724	52,924	50,874
C.P.C., # of people seen	4,044	4,309	3,615	3,852
County environment and education conservation:				
Hartman Reserve visitors	55,000	55,000	55,000	55,000
Campers	28,331	29,594	28,615	30,663
Roads and transportation:				
Engineer:				
# of miles of road paved	8	7	2	10
# of bridges/culverts repaired/replaced	3	10	10	11
Governmental services to residents:				
Treasurer, titles issued	39,822	39,231	38,600	38,342
Recorder, documents recorded	34,790	39,874	37,981	30,800
Auditor: Elections:				
# of active voters	77,058	70,702	79,141	78,447
# of inactive voters	5,073	10,394	9,750	4,274
# of absentee ballots	11,002	1,841	22,562	1,358
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.

Fiscal Year					
2006	2007	2008	2009	2010	2011
17,700	16,590	17,971	20,043	19,507	*
3,148	3,035	3,358	3,384	4,449	*
8,093	8,533	8,621	9,157	9,558	*
12,784	9,405	11,945	14,463	14,583	*
2,161	1,949	2,084	1,691	1,716	1,947
2,901	2,719	3,486	3,968	4,031	3,427
2,621	2,442	2,572	2,810	2,600	3,202
21,707	19,556	18,323	15,801	15,122	13,305
300	223	231	194	188	206
2,258	2,566	2,080	2,077	3,057	3,298
148	98	152	143	161	173
256	260	284	305	309	258
53,335	51,790	52,008	56,285	55,382	56,839
5,503	3,730	2,869	2,985	3,250	3,384
55,000	55,000	55,900	56,200	53,290	51,112
30,890	37,910	42,999	41,938	47,333	40,588
11	5	7	17	24	9
14	17	17	8	7	12
38,050	37,150	39,731	41,506	41,447	42,704
30,952	32,158	26,345	25,841	24,771	24,554
77,058	77,058	77,058	86,891	81,464	81,715
5,073	5,073	5,073	5,323	5,934	6,516
11,002	11,002	11,002	23,999	947	15,844
353,980	353,980	353,980	444,393	444,393	444,393

Black Hawk County, Iowa

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

Function/Program	Fiscal Year			
	2002	2003	2004	2005
Public safety and legal services:				
Sheriff				
# of patrol cars	18	18	18	18
Physical health and social services:				
Health Department				
# of vehicles	18	18	18	18
County environment and education:				
Conservation				
# of acres managed	8,053	8,055	8,055	8,055
Roads and transportation:				
Engineer:				
# of vehicles	70	70	71	73
# of buildings	14	14	14	15
Administration:				
Maintenance				
# of buildings maintained	4	4	4	4

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.

Fiscal Year					
2006	2007	2008	2009	2010	2011
18	18	18	19	19	21
18	17	17	17	17	17
8,053	7,990	8,175	8,325	8,325	8,387
73	74	74	75	74	76
15	15	15	16	15	15
4	4	4	6	6	6

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011

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	5880NU58	\$ 5,634
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5881NU58	31,740
			<u>37,374</u>
Passed through the Iowa Department of Human Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	65,149
			<u>102,523</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	IALHD0357-07	36,804
Passed through the Iowa Department of Economic Development:			
Community Development Block Grants/States Program			
Jumpstart Business Rental Assistance	14.228	08-DRB-207	456,914
Jumpstart Residential	14.228	08-DRH-001	686,252
Jumpstart Residential	14.228	08-DRH-002	312,665
Jumpstart Residential	14.228	08-DRH-201	215,589
Hazard Mitigation (Flood Buyout)	14.228	08-DRHB-213	99,733
Hazard Mitigation (McFarlane Bridge)	14.228	08-DRIEF-262	22,009
			<u>1,793,162</u>
U.S. Department of Justice:			
Direct:			
Bulletproof Vest Partnership Program	16.607	2010-BO-BX-10051534	9,381
Passed through the Governor's Office of Drug Control Policy: and the City of Waterloo			
Project Safe Neighborhoods	16.609	07-ND11	1,000
Project Safe Neighborhoods	16.609	07PSNAG-ND11	418
Project Safe Neighborhoods	16.609	08-ND11	23,855
Project Safe Neighborhoods	16.609	09-ND11	11,026
			<u>36,299</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	10JAG/CO6-A19	72,204
Edward Byrne Memorial Justice Assistance Grant Program-ARRA	16.803	09JAG/ARRA-3817B	82,114
			<u>154,318</u>
Passed through the Iowa Department of Justice:			
Crime Victim Assistance	16.575	VA-11-76	29,114
Federal Violence Against Women Formula Grants	16.588	VW-11-76	28,585
State Criminal Alien Assistance Program	16.606	2010-AP-BX-0684	19,589
Passed through the Iowa Criminal & Juvenile Justice Planning Agency:			
Enforcing Underage Drinking Laws Program	16.727	JJYD-F10-01	750
Juvenile Accountability Block Grant	16.523	Casey 10	5,310
Juvenile Accountability Block Grant	16.523	Casey 11	23,279
			<u>\$ 28,589</u>

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011

Federal Grantor Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Identifying Number	Federal Expenditures
U.S. Department of Transportation:			
Passed through the Iowa Dept of Transportation			
Recreational Trails Program	20.219	NRT-NT08-(001)-9G-07	\$ 151,446
Passed through Iowa Department of Public Safety-			
Governor's Traffic Safety Division:			
State and Community Highway Safety	20.604	PAP 010-410 TASK 04	3,704
	20.604	PAP 011-410 TASK 05	12,825
			<u>16,529</u>
U.S. Environmental Protection Agency:			
Passed through the City of Waterloo:			
Research, Development, Monitoring, Public Education, and Training	66.716	X8-98784201-0	5,032
U.S. Department of Education:			
Passed through the Iowa Dept of Public Health:			
Special Education- Grants for Infants and Families	84.393A	N/A	2,813
U.S. Department of Health and Human Services:			
Passed through the Iowa Secretary of State:			
Voting Access for Individuals with Disabilities	93.617	06-HAVA-07-100	2,070
Passed through the Iowa Department of Public Health:			
Public Health Emergency Preparedness	93.069	5881BT307	17,539
Public Health Emergency Preparedness	93.069	5880BT07	20,070
Public Health Emergency Preparedness- ARRA	93.069	5880BT07	13,576
Public Health Emergency Preparedness	93.069	5881BT07	54,641
			<u>105,826</u>
Project Grants and Cooperative Agreements for Tuberculosis			
Control Programs	93.116	MOU-2011-TB07	2,850
Childhood Lead Poisoning Prevention Projects	93.197	5881LP01	20,599
Immunization Grants	93.268	5880I406	21,712
Immunization Grants	93.268	5881I406	16,337
			<u>38,049</u>
Centers for Disease Control and Prevention Technical Assistance	93.283	MOU-2011ELC01	840
Centers for Disease Control and Prevention Technical Assistance	93.283	5881NB02	53,755
			<u>\$ 54,595</u>

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011

Federal Grantor Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Identifying Number	Federal Expenditures
ARRA- Immunization ARRA	93.712	5880I406	\$ 9,481
HIV Prevention Activities- Health Department Based	93.940	5880AP26	27,688
HIV Prevention Activities- Health Department Based	93.940	5881AP26	32,837
HIV Prevention Activities- Health Department Based	93.940	5880AP03	7,185
HIV Prevention Activities- Health Department Based	93.940	5881AP03	3,792
			<u>71,502</u>
Maternal and Child Health Services Block Grant to the States	93.994	5881DH01	8,424
Maternal and Child Health Services Block Grant to the States	93.994	5880MH03	26,963
Maternal and Child Health Services Block Grant to the States	93.994	5881MH03	53,917
			<u>89,304</u>
Passed through the Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Medical Assistance Program	93.778	N/A	62,217
State Children's Insurance Program	93.767	N/A	292
Temporary Assistance for Needy Families	93.558	N/A	62,330
Foster Care - Title IV-E	93.658	N/A	65,027
Foster Care - Title IV-E- ARRA	93.658	N/A	2,349
Refugee and Entrant Assistance	93.566	N/A	38
Adoption Assistance	93.659	N/A	6,216
Child Care Development Fund	93.596	N/A	15,842
Social Services Block Grant	93.667	N/A	22,401
Stephanie Tubbs Jones Child Welfare Services Program	93.645	N/A	7,861
			<u>244,573</u>
U.S. Department of Homeland Security:			
Passed through Iowa Department of Economic Development:			
Hazard Mitigation Grant	97.039	HMGP-DR-1763-0027-01	302,801
Passed through Iowa Disaster Services Division:			
Emergency Management Performance Grants	97.042	FY 11 EMPG	29,506
Passed through the Iowa Homeland Security and Emergency Management Division:			
Disaster Grants - Public Assistance	97.036	FEMA 1763 DR IA	1,553,527
Disaster Grants - Public Assistance	97.036	FEMA 1930 DR IA	79,385
Disaster Grants - Public Assistance	97.036	PW 9514	81,573
			<u>1,714,485</u>
Homeland Security Grant Program	97.067	2007-GE-T7-0032-006a	11,438
Total expenditures of federal awards			<u>\$ 5,112,013</u>

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (Continued)
Year Ended June 30, 2011

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, 2011. 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	\$ 1,671,420
Federal Recreation Trail Program	20.219	\$ 151,446

COUNTY OF BLACK HAWK, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Part I: Summary of the Independent Auditor's Results

- (a) Unqualified opinions were issued on the financial statements.
- (b) Significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements, including material weaknesses.
- (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 unqualified 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
97.036	Disaster Grants – Public Assistance

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.

SIGNIFICANT DEFICIENCIES:

II-A-11: Financial Reporting

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

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

Response – We will double check these in the future to avoid missing any receivables, payables or capital asset transactions.

Conclusion – Response accepted

Part III: Findings Related to Federal Expenditures

Instances of Non-Compliance:

None Noted

COUNTY OF BLACK HAWK, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Part III: Findings Related to Federal Expenditures (Continued)

Significant Deficiencies:

None Noted.

Part IV: Other Findings Related to Required Statutory Reporting

- IV-A-11** Certified Budget – Disbursements for the year ended June 30, 2011, did not exceed the amounts budgeted in any of the County's functions.
- IV-B-11** 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-11** Travel Expenses – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- IV-D-11** Business Transactions – There were no business transactions between the County and County officials and/or employees during the year ended June 30, 2010.
- IV-E-11** Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions.
- IV-F-11** Board Minutes – No transactions were found that we believe should have been approved in the Board Minutes but were not.
- IV-G-11** 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, 2011 for the County Extension Office did not exceed the amount budgeted.
- IV-H-11** 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-11** 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 WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Supervisors
Black Hawk County, Iowa:

Compliance:

We have audited the compliance of BLACK HAWK, IOWA (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (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, 2011. Black Hawk County, Iowa's major federal programs are identified in Part I of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance:

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 Black Hawk County, Iowa's internal control over compliance.

A *deficiency in internal control over compliance* 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, 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on the responses.

This report, a public record by law, is intended solely for the information and use of the officials, employees, and citizens of Black Hawk County and other parties to whom Black Hawk County may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than those specified parties.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
December 27, 2011



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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 the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of BLACK HAWK COUNTY, IOWA, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 27, 2011. 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.

Internal Control Over Financial Reporting:

In planning and performing our audit, we considered Black Hawk County, Iowa's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Black Hawk County, Iowa's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item II-A-11, that we consider to be a material weakness in internal control over financial reporting.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether Black Hawk County, Iowa's financial statements are free of 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, 2011 are based exclusively on knowledge obtained from procedures performed during our audit

of the basic 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 responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Black Hawk County, Iowa's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees, and citizens of Black Hawk County and other parties to whom Black Hawk County may report including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than those specified parties.

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 27, 2011