

BLACK HAWK COUNTY, IOWA
Comprehensive Annual Financial Report
Year Ended June 30, 2015

Prepared by:
James W. Bronner
Finance Director and Staff

Grant Veeder
Auditor and Staff

Rita Schmidt
Treasurer and Staff

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Black Hawk County Board of Supervisors

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John Miller
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James W. Bronner
Finance Director

Amanda Fesenmeyer
Administrative Aide

December 30, 2015

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, 2015 is hereby submitted.

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

Williams & Company, P.C., Certified Public Accountants, have issued an unmodified ("clean") opinion on the Black Hawk County financial statements for the year ended June 30, 2015. This independent auditor's report is located at the front of the financial section of this report.

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

Profile of Black Hawk County

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

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

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

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

Local Economy

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

Population since the 2000 Census figure of 128,012 had been declining slightly. Recent estimates had shown a slight increase the past few years with the 2010 population now at 131,090. At the start of fiscal year 2010, the unemployment rate averaged between 5% and 6% until October of 2009 when the economy worsened and the unemployment rate reached a high of 7.9%. Since that time, the rate had been gradually falling to 6.8% in January 2011, 6.3% in January 2012 and then increased slightly to 6.4% in January of 2013. The unemployment rate continued to decline through 2013 ending the year at 4.8%. The months of 2014 saw rate increase back to 5.8% in January and then fluctuate on average between 4.5% and 5.5% for most of the year. Similarly, the start of 2015 saw the rate climb to 5.7% in January and then decline throughout 2015 to below 4% for both October and November of 2015, the lowest rate in almost eight years.

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 Entertainment – Isle of Capri Casino.

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

In the fall of 2015, Deere and Company, the largest employer in the county, announced its 6th best year in terms of sales and earnings. The net income and sales figures are below last years' comparable numbers as the current farm economy slump continues. Deere continues to invest in the community as recent foundry improvements and investments over the last decade equal more than a billion dollars.

The VGM Group continues work on the recently started 73,000 square-foot addition to its current property. The expansion is valued at approximately \$20 million and will increase employment at the company by approximately 275 jobs. Growth in the medical equipment division of the company is driving the expansion. Started in 1986, the company currently is 100% employee owned and has 650 employees across more than 20 business units.

ConAgra Foods recently started work on a \$50 million expansion of their plant in the Mid-Port Industrial Park. This is the third such expansion in recent years. The expansion will include processing, packaging, warehouse space and additional administrative areas. Plant production will increase approximately 30% when the 99,000 square-foot expansion is completed. Employment will increase approximately 55 positions. Production could begin as early as late 2016. ConAgra currently produces Snack Pack and Swiss Miss consumer snacks and will be adding production for David's Sunflower Seeds with the expansion.

Martin Brothers Distributing is working on a \$10 - \$16 million expansion to the existing 285,000 square-foot facility. The 77,000 square-foot addition will add 35 jobs to the almost 600 current employees. The food product distribution company has had 8 major additions or remodels to the company in the last 15 years.

Unity Point Health (Allen Hospital) is planning a 14,500 square-foot professional office facility. The building will be located in the Cedar Falls Industrial Park. The \$2 million building will be double the size of the current building that houses the hospital's occupational health group which will utilize 10,000 square-feet of the building. The remainder will be leased to Cedar Valley Medical Specialist. The Allen Occupation Health group provides comprehensive occupational health and work injury rehabilitation. Construction is slated to begin this fall with completion anticipated early next summer.

Western Home Communities is proceeding with a \$42 million wellness and community center with independent living and skilled nursing cottages. The center is located on the southeast corner of the current South Main Street campus. Construction is estimated to take up to two years with completion in 2017.

During the past ten years, the County's total expenses including debt and capital projects have decreased just under 11.0% overall. Significant increases in County Environment and Education along with Public Safety and Legal Services and both the Capital and Debt Service categories were more than offset due to a \$13.6 million reduction in the Mental Health service area as the Country View facility was placed into a separate non-budgetary fund in fiscal year 2011. The increases are primarily due to Jumpstart funds passing through the County to other counties for flood reimbursement and economic development along with additional salaries and benefits for some of the larger departments in the County. Debt services have also increased over the last ten years as the County continues to issue and pay back bonds for numerous road and bridge repair and reconstruction projects.

For the same ten year period, the County's total revenue has decreased by 7.7%. 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 105% and 52% respectively. Despite the significant percentage increases, Licenses and Permits dollar increase was only \$186,000 and the Miscellaneous category increased \$1.1 million. Intergovernmental revenue decreased 43% or \$10.8 million primarily due to moving the Country View Care Facility into a non-budgetary enterprise fund. This decrease offsets an increase of \$6.1 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 31.5 percent of the total general fund expenditures. The fiscal year 2015 percentage figure is above the 15-25% preferred range for Black Hawk County. The total combined general fund balance (restricted, committed, and unassigned) is at 46.8% of total general fund expenditures, while the unassigned balance in the general basic fund is 36% of general basic fund expenditures. Black Hawk County will continue to diligently manage the unassigned fund balance to maintain the preferred range of fund balance to expenditures.

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

A new multi-year plan will most likely need to be developed soon to continue to address the challenges of maintaining road and bridge infrastructure with fewer resources. In the last year the State legislature approved after a 10-cent gas tax increase which will bring in an estimated \$800,000 in additional funds to the county. This increase will assist in road and bridge replacement and repair projects going forward.

Black Hawk County continues to follow the twenty-year plan that was created in the fall of 2008 and was recently updated in November of 2013 with the assistance of the Institute for Decision Making at the University of Northern Iowa. As the next three to five year plans for each department are reviewed, they will continue to be implemented into the budget for each fiscal year going forward.

Relevant Financial Policies

Black Hawk County has 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 under \$500,000. The sale of County owned farm land in past years has provided enough funding to offset this liability. Black Hawk County also recently approved a series of financial policies to help outline the goals and guidelines that the County operates the budget within.

Major Initiatives

There are four large highway bridges and two large nature trail bridges throughout Black Hawk County that span the Cedar River. Each has been in need of repair or replacement in the past few years. Two of the highway bridges were replaced in 2002 and 2008 respectively. The third highway bridge replacement project involving a pair of bridges was recently finished in October 2012. It was the single most costly project in recent Black Hawk County history at just over \$7 million. The fourth and final highway bridge is scheduled to be replaced in the next three to five years with an estimated cost of \$3.0 million.

The County has also started the upgrade and replacement of the current public safety radio system. The project is just under \$9 million and should be completed in approximately 18 months. The radio project is being done by the County on behalf of all the cities, police and fire departments across the County along with multiple County departments.

Black Hawk County has consistently implemented projects and updated equipment to become as energy efficient as possible. Numerous sizeable projects from chiller system replacements to lighting projects across most buildings in the County will be implemented in fiscal year 2016 to continue that process as the County continues looks for ways to cut costs in future budgets.

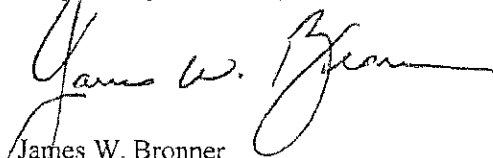
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Black Hawk County, IA for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the tenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



James W. Bronner
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Black Hawk County
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

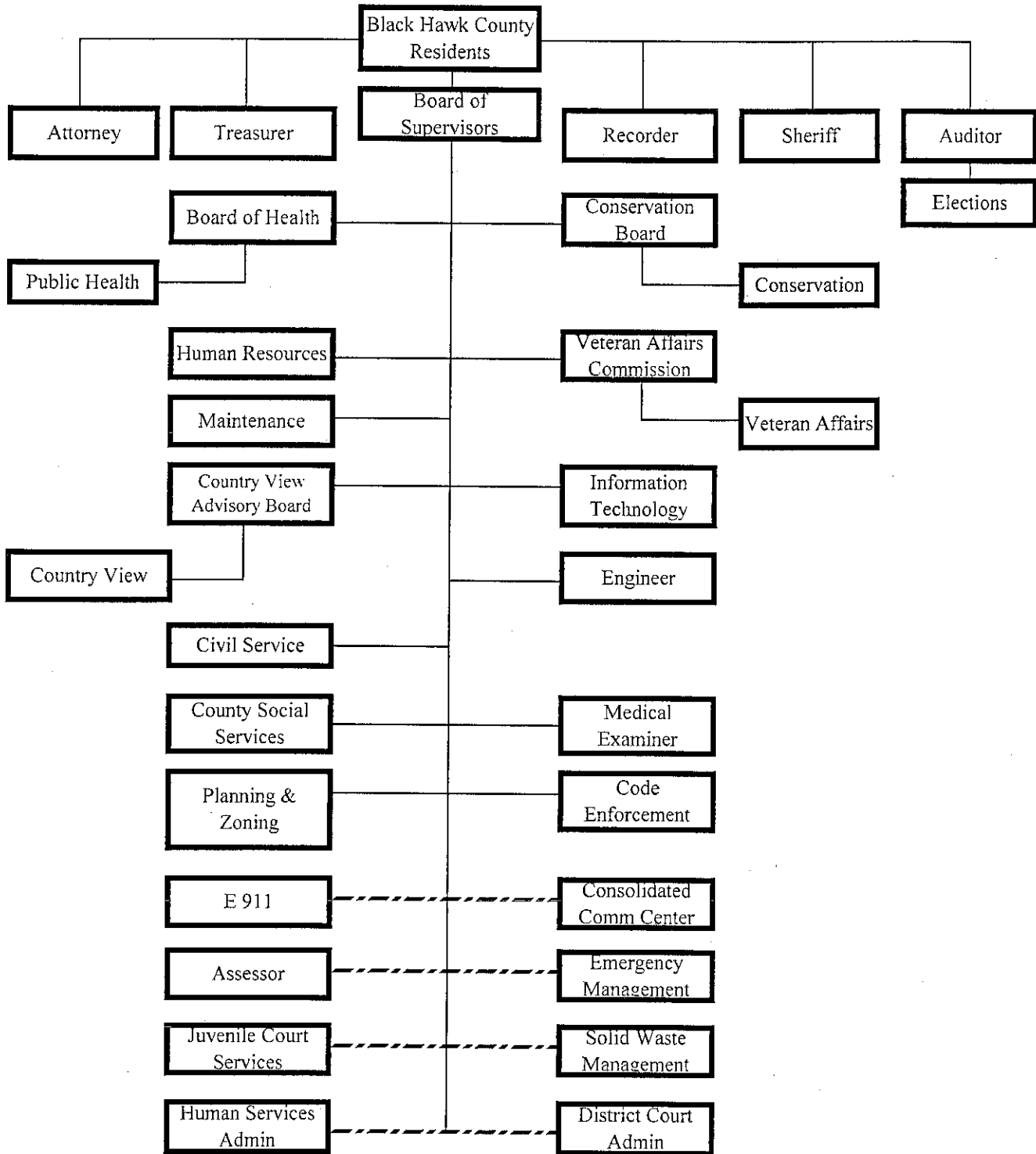
June 30, 2014

Executive Director/CEO

BLACK HAWK COUNTY OFFICIALS

<u>Official Title</u>	<u>Official</u>	<u>Term Expiration Date of Elected Officials</u>
Elected Officials		
Board of Supervisors, Chairperson	Tom Little	2017
Board of Supervisors, Chair Pro Tempore	Linda L. Laylin	2017
Board of Supervisors	Frank Magsamen	2019
Board of Supervisors	John Miller	2017
Board of Supervisors	Craig White	2019
County Attorney	Thomas Ferguson	2019
County Auditor	Grant Veeder	2017
County Recorder	Sandie L. Smith	2019
County Sheriff	Tony Thompson	2017
County Treasurer	Rita M. Schmidt	2019
Associate Officials		
County Assessor	T. J. Koenigsfeld	
Department Heads and Administration		
County Social Services Administrator	Robert Lincoln	
Conservation Executive Director	Vern Fish	
Country View Administrator	Dennis Coleman	
County Buildings Superintendent	Rory Geving	
County Engineer	Catherine Nicholas	
County Planning & Zoning	Shane Graham	
Human Resources Coordinator	Audra Heineman	
Information Technology Director	Kim Veeder	
Public Health Director	Bruce Meisinger	
Veteran Affairs Director	Bennie Spain	
County Finance Director	James W. Bronner	

ORGANIZATIONAL CHART





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INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Black Hawk County, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Black Hawk County, Iowa (the County) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Black Hawk County, Iowa as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 17 to the financial statements, Black Hawk County, Iowa adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share, schedule of County contributions, and schedule of funding progress for the retiree health plan on pages 14 through 24 and 62 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the four years ended June 30, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The financial statements for the five years ended June 30, 2010 (which are not presented herein) were audited by other auditors who expressed unqualified opinions on those financial statements. The introductory section, other supplementary information included on pages 69 through 82, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The other supplementary information on pages 69 through 82 and the schedule of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 30, 2015, on our consideration of Black Hawk County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Black Hawk County's internal control over financial reporting and compliance.

Williams & Company, P. C.
Certified Public Accountants

Le Mars, Iowa
December 30, 2015

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2015

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, 2015. 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, 2015 by \$86,575,705 (net assets). Of this amount, (\$1,746,900) (unrestricted net position) is not restricted by outside sources. For the fiscal year ended June 30, 2014, assets exceeded liabilities by \$98,566,652. Of this amount, \$16,757,620 was unrestricted. The large decrease in net position and specifically unrestricted net position was due to recognition of the net pension liability.
- The County's total net position increased by \$7,739,375 during the fiscal year ended June 30, 2015. Governmental activities increased \$7,258,685 and business-type activities increased by \$480,690. For fiscal year ended June 30, 2014, total net position increased \$3,126,820. Governmental activities increased \$3,416,200, and business-type activities decreased \$289,380.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$32,480,013, an increase of \$752,020 in comparison with the prior year. Approximately 34.3 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, 2014, governmental funds reported combined ending fund balances of \$31,727,993.
- At the end of the current fiscal year, the County's unassigned fund balance for the General Fund was \$11,126,606 or 31.5 percent of the total General Fund expenditures. These funds will be needed to meet expenditures until the next semi-annual property tax revenue is received. The unassigned fund balance for the General Fund as of June 30, 2014 was \$10,644,194 or 29.7 percent of total General Fund expenditures.
- The County's total debt decreased by \$5,531,278 (-13.6 percent) during the current fiscal year. Total debt for the fiscal year June 30, 2014, increased by \$1,465,687 (4 percent).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Black Hawk County, Iowa's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private-sector business.

The statement of net position presents information on all of Black Hawk County, Iowa's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2015

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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 25 through 27 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, 2015

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 28 through 33 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 61 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 2015. Required supplementary information can be found on pages 62 and 68 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 69 through 82 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of Black Hawk County, Iowa, assets exceeded liabilities by \$86,575,705 at the close of the most recent fiscal year.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2015

By far the largest portion of the County's net position (83 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 Position of Governmental and Business-Type Activities						
	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
	(not restated)		(not restated)		(not restated)	
Current and Other Assets	\$ 74,462,148	\$ 75,232,509	\$ 4,001,026	\$ 4,606,353	\$ 78,463,174	\$ 79,838,862
Capital Assets	96,508,660	97,665,732	4,558,080	4,215,995	101,066,740	101,881,727
Total Assets	170,970,808	172,898,241	8,559,106	8,822,348	179,529,914	181,720,589
Pension Related Deferred Outflows	-	2,108,186	-	664,694	-	2,772,880
Long-term Liabilities	43,009,722	47,614,106	1,318,713	4,412,851	44,328,435	52,026,957
Other Liabilities	4,637,983	2,883,210	533,175	802,325	5,171,158	3,685,535
Total Liabilities	47,647,705	50,497,316	1,851,888	5,215,176	49,499,593	55,712,492
Pension Related	-	5,752,005	-	1,813,559	-	7,565,564
Unavailable Revenue - Future						
Property Tax	31,463,669	34,639,708	-	-	31,463,669	34,639,708
Total Deferred Inflows	31,463,669	40,391,713	-	1,813,559	31,463,669	42,205,272
Net Position:						
Net Investment in Capital Assets	62,893,726	67,721,832	4,110,091	3,852,604	67,003,817	71,574,436
Restricted	14,805,215	16,748,169	-	-	14,805,215	16,748,169
Unrestricted	14,160,493	(352,603)	2,597,127	(1,394,297)	16,757,620	(1,746,900)
Total Net Position	\$ 91,859,434	\$ 84,117,398	\$ 6,707,218	\$ 2,458,307	\$ 98,566,652	\$ 86,575,705

An additional portion of the County's net position (19.9 percent or \$16,748,169) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the County's ongoing obligations to citizens and creditors. This amount is currently negative due to recognition of the net pension liability.

Net position restricted through enabling legislation consists of \$3,074,992 for debt service, \$1,643,510 for mental health, \$2,588,222 for secondary roads, \$2,094,772 for rural levy purposes, \$5,113,766 for supplemental levy purposes, \$1,465,815 for conservation and \$254,767, for various other restricted purposes, as of June 30, 2015.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2015

Governmental activities. Governmental activities increased the County's net position by \$7,258,685, as shown on the chart as follows. The 9% increase in net position of the governmental activities is primarily the result of the reduction of the net pension liability and budgetary performance.

The County experienced a 4.4% increase overall in total revenue. The most significant increase in revenue was in the capital grants and contributions category. The increase was over \$2.2 million. Other revenue increases included \$848,000 in charges for services, \$533,000 for operating grants and contributions and \$757,000 in State tax credits. Smaller revenue increases include investment earnings and gains for asset disposals of \$33,000 and \$19,000 respectively. These revenue increases total approximately \$4.4 million. The increases were partially offset by reductions in revenue of \$1.1 million in property taxes as well as \$53,000 in local option sales taxes and \$26,000 in miscellaneous revenue.

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

Public safety and legal services expenses increased approximately \$208,000 primarily due to increased staffing costs and benefits in the Sheriff's Office, Attorney's Office and Consolidated Communications Center.

Physical health and social services decreased approximately \$134,000 primarily due to reductions in agency support and benefit decreases in some areas within the Health Department.

County environment and education decreased approximately \$980,000 primarily due to decreased funding for the federal Jumpstart program that passes through the county.

Mental health functional expenses increased by approximately \$58,000. This is a result of a slight increase in expenses to the mental health region as the cost of services provided to individuals in the region have increased along with the total number of individuals.

Roads and Transportation increased approximately \$312,000 primarily due to the timing of planned maintenance and capital projects in the Engineer's Office.

Administration decreased approximately \$716,000 primarily due to decreased operating expenses in the County's self-insurance internal service funds and a decrease to the net position liability.

Business-type activities. Business-type activities increased the County's net position by \$480,690.

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.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2015

The County's governmental funds reported combined fund balances of \$32,480,013 as of June 30, 2015. This was an increase of \$752,020, or 2.4 percent, from the prior year. The majority of the increase is from increases in the General Fund detailed later in the report. Of this total combined fund balance amount, \$11,126,606 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, 2015

Changes in Net Position of Governmental and Business-Type Activities						
	Government Activities		Business-Type Activities		Total	
	2014 (not restated)	2015	2014 (not restated)	2015	2014 (not restated)	2015
Revenues:						
Program Revenues:						
Charges for Services	\$ 6,544,454	\$ 6,588,267	\$ 12,744,617	\$ 13,549,282	\$ 19,289,071	\$ 20,137,549
Operating Grants / Contributions	10,463,557	10,996,943	-	-	10,463,557	10,996,943
Capital Grants / Contributions	4,026,136	6,246,023	-	-	4,026,136	6,246,023
General Revenues:						
Taxes:						
Property	32,805,378	31,668,513	-	-	32,805,378	31,668,513
State Tax Credits	1,170,706	1,928,536	-	-	1,170,706	1,928,536
Local Option Sales	2,954,796	2,901,781	-	-	2,954,796	2,901,781
Investment Earnings	405,838	439,088	1,642	1,808	407,480	440,896
Gain on Disposal of Capital Assets	-	18,554	-	675	-	19,229
Miscellaneous	1,108,418	1,112,416	58,100	27,874	1,166,518	1,140,290
Total Revenues	59,479,283	61,900,121	12,804,359	13,579,639	72,283,642	75,479,760
Expenses:						
Public Safety and Legal Services	18,764,343	18,972,897	-	-	18,764,343	18,972,897
Physical Health and Social Services	7,290,096	7,155,953	-	-	7,290,096	7,155,953
Mental Health	6,531,543	6,589,757	-	-	6,531,543	6,589,757
County Environment and Education	4,879,483	3,900,609	-	-	4,879,483	3,900,609
Roads and Transportation	8,576,219	8,887,988	-	-	8,576,219	8,887,988
Government Services to Residents	1,804,827	1,825,609	-	-	1,804,827	1,825,609
Administration	6,837,855	6,121,608	-	-	6,837,855	6,121,608
Interest on Long-Term Debt	1,378,717	1,187,015	-	-	1,378,717	1,187,015
Country View Care Facility	-	-	12,746,339	12,810,208	12,746,339	12,810,208
Washburn Water and Sewer	-	-	347,400	288,741	347,400	288,741
Total Expenses	56,063,083	54,641,436	13,093,739	13,098,949	69,156,822	67,740,385
Increase (Decrease) in Net Position	3,416,200	7,258,685	(289,380)	480,690	3,126,820	7,739,375
Net Position, Beginning	88,443,235	91,859,434	6,996,598	6,707,218	95,439,832	98,566,652
Prior Period Adjustment	-	(15,000,721)	-	(4,729,601)	-	(19,730,322)
Net Position, Beginning, as Restated	88,443,234	76,858,713	6,996,598	1,977,617	95,439,832	78,836,330
Net Position, Ending	\$ 91,859,434	\$ 84,117,398	\$ 6,707,218	\$ 2,458,307	\$ 98,566,652	\$ 86,575,705

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2015

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 \$11,126,606, while total fund balance reached \$16,502,369. 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 31.5 percent of total General Fund expenditures, while total fund balance represents 46.8 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 \$755,897 during fiscal year 2015. Numerous departments had revenue above what was budgeted such as the Treasurer's Office with an additional \$80,000 in auto registration and tax sale fees and the Recorder's Office with \$190,000 in additional revenue from photocopy and fax fees. Additional revenue came from Information Technology with computer service revenue adding another \$66,000. Multiple departments also experienced less than anticipated expenditures in a number of areas such as \$107,000 from the Attorney's Office, and \$140,000 from the Information Technology department as well as \$50,000 from the Maintenance department and \$117,000 from Community Services.

The Mental Health Fund had a fund balance of \$1,678,782, all of which is to be used for mental health functional expenditures. The fund balance decreased by \$120,250 during fiscal year 2015. The decrease is attributed to slightly increased expenditures over the County Social Services region as revenues had no significant change.

The Rural Services Fund had a fund balance of \$2,169,366, which increased \$24,968 from the prior year. The fund increase is due to higher than expected Local Option Sales Tax revenue for fiscal year 2015.

The Secondary Roads Fund had a fund balance of \$2,767,857, which increased \$621,871 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 \$7,096,498 all of which is restricted for the payment of debt service (i.e. payment of general obligation principal and interest). The decrease in fund balance of \$907,494 was due to revenues coming in less than anticipated.

The Capital Projects Fund had a total fund balance of \$512,325. This fund balance decreased \$193,691 as remaining bond proceeds from past projects and the funding of current projects continue to be expended in FY15.

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, 2015

Key changes in the budget amendments are as follows:

Expenditures increased \$1,885,903, which included:

- Approximately \$223,000 for projects that began in fiscal year 2014, but finished in fiscal year 2015 along with \$500,000 in additional Jumpstart expenditures.
- Approximately \$135,000 in remaining bond proceeds transferred to the debt service fund along with \$200,000 in medical and out of county housing costs for inmates. FEMA expenditures and additional construction materials in Secondary Roads added \$250,000 as well as \$75,000 for special election costs.
- A land purchase from the REAP fund for Conservation added \$100,000 along with \$135,000 in detention and shelter expenses for Juvenile Courts and \$30,000 for shelter and funeral expenses for Veterans Affairs.
- Approximately \$70,000 in Health Department expenses offset by increased revenues along with \$150,000 for Hartman Reserve Fund expenditures. Additionally, \$110,000 was for a new server and commissary expenses in the Sheriff's Office.

Revenues increased \$987,175 which included:

- Approximately \$500,000 increase in revenue from Jumpstart funds along with \$75,000 in special election reimbursement
- FEAM revenue of \$119,000 along with grants for \$135,000 in Juvenile Court Services. The Sheriff's Office had an additional \$60,000 in commissary funds along with a transfer of bond proceeds of \$135,000 into the debt service funds.
- Additional revenue of \$70,000 for the Health Department to offset additional expenditures.

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, 2015 amounts to \$101,881,727 (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 .8 percent.

	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
Land	\$ 5,836,425	\$ 6,094,568	\$ -	\$ -	\$ 5,836,425	\$ 6,094,568
Construction-in-Progress	2,326,253	2,001,999	-	-	2,326,253	2,001,999
Buildings	29,243,526	29,538,616	4,879,761	4,879,761	34,123,287	34,418,377
Improvements other than Buildings	1,368,737	1,398,695	96,836	106,811	1,465,573	1,505,506
Equipment and Vehicles	14,001,352	14,052,416	555,056	544,846	14,556,408	14,597,262
Infrastructure	94,575,716	100,394,582	5,420,639	5,420,639	99,996,355	105,815,221
Accumulated Depreciation	(50,843,349)	(55,815,144)	(6,394,212)	(6,736,062)	(57,237,561)	(62,551,206)
Total Capital Assets	\$ 96,508,660	\$ 97,665,732	\$ 4,558,080	\$ 4,215,995	\$ 101,066,740	\$ 101,881,727

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

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2015

- Multiple secondary road projects including the reconstruction and resurfacing of approximately 12 miles of road and the replacement or repair of 13 bridges and culverts was completed during fiscal year 2015.
- A tuck-pointing project was completed at the Pinecrest building along with replacing the fire alarm system. Parking lot repairs were done along with repairs to cabin foundations for the Conservation department.
- The variable air volume controller was upgraded in the jail along with some heat recovery units. The salt storage building was re-roofed and a new storage building was constructed for the Engineer's Office.

Additional information concerning the County's capital assets can be found in Note 5 of the Notes to Basic Financial Statements on pages 49 and 50.

Long-term debt. At the close of the fiscal year ended June 30, 2015, the County had total long-term debt outstanding of \$37,060,689. Of this amount, \$34,985,000 comprises debt backed by the full faith and credit of the government and the remaining \$2,075,689 represents accrued compensated absences for the County's employees.

Table of Outstanding Debt
General Obligation and Revenue Bonds

	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
General Obligation Bonds	\$ 39,110,000	\$ 33,990,000	\$ 450,000	\$ 365,000	\$ 39,560,000	\$ 34,355,000
General Obligation Capital Notes	935,000	630,000	-	-	935,000	630,000
Capital Leases	21,278	-	-	-	21,278	-
Compensated Absences	1,690,550	1,683,091	414,946	392,598	2,105,496	2,075,689
Total	\$ 41,756,828	\$ 36,303,091	\$ 864,946	\$ 757,598	\$ 42,621,774	\$ 37,060,689

Additional information concerning the County's long-term debt can be found in Note 8 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 2016 budget and the tax rates charged for various County activities. County officials are sensitive to the trends of key economic factors such as the unemployment rate. At the start of fiscal year 2010, the unemployment rate averaged between 5% and 6% until October of 2009 when the economy worsened and the unemployment rate reached a high of 7.9%. Since that time, the rate had been gradually falling to 6.8% in January of 2011, 6.3% in January of 2012 and then increased slightly to 6.4% in January of 2013. The rate decreased to 5.8% in January of 2014. January of 2015 had a rate of 5.7% which steadily declined to under 4% during the months of October and November, which was the lowest unemployment rate in the last eight years.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2015

In an ongoing effort to maintain County services with minimal increases in tax levies, the Black Hawk County Board of Supervisors has sought efficiencies, including the outsourcing of duties and reduced fund balances as well as eliminating positions. In the last ten years, the year-end combined General Fund balance (General Basic and General Supplemental) has climbed from a balance of \$5,348,280 or just over 17 percent of expenditures to a figure of \$11,007,968 in fiscal year 2008. As the economic downturn began shortly after, the fund balance decreased to a figure of \$10,239,519 by the end fiscal year 2010. During fiscal years 2011 and 2012 the fund balance steadily increased to its' largest amount since the mid-1990's. That trend continued into FY13 and FY14 with a balance of \$15,746,472. The total fund balance increased in FY15 as well to a total of \$16,502,369. This amount is approximately 46.8% of expenditures with the unassigned fund balance of \$11,126,606 at 31.5 percent of expenditures.

For fiscal year 2015, amounts available for appropriation are \$84.56 million. Budgeted expenditures are expected to increase approximately \$26 million from fiscal year 2015 actual figures due to significant increases in capital projects. Budgeted revenues are expected to increase similarly \$25 million to fund the increase in capital projects. Of the expenditure decreases, the largest is the Roads and Transportation category at a reduction of just over \$3 million as fewer significant road and bridge projects are anticipated in FY16. Additionally, Mental Health decreased over \$1 million as the costs for services are predicted to be lower in FY16 for the region. The Administration category also decreased just over \$500,000. These figures are offset by increases of \$24 million for capital projects and the debt service needed to pay for the bonds that provided the funding for the capital projects. Additional increases include \$950,000 for Public Safety and Legal Services, over \$700,000 in Physical Health and Social Services, \$680,000 in County Environment and Education and \$586,000 in Government Services to Residents also offset the decreases in other categories. The increase in revenues for fiscal year 2016 compared to the fiscal year 2015 actual figures is largely due to an increase of bond proceeds of over \$20 million. Additional increases in revenue include \$700,000 in the Intergovernmental category. If these estimates are realized, the County's budgetary operating balance is expected to slightly increase by the end of fiscal year 2016.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Black Hawk County, Iowa's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Black Hawk County Finance Director, James W. Bronner, by mail at 316 E. 5th Street, Waterloo, Iowa 50703, by telephone at 319-833-3003, fax 319-833-3070 or by e-mail at jbronner@co.black-hawk.ia.us.

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Current Assets			
Cash and Investments	\$ 30,130,615	\$ 3,417,634	\$ 33,548,249
Restricted Cash and Investments	512,325	-	512,325
Receivables:			
Property tax:			
Delinquent	226,593	-	226,593
Succeeding year	34,639,708	-	34,639,708
Accrued Interest	14,127	-	14,127
Accounts	559,557	289,029	848,586
Interest and Penalty on Property Tax, Net	266,226	-	266,226
Notes Receivable	4,804,500	-	4,804,500
Internal Balances	90,000	(90,000)	-
Due from Other Governmental Agencies	2,656,982	969,358	3,626,340
Prepaid Items	66,348	250	66,598
Inventories	431,818	20,082	451,900
Total Current Assets	74,398,799	4,606,353	79,005,152
Noncurrent Assets			
Capital Lease Receivable	833,710	-	833,710
Capital Assets			
Land	6,094,568	-	6,094,568
Construction in Progress	2,001,999	-	2,001,999
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	89,569,165	4,215,995	93,785,160
Total Non Current Assets	98,499,442	4,215,995	102,715,437
Total Assets	172,898,241	8,822,348	181,720,589
Deferred Outflows of Resources			
Pension Related Deferred Outflows	2,108,186	664,694	2,772,880
LIABILITIES			
Accounts Payable	831,336	556,521	1,387,857
Claims Payable	1,121,021	-	1,121,021
Due to Other Governmental Agencies	169,956	34	169,990
Unearned Revenue	18,489	-	18,489
Accrued Interest Payable	95,711	1,192	96,903
Other Liabilities	-	20,718	20,718
Salaries and Benefits Payable	646,897	223,860	870,567
Total current liabilities	2,863,210	802,325	3,665,535
Noncurrent Liabilities:			
Due within one year:			
General Obligation Bonds	5,230,000	85,000	5,315,000
General Obligation Capital Loan Notes	310,000	-	310,000
Compensated Absences	1,042,556	39,260	1,081,816
Due in more than one year:			
General Obligation Bonds	28,883,900	278,391	29,162,291
General Obligation Capital Loan Notes	320,000	-	320,000
Compensated Absences	640,535	353,338	993,873
Net Pension Liability	10,010,690	3,156,287	13,166,977
OPEB Liability	1,176,425	500,575	1,677,000
Total Noncurrent Liabilities	47,614,106	4,412,851	52,026,957
Total Liabilities	50,497,316	5,215,176	55,712,492
Deferred Inflows of Resources:			
Unavailable Revenue- Future Property Tax	34,639,708	-	34,639,708
Pension Related Deferred Inflows	5,752,005	1,813,559	7,565,564
Total Deferred Inflows of Resources	40,391,713	1,813,559	42,205,272
NET POSITION			
Net Investment in Capital Assets	67,721,832	3,852,604	71,574,436
Restricted for:			
Debt Service	3,074,992	-	3,074,992
Mental Health Purposes	1,643,510	-	1,643,510
Supplemental levy purposes	5,113,766	-	5,113,766
Capital Improvements	512,325	-	512,325
Secondary Roads Purposes	2,588,222	-	2,588,222
Rural Services	2,094,772	-	2,094,772
Conservation	1,465,815	-	1,465,815
Other Purposes	254,767	-	254,767
Unrestricted	(352,603)	(1,394,297)	(1,746,900)
Total Net Position	\$ 84,117,398	\$ 2,458,307	\$ 86,575,705

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues
		Charges for Services
Primary Government:		
Governmental Activities:		
Public safety and legal services	\$ 18,972,897	\$ 2,151,777
Physical health and social services	7,155,953	923,771
Mental health	6,589,757	50,974
County environment and education	3,900,609	814,498
Roads and transportation	8,887,988	27,710
Government services to residents	1,825,609	2,110,299
Administration	6,121,608	509,238
Interest on long-term debt	1,187,015	-
Total governmental activities	<u>54,641,436</u>	<u>6,588,267</u>
Business-Type Activities		
Rural Sewer	219,733	179,392
Rural Water	69,008	20,036
Country View Care Facility	12,810,208	13,349,854
Total Business-Type Activities	<u>13,098,949</u>	<u>13,549,282</u>
Total	<u>\$ 67,740,385</u>	<u>\$ 20,137,549</u>

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants Contributions	Capital Grants Contributions	Governmental Activities	Business-Type Activities	Total
\$ 2,541,904	\$ -	\$ (14,279,216)	\$ -	\$ (14,279,216)
3,117,775	-	(3,114,407)	-	(3,114,407)
605,355	-	(5,933,428)	-	(5,933,428)
229,441	1,642,177	(1,214,493)	-	(1,214,493)
3,987,090	4,603,846	(269,342)	-	(269,342)
63,153	-	347,843	-	347,843
452,225	-	(5,160,145)	-	(5,160,145)
-	-	(1,187,015)	-	(1,187,015)
<u>10,996,943</u>	<u>6,246,023</u>	<u>(30,810,203)</u>	<u>-</u>	<u>(30,810,203)</u>
-	-	-	(40,341)	(40,341)
-	-	-	(48,972)	(48,972)
-	-	-	539,646	539,646
-	-	-	450,333	450,333
<u>\$ 10,996,943</u>	<u>\$ 6,246,023</u>	<u>(30,810,203)</u>	<u>450,333</u>	<u>(30,359,870)</u>

General Revenues:

Property and other county tax levied for:			
General Purposes	28,208,856	-	28,208,856
Debt Service	3,096,205	-	3,096,205
Interest and penalties on taxes	363,452	-	363,452
State tax credits	1,928,536	-	1,928,536
Local option sales tax	2,901,781	-	2,901,781
Gambling Taxes	444,267	-	444,267
Unrestricted investment earnings	439,088	1,808	440,896
Gain on Disposal of Capital Assets	18,554	675	19,229
Miscellaneous	668,149	27,874	696,023
Total general revenues	<u>38,068,888</u>	<u>30,357</u>	<u>38,099,245</u>
Change in net position	7,258,685	480,690	7,739,375
Net position - beginning	91,859,434	6,707,218	98,566,652
Prior Period Adjustment	<u>(15,000,721)</u>	<u>(4,729,601)</u>	<u>(19,730,322)</u>
Net position - beginning, as restated	<u>76,858,713</u>	<u>1,977,617</u>	<u>78,836,330</u>
Net position - ending	<u>\$ 84,117,398</u>	<u>\$ 2,458,307</u>	<u>\$ 86,575,705</u>

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
BALANCE SHEET
Governmental Funds
JUNE 30, 2015

	General	Mental Health
Assets		
Cash and Pooled Investments	\$ 15,969,345	\$ 1,494,610
Restricted Cash and Pooled Investments	-	-
Receivables:		
Property Tax	141,865	31,980
Future Property Tax	20,921,651	4,716,341
Accrued Interest	14,000	-
Accounts	242,128	1,118
Interest and Penalty on Property Tax	266,226	-
Notes Receivable	-	-
Due from Other Funds	6,205	-
Due from Other Governmental Agencies	1,452,756	198,554
Capital Lease	-	-
Inventories	-	-
Total Assets	<u>39,014,176</u>	<u>6,442,603</u>
Liabilities, Deferred Inflows and Equity		
Liabilities:		
Accounts Payable	506,176	3,367
Due to Other Funds	2,667	1,575
Due to Other Governmental Agencies	156,983	30
Unearned Revenue	12,808	-
Salaries and Benefits Payable	529,053	14,199
Total Liabilities	<u>1,207,687</u>	<u>19,171</u>
Deferred Inflows of Resources:		
Unavailable Revenue- Future Property Tax	20,921,651	4,716,341
Unavailable Revenue- Delinquent Property Tax	376,547	28,309
Unavailable Revenue- Other	5,922	-
Total Deferred Inflows of Resources	<u>21,304,120</u>	<u>4,744,650</u>
Fund Balances:		
NonSpendable:		
Inventory	-	-
Restricted for:		
Debt Service	-	-
Supplemental Levy Purposes	5,118,373	-
Mental Health Purposes	-	1,678,782
Rural Services Purposes	-	-
Secondary Roads Purposes	-	-
Records Management Purposes	-	-
Conservation Purposes	-	-
Capital Improvement	-	-
Other Purposes	-	-
Committed for:		
Termination Benefits	257,390	-
Assigned for:		
Conservation Land Acquisition	-	-
Unassigned	<u>11,126,606</u>	<u>-</u>
Total Fund Balances	<u>16,502,369</u>	<u>1,678,782</u>
Total Liabilities Deferred Inflows and Equity	<u>\$ 39,014,176</u>	<u>\$ 6,442,603</u>

See Accompanying Notes to Financial Statements

Rural Services	Secondary Roads	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 1,950,701	\$ 2,104,166	\$ 1,903,586	\$ -	\$ 1,845,865	\$ 25,268,273
-	-	-	512,325	-	512,325
10,284	-	42,464	-	-	226,593
2,191,043	-	6,810,673	-	-	34,639,708
-	-	127	-	-	14,127
295	4,454	60,000	-	12,535	320,530
-	-	-	-	-	266,226
4,500	-	4,800,000	-	-	4,804,500
-	-	90,000	-	-	96,205
253,731	511,124	240,817	-	-	2,656,982
-	-	833,710	-	-	833,710
-	431,818	-	-	-	431,818
4,410,554	3,051,562	14,781,377	512,325	1,858,400	70,070,997
359	213,521	-	-	104,676	828,099
464	1,487	-	-	12	6,205
10,359	2,584	-	-	-	169,956
-	-	-	-	-	12,808
36,436	66,113	-	-	896	646,697
47,618	283,705	-	-	105,584	1,663,765
2,191,043	-	6,810,673	-	-	34,639,708
2,527	-	40,496	-	-	447,879
-	-	833,710	-	-	839,632
2,193,570	-	7,684,879	-	-	35,927,219
-	431,818	-	-	-	431,818
-	-	7,096,498	-	-	7,096,498
-	-	-	-	-	5,118,373
-	-	-	-	-	1,678,782
2,169,366	-	-	-	-	2,169,366
-	2,336,039	-	-	-	2,336,039
-	-	-	-	22,527	22,527
-	-	-	-	1,465,815	1,465,815
-	-	-	512,325	-	512,325
-	-	-	-	232,240	232,240
-	-	-	-	-	257,390
-	-	-	-	32,234	32,234
-	-	-	-	-	11,126,606
2,169,366	2,767,857	7,096,498	512,325	1,752,816	32,480,013
\$ 4,410,554	\$ 3,051,562	\$ 14,781,377	\$ 512,325	\$ 1,858,400	\$ 70,070,997

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

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

Total Fund Balance - Governmental Funds (page 29)		\$ 32,480,013
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds.		97,665,732
Internal service funds used by management to charge the costs of self-insured health, general liability, and worker compensation are included in the statement of net position.		4,037,778
Deferred revenues from the balance sheet that provide current financial resources for governmental activities.		1,287,511
Accrued expenses from the balance sheet that require current financial resources for governmental activities.		
Accrued Compensated Absences	\$ (1,683,091)	
Net Pension Liability	(10,010,690)	
Other Post Employment Liabilities	<u>(1,176,425)</u>	(12,870,206)
Pension related deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		(3,643,819)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	(34,113,900)	
General Obligation Capital Loan Notes	(630,000)	
Accrued Interest Payable	<u>(95,711)</u>	<u>(34,839,611)</u>
Total Net Position - Governmental Activities (page 25)		<u>\$ 84,117,398</u>

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
Year Ended June 30, 2015

	General	Mental Health	Rural Services
Revenue:			
Property tax	\$ 19,766,939	\$ 5,304,010	\$ 2,182,562
Other County Tax	1,131,847	163,067	1,540,404
Interest and penalty on property tax	363,452	-	-
Intergovernmental	8,567,805	949,839	143,288
Licenses and permits	414,168	-	104,297
Charges for services	4,463,764	50,680	3,975
Use of money and property	253,608	-	90
Miscellaneous	1,583,454	505	1,679
Total Revenue	36,545,037	6,468,101	3,976,295
Expenditures:			
Current operating:			
Public safety and legal services	17,270,370	-	1,607,693
Physical health and social services	7,276,643	-	-
Mental health	-	6,588,351	-
County environment and education	3,377,376	-	245,990
Roads and transportation	-	-	-
Government services to residents	1,759,793	-	356
Administration	5,262,939	-	-
Capital projects	-	-	-
Debt service:			
Principal	312,005	-	-
Interest	9,108	-	-
Total Expenditures	35,268,234	6,588,351	1,854,039
Excess (deficiency) of revenues over expenditures	1,276,803	(120,250)	2,122,256
Other financing sources (uses):			
Transfers in	313,608	-	-
Transfers (out)	(834,514)	-	(2,097,288)
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	(520,906)	-	(2,097,288)
Net Change in Fund Balances	755,897	(120,250)	24,968
Fund balances - beginning of year	15,746,472	1,799,032	2,144,398
Fund balances - end of year	\$ 16,502,369	\$ 1,678,782	\$ 2,169,366

See Accompanying Notes to Financial Statements

Secondary Roads	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 2,987,257	\$ -	\$ -	\$ 30,240,768
-	1,532,291	-	-	4,367,609
-	-	-	-	363,452
4,003,326	277,021	-	148,994	14,090,273
26,855	-	-	-	545,320
225	-	-	345,086	4,863,730
-	599,033	-	(18,421)	834,310
29,336	-	-	580,950	2,195,924
4,059,742	5,395,602	-	1,056,609	57,501,386
-	-	-	153,101	19,031,164
-	-	-	-	7,276,643
-	-	-	-	6,588,351
-	-	-	338,943	3,962,309
5,480,704	-	-	-	5,480,704
-	-	-	17,995	1,778,144
-	-	-	-	5,262,939
584,422	-	61,875	-	646,297
-	5,120,000	-	-	5,432,005
-	1,314,912	-	-	1,324,020
6,065,126	6,434,912	61,875	510,039	56,782,576
(2,005,384)	(1,039,310)	(61,875)	546,570	718,810
2,931,802	131,816	-	-	3,377,226
(313,608)	-	(131,816)	-	(3,377,226)
9,061	-	-	24,149	33,210
2,627,255	131,816	(131,816)	24,149	33,210
621,871	(907,494)	(193,691)	570,719	752,020
2,145,986	8,003,992	706,016	1,182,097	31,727,993
\$ 2,767,857	\$ 7,096,498	\$ 512,325	\$ 1,752,816	\$ 32,480,013

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR YEAR ENDED JUNE 30, 2015

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

Net change in fund balances - total governmental funds (page 32)	\$ 752,020
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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	\$ 6,493,649	
Depreciation expense	<u>(5,321,681)</u>	1,171,968

Governmental funds report the proceeds from the sale of capital assets as revenue whereas the statement of activities reports the gain on the sale of capital assets. This is the effect on the change in net position on the statement of activities.	(14,894)
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Revenues reported in the funds that are not available to provide current financial resources.	(240,052)
---	-----------

Accrued interest expense that does not require current financial resources.	56,960
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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.	(1,219,833)
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Compensated absences that do not require current financial resources.	7,459
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Other Post-Employment Benefits that do not require current financial resources.	(113,203)
---	-----------

Pension expenses reported in the Statement of Activities do not require the use of current financial resources.	1,346,210
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The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net position. The statement of activities does not reflect the payment of principal on bonded long-term debt. The principal paid on bonded long-term debt during the current year was:

Repayment of debt principal	5,446,278	
Accretion of premium on long term debt	91,116	
Amortization of discounts on long term debt	<u>(25,344)</u>	<u>5,512,050</u>

Change in net position of governmental activities (page 27)	<u>\$ 7,258,685</u>
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COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF NET POSITION
Proprietary Funds
JUNE 30, 2015

	Business Type Activities			Governmental Activities
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Internal Service
ASSETS				
Current Assets:				
Cash and Investments	\$ 3,126,740	\$ 290,894	\$ 3,417,634	\$ 4,862,342
Receivables (Net, where applicable, of allowance for uncollectibles)				
Accounts	254,779	34,250	289,029	239,027
Due from Other Governmental Agencies	969,358	-	969,358	-
Inventories	20,082	-	20,082	-
Prepaid Assets	250		250	66,348
Total Current Assets	4,371,209	325,144	4,696,353	5,167,717
Noncurrent Assets:				
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	1,986,165	2,229,830	4,215,995	-
Total Noncurrent Assets	1,986,165	2,229,830	4,215,995	-
Total Assets	6,357,374	2,554,974	8,912,348	5,167,717
Deferred Outflows of Resources				
Pension Related Deferred Outflows	664,694	-	664,694	-
LIABILITIES				
Current Liabilities:				
Accounts Payable	529,038	27,483	556,521	3,237
Claims Payable	-	-	-	1,121,021
Accrued Interest Payable	-	1,192	1,192	-
Salaries and Benefits Payable	223,860	-	223,860	-
Due to Other Funds	90,000	-	90,000	-
Unearned Revenue	-	-	-	5,661
Due to Other Governments	-	34	34	-
Current portion of general obligation bonds	-	85,000	85,000	-
Other Liabilities	20,718	-	20,718	-
Compensated Absences	39,260	-	39,260	-
Total Current Liabilities	902,876	113,709	1,016,585	1,129,939
Noncurrent Liabilities:				
Due in more than one year:				
General Obligation Bonds	-	278,391	278,391	-
Compensated Absences	353,338	-	353,338	-
Net Pension Liability	3,156,287		3,156,287	
Net OPEB Liability	500,575	-	500,575	-
Total Noncurrent Liabilities	4,010,200	278,391	4,288,591	-
Total Liabilities	4,913,076	392,100	5,305,176	1,129,939
Deferred Inflows of Resources:				
Pension Related Deferred Inflows	1,813,559	-	1,813,559	-
NET POSITION				
Net Investment in Capital Assets	1,986,165	1,866,439	3,852,604	-
Unrestricted	(1,690,732)	296,435	(1,394,297)	4,037,778
Total Net Position	\$ 295,433	\$ 2,162,874	\$ 2,458,307	\$ 4,037,778

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 Proprietary Funds
 For the Year Ended, June 30, 2015

	Business Type Activities			Governmental Activities Internal Service
	Country View Care Facility	Nonmajor Enterprise Funds	Total	
Operating Revenues:				
Charges for Services	\$ 13,349,854	\$ 199,428	\$13,549,282	\$ 6,800,474
Total Operating Revenue	<u>13,349,854</u>	<u>199,428</u>	<u>13,549,282</u>	<u>6,800,474</u>
Operating Expenses:				
Employee Services	9,315,918	-	9,315,918	-
Contract Services	2,017,447	35,193	2,052,640	8,052,300
Supplies	1,016,745	-	1,016,745	-
Repairs and Improvements	110,399	37,719	148,118	-
Utilities	150,361	2,689	153,050	-
Miscellaneous	29,236	-	29,236	-
Depreciation	170,102	195,468	365,570	-
Total Operating Expenses	<u>12,810,208</u>	<u>271,069</u>	<u>13,081,277</u>	<u>8,052,300</u>
Operating Income (Loss)	539,646	(71,641)	468,005	(1,251,826)
Non-Operating Income (Expense):				
Interest Income	29	1,779	1,808	31,993
Disposal of Capital Assets	675	-	675	-
Other Non-operating Income	27,874	-	27,874	-
Interest Expense	-	(17,672)	(17,672)	-
Total Non-Operating Income (Expenses)	<u>28,578</u>	<u>(15,893)</u>	<u>12,685</u>	<u>31,993</u>
Change in Net Position	568,224	(87,534)	480,690	(1,219,833)
Net Position - Beginning	4,456,810	2,250,408	6,707,218	5,257,611
Prior Period Adjustment	(4,729,601)	-	(4,729,601)	-
Fund balances - Beginning, as restated	<u>(272,791)</u>	<u>2,250,408</u>	<u>1,977,617</u>	<u>5,257,611</u>
Net Position - Ending	<u>\$ 295,433</u>	<u>\$2,162,874</u>	<u>\$ 2,458,307</u>	<u>\$ 4,037,778</u>

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF CASH FLOWS
 Proprietary Funds
 Year Ended June 30, 2015

	Business Type Activities			Governmental Activities
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 13,290,209	\$ 199,789	\$ 13,489,998	\$ 6,877,837
Cash Paid to Suppliers for Goods and Services	(3,023,627)	(63,532)	(3,087,159)	-
Cash Paid for claims and to administrative provider	-	-	-	(8,336,995)
Cash Paid to Employees for Services Provided	(9,694,750)	-	(9,694,750)	-
Other Non-Operating Income	27,874	-	27,874	-
Net Cash Provided (Used) by Operating Activities	599,706	136,257	735,963	(1,459,358)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(23,485)	-	(23,485)	-
Proceeds from the Sale of Assets	675	-	675	-
Payments on capital loan notes and bonds	-	(85,000)	(85,000)	-
Interest Paid on Notes and Bonds	-	(17,540)	(17,540)	-
Net Cash (Used) for Capital and Related Financing Activities	(22,810)	(102,540)	(125,350)	-
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Due From (To) Other Funds	(3,563)	-	(3,563)	-
Net Cash (used) by Non-Capital Financing Activities	(3,563)	-	(3,563)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends on Investments	29	1,779	1,808	31,993
Net Cash Provided from Investing Activities	29	1,779	1,808	31,993
Net Increase (Decrease) in Cash and Cash Equivalents	573,362	35,496	608,858	(1,427,365)
Cash and Cash Equivalents at Beginning of Year	2,553,378	255,398	2,808,776	6,289,707
Cash and Cash Equivalents at End of Year	\$ 3,126,740	\$ 290,894	\$ 3,417,634	\$ 4,862,342

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CASH FLOWS (Continued)
Proprietary Funds
Year Ended June 30, 2015

	Business Type Activities		Total	Governmental Activities
	Country View Care Facility	Nonmajor Enterprise Funds		Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 639,646	\$ (71,641)	\$ 468,005	\$ (1,251,826)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	170,102	195,468	365,570	-
Miscellaneous Non-Operating Income	27,874	-	27,874	-
(Increase) Decrease in Assets:				
Accounts Receivable	(136,258)	361	(135,897)	71,482
Prepaid Expenses	(250)	-	(250)	(68,348)
Due From Other Governments	105,288	-	105,288	-
Inventories	37,953	-	37,953	-
Increase (Decrease) in Liabilities				
Accounts Payable	367,415	12,209	379,624	(20,522)
Claims Payable	-	-	-	(197,825)
Unearned Revenue	(28,675)	-	(28,675)	5,681
Accrued Compensated Absences	(22,348)	-	(22,348)	-
Accrued Wages and Benefits	23,168	-	23,168	-
Other Post Employment Benefit Liability	44,797	-	44,797	-
Net Pension Liability	(424,449)	-	(424,449)	-
Other Liabilities	(93,350)	-	(93,350)	-
Due To Other Governments	(11,207)	(140)	(11,347)	-
Total Adjustments	60,060	207,898	267,958	(207,532)
Net Cash Provided (Used) by Operating Activities	\$ 599,706	\$ 136,257	\$ 735,963	\$ (1,459,358)

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF FIDUCIARY NET POSITION
Agency Funds
JUNE 30, 2015

ASSETS

Cash and Pooled Investments	\$ 8,533,553
Property Taxes and Other	150,617,871
Total Assets	<u>159,151,424</u>

LIABILITIES

Accounts Payable and Accrued Liabilities	142,793
Due to Other Governments	157,871,166
Trusts Payable	1,137,465
Total Liabilities	<u>\$ 159,151,424</u>

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

Note 1 - Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

Blended Component Units

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

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

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

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

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

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

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

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

B. Basic Financial Statements – Government-Wide Statements

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

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

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

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

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

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

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

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

C. Basis of Presentation - Fund Accounting

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

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

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

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

- 2) Special Revenue Funds

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

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

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

- 3) Debt Service Fund – The Debt Service Fund is used to account for the payment of interest and principal on the County's general long-term debt.
- 4) Capital Projects Fund – The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

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

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

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

The County's major enterprise fund:

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

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

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

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

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

D. Basis of Accounting

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

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

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

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

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's internal service fund is charges to customers for sales and services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Budgets – The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2015, disbursements did not exceed the amounts budgeted in the County's expenditure 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, 2013 to compute the amounts that became liens on property when the supervisors adopted the FY15 budget. These taxes were due and payable in two installments on September 30, 2014 and March 31, 2015 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, 2015

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

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

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

- I. Due to/from Other Funds - During the course of operations numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.
- J. Due to/from Other Governments - Due to/from other governments represents state tax credits due from the State of Iowa, various shared revenues, grants, and reimbursements receivable and taxes and other revenues collected by the County which will be remitted to other governments.
- K. Inventories - Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.
- L. Compensated Absences - County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and proprietary 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, 2015. The compensated absence liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Roads Funds.
- M. Deferred Outflows / Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources in the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and the unamortized portion of the net

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

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

difference between projected and actual earnings on pension plan investments. The governmental funds report unavailable revenues from subsequent year property taxes, delinquent property taxes, and other miscellaneous items. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

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

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

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

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

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

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

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

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

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

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

Unassigned – All amounts not included in other classifications.

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

Note 2 - Cash and Investments

As of June 30, 2015, the County's cash and investments were as follows:

Cash, statement of net position	\$ 28,980,568
Cash, fiduciary funds	8,533,553
Investments	5,080,006
	<u>\$ 42,594,127</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	\$ 4,412,858
Money market mutual fund	N/A	769
Mutual funds, equities	N/A	666,379
		<u>\$ 5,080,006</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.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

Note 2 - Cash and Investments (Continued)

As of June 30, 2015, the County's investments were rated as follows:

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

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

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of June 30, 2015, the County's investments were insured or were not subject to custodial credit risk. The blended component unit does own unsecured investments. 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, 2015, 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, 2015, short-term interfund borrowings for operating purposes were as follows:

	Due From Other Funds	Due To Other Funds
Governmental funds:		
General	\$ 6,205	\$ 2,667
Mental Health	-	1,575
Rural Basic	-	464
Secondary Roads	-	1,487
Non-major funds	-	12
Debt Service	90,000	-
Enterprise funds, major funds:		
Country View Care Facility	-	90,000
Total	\$ 96,205	\$ 96,205

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

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

Note 4 - Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2015 is as follows:

Transfer In:	Transfer Out:				
	Secondary Roads	Capital Projects	General	Rural Services	Total Transfer In
Debt Service	\$ -	\$ 131,816	\$ -	\$ -	\$ 131,816
Secondary Roads	-	-	834,514	2,097,288	2,931,802
General	313,608	-	-	-	313,608
Total Transfer Out	\$ 313,608	\$ 131,816	\$ 834,514	\$ 2,097,288	\$ 3,377,226

Transfers are used to:

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

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

Note 5 - Capital Assets

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

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 5,836,425	\$ 258,143	\$ -	\$ 6,094,568
Construction in Progress	2,326,253	5,820,239	6,144,493	2,001,999
Total capital assets not being depreciated	8,162,678	6,078,382	6,144,493	8,096,567
Capital assets being depreciated:				
Land Improvements	1,368,737	29,958	-	1,398,695
Buildings and Structures	29,243,526	295,090	-	29,538,616
Machinery and Equipment	14,001,352	427,233	376,169	14,052,416
Infrastructure	94,575,716	5,819,106	240	100,394,582
Total capital assets being depreciated	139,189,331	6,571,387	376,409	145,384,309
Less accumulated depreciation for:				
Land Improvements	991,166	43,827	-	1,034,993
Buildings and Structures	11,185,540	628,002	-	11,813,542
Machinery and Equipment	8,284,814	982,873	349,886	8,917,801
Infrastructure	30,381,829	3,666,979	-	34,048,808
Total accumulated depreciation	50,843,349	5,321,681	349,886	55,815,144
Total capital assets being depreciated, net	88,345,982	1,249,706	26,523	89,569,165
Governmental activities capital assets, net	\$ 96,508,660	\$ 7,328,088	\$ 6,171,016	\$ 97,665,732
Business-Type Activities:				
Capital assets being depreciated:				
Buildings and Structures	\$ 4,879,761	\$ -	\$ -	\$ 4,879,761
Improvements other than buildings	96,836	9,975	-	106,811
Vehicles	127,527	-	23,720	103,807
Equipment	427,529	13,510	-	441,039
Infrastructure	5,420,639	-	-	5,420,639
Total capital assets being depreciated	10,952,292	23,485	23,720	10,952,057
Less accumulated depreciation for:				
Buildings and structures	2,888,639	136,529	-	3,025,168
Improvements other than buildings	79,199	1,099	-	80,298
Vehicles	104,792	5,412	23,720	86,484
Equipment	326,243	27,062	-	353,305
Infrastructure	2,995,339	195,468	-	3,190,807
Total accumulated depreciation	6,394,212	365,570	23,720	6,736,062
Total capital assets being depreciated, net	\$ 4,558,080	\$ (342,085)	\$ -	\$ 4,215,995

Depreciation expense was charged to the governmental functions as follows:

Public safety and legal services	\$ 689,566
Physical health and social services	38,102
County environment and education	238,926
Roads and transportation	4,034,907
Government services to residents	52,103
Administration	268,077
	<u>\$ 5,321,681</u>

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

Note 5 - Capital Assets (Continued)

Depreciation expense was charged to the enterprise functions as follows:

Rural Water	\$ 66,729
Rural Sewer	128,739
Country View Care Facility	170,102
	<u>\$ 365,570</u>

Reconciliation of Net Investment in Capital Assets:

	Governmental Activities	Business-Type Activities
Land	\$ 6,094,568	\$ -
Construction in Progress	2,001,999	-
Capital Assets (net of accumulated depreciation)	89,569,165	4,215,995
Less * General Obligation Bonds	(29,190,000)	(365,000)
General Obligation Capital Loan Notes	(630,000)	-
Premiums on Long Term Debt	(221,810)	-
Discounts on Long Term Debt	97,910	1,609
Net Investment in Capital Assets	<u>\$ 67,721,832</u>	<u>\$ 3,852,604</u>

*The general obligation bond amount shown in the governmental activities column does not include \$4,800,000 which was issued as Series 2013B and was used to provide financing for the Solid Waste Commission.

Note 6 - E911 Lease Receivable

On July 22, 2008, the County issued General Obligation Bonds Series 2008B in order to purchase equipment for the E911 Service Board (a jointly governed organization to the County). The total principal and interest on the bonds was \$4,759,709 payable in semiannual payments starting December 1, 2009 and ending June 1, 2018. As of June 30, 2015, the 2008B bonds had an outstanding balance of \$1,345,000. The E911 Service Board is paying the County monthly installments ranging from \$30,000 to \$155,000 through December 15, 2018 with interest rates ranging from 4.00% to 4.60% per annum. The payments for the E911 Service Board are credited directly to the Debt Service Fund. The full amount of the loan funds has been drawn. As of June 30, 2015, the remaining principle balance on the lease receivable owed to the County was \$833,710.

Year Ending June 30,	Principal	Interest	Total
2016	\$ 299,360	\$ 60,640	\$ 360,000
2017	317,180	42,820	360,000
2018	217,170	23,920	241,090
Total	<u>\$ 833,710</u>	<u>\$ 127,380</u>	<u>\$ 961,090</u>

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

Note 7 - Solid Waste Management Commission Note Receivable

On December 10, 2013, the County issued GO Bond Series 2013B in order to loan funds to the Commission for the operation of the Commission's landfill. The bonds issued totaled \$5,935,000 and were issued at a premium, after bond issue costs, the Commission received \$6,000,000. The Commission is required to make payments to the County in the amounts required by the amortization schedule for the bonds. At June 30, 2015, the outstanding balance is \$4,800,000.

Note 8 - Long-Term Liabilities

The following is a summary of changes in long-term liability for the year ended June 30, 2015:

	Balance July 1, 2014, as Restated	Additions	Retirements/ Deletions	Balance June 30, 2015	Due Within One Year
Governmental activities:					
General obligation bonds	\$39,110,000	\$ -	\$ 5,120,000	\$33,990,000	\$5,230,000
General obligation capital notes	935,000	-	305,000	630,000	310,000
Bond discount	(123,254)	-	(25,344)	(97,910)	-
Bond premium	312,926	-	91,116	221,810	-
Capital leases	21,278	-	21,278	-	-
Net Pension Liability	16,949,789	-	6,939,099	10,010,690	-
Net OPEB Liability	1,063,222	194,082	80,879	1,176,425	-
Compensated absences	1,690,550	1,617,902	1,625,361	1,683,091	1,042,556
	<u>\$59,959,511</u>	<u>\$ 1,811,984</u>	<u>\$14,157,389</u>	<u>\$47,614,106</u>	<u>\$6,582,556</u>
Business-type activities					
General obligation bonds	\$ 450,000	\$ -	\$ 85,000	\$ 365,000	\$ 85,000
Net Pension Liability	5,344,126	-	2,187,839	3,156,287	-
Net OPEB Liability	455,778	76,918	32,121	500,575	-
Compensated absences	414,946	404,088	426,436	392,598	39,260
	<u>\$ 6,664,850</u>	<u>\$ 481,006</u>	<u>\$ 2,731,396</u>	<u>\$ 4,414,460</u>	<u>\$ 124,260</u>

General Obligation bonds: General obligation bonds have been issued for both governmental and business-type activities. The portion of unmatured general obligation bonds reported in the governmental activities column in the statement of net position to be paid from the Debt Service Fund totaled \$39,990,000 as of June 30, 2015. These bonds bear interest with rates ranging from 1.00% to 5.625% and mature in varying annual amounts ranging from \$45,000 to \$1,065,000 through June 1, 2026.

The portion of unmatured general obligation bonds reported in the business-type activities column in the statement of net position to be paid from proprietary revenues totaled \$365,000 as of June 30, 2015. These bonds bear interest with rates ranging from 3.20% to 4.00% and mature in varying annual amounts ranging from \$75,000 to \$105,000 through June 1, 2019.

General obligation capital loan notes: General obligation capital loan notes have been issued for the governmental activities. The portion of unmatured general obligation capital loan notes reported in the governmental activities column in the statement of net position and to be paid from the Debt Service Fund totaled \$630,000 as of June 30, 2015. These notes bear interest with rates ranging from 0.40% to 4.71% and mature in varying annual amounts ranging from \$20,000 to \$320,000 through June 1, 2017.

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

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

Note 8 - Long-Term Liabilities (Continued)

Summary of principal and interest maturities: Annual debt requirements to service all outstanding indebtedness as of June 30, 2015 are as follows:

Governmental Activities	General Obligation Bonds		General Obligation Capital Notes	
Year Ending June 30,	Principal	Interest	Principal	Interest
2016	\$ 5,230,000	\$ 1,141,904	\$ 310,000	\$ 6,625
2017	5,365,000	1,005,708	320,000	3,680
2018	5,105,000	845,399	-	-
2019	4,290,000	684,078	-	-
2020	3,095,000	547,443	-	-
2021-2025	10,335,000	1,095,789	-	-
2026	570,000	19,238	-	-
	<u>\$ 39,990,000</u>	<u>\$ 5,339,559</u>	<u>\$ 630,000</u>	<u>\$ 10,305</u>

Business-Type Activities	General Obligation Bonds	
Year Ending June 30,	Principal	Interest
2016	\$ 85,000	\$ 14,309
2017	90,000	11,045
2018	95,000	7,552
2019	95,000	3,800
	<u>\$ 365,000</u>	<u>\$ 39,936</u>

The Governmental General Obligation Bonds are shown net of the unamortized premiums of \$221,810 and discounts of \$(97,910) on the Statement of Net Position.

GO Capital Loan Notes	\$ 630,000	Exhibit 1-Statement of Net Position	
General Obligation Bonds	33,990,000	General Obligation Bonds Payable-Current	\$ 5,230,000
Unamortized Discounts	(97,910)	GO Capital Loan Notes – Current	310,000
Unamortized Premiums	221,810	General Obligation Bonds Payable- Long Term	28,883,900
		GO Capital Loan Notes – Long Term	320,000
	<u>\$34,743,900</u>		<u>\$34,743,900</u>

The Rural Sewer general obligation bonds were also shown net of unamortized bond discount of \$1,609.

The computation of the County's legal margin as of June 30, 2015 is as follows:

January 2013 assessed valuation	\$ 5,442,239,124
Debt limit, 5% of assessed valuation (Iowa Statutory Limitation)	272,111,956
Total amount of debt applicable to debt margin	<u>34,985,000</u>
Legal debt margin	<u>\$ 237,126,956</u>

Note 9 - Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is available to any employee who, with the consent of Black Hawk County, elects to reduce a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, inservice distribution or unforeseeable emergency. The Plan was amended to comply with IRC Section 457(b) which allowed for the Plan to hold its assets in trust. Under

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

Note 9 - Deferred Compensation Plan (Continued)

these new requirements, the assets of the Plan are no longer subject to the general creditors of the County. The assets are maintained in trust by the employer in connection with the Plan. The Plan is maintained for the exclusive benefit of the employee or his/her beneficiary and, therefore, the liability and corresponding investment are not reflected in the financial statements.

Note 10 - Employee Health Insurance Plan

The County is self-insured for its employee medical coverage. The internal service, Health Insurance Fund, was established to account for revenues and expenses of the County's health insurance benefit plan. The benefit plan is funded by both employee and County contributions and is administered by a third party administrator, First Administrators, Inc., a stop-loss insurance policy, has been obtained for the health plan to limit the amount of payments by the County on an individual basis to \$100,000 per year. The annual maximum coverage limit for the employee medical plan is \$1,000,000. In addition to the individual stop loss coverage, the County has purchased aggregate excess loss coverage of 125% of expected claims during the year, approximately \$8,675,151.

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, 2015 totaled \$1,041,018 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 2015 and 2014 are as follows:

	2015	2014
Claims payable, beginning of year	\$ 1,038,554	\$ 899,699
Claims recognized	6,937,657	7,062,546
Claim payments and change in accrual	(6,940,121)	(6,923,691)
Claims payable, end of year	<u>\$ 1,041,018</u>	<u>\$ 1,038,554</u>

Note 11 - Risk Management

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

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

Note 11 - Risk Management (Continued)

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

	2015	2014
Claims payable, beginning of year	\$ 280,292	\$ 90,236
Claims recognized	55,164	266,891
Claim payments and change in accrual	(255,453)	(76,835)
Claims payable, end of year	<u>\$ 80,003</u>	<u>\$ 280,292</u>

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

Note 12 - Pension and Retirement

Plan description – IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits - A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55.

The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary).

Sheriff and deputy protection occupation members may retire at normal retirement age which is generally at age 55. Sheriff and deputy protection occupation members may retire any time after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate a protection occupation members' monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but not more than 30 years of service.
- The member's highest three-year average salary.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

Note 12 - Pension and Retirement (Continued)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50% for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions - Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30 year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the County contributed 8.93 percent for a total rate of 14.88 percent. Protective occupation members contributed 6.76 percent of pay and the City contributed 10.14 percent for a total rate of 16.80 percent.

The County's total contributions to IPERS for the year ended June 30, 2015 were \$2,577,038.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the County reported a liability of \$13,166,977 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the County's collective proportion was .3320042 percent, which was a decrease of 0.056278 from its proportion measured as of June 30, 2013.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

Note 12 - Pension and Retirement (Continued)

For the year ended June 30, 2015, the County recognized pension expense of \$(1,770,660). At June 30, 2015 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 145,712	\$ 221,866
Changes of assumptions	591,698	265,627
Net difference between projected and actual earnings on pension plan investments	-	7,078,071
Changes in proportion and differences between County contributions and proportionate share of contributions	(541,569)	-
County contributions subsequent to the measurement date	2,577,038	-
Total	\$ 2,772,879	\$ 7,565,564

\$2,577,038 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2016	\$ (1,837,661)
2017	(1,837,661)
2018	(1,837,661)
2019	(1,837,661)
2020	(19,080)
	<u>\$ (7,369,723)</u>

Actuarial assumptions – The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2014)	3.00 percent per annum
Salary Increases (effective June 30, 2014)	4.00 to 17 percent average, including inflation. Rates vary by membership group.
Investment Rate of Return (effective June 30, 2014)	7.50 percent per annum, compounded annually, net of pension plan investment expense, and including inflation

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Generational Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

Note 12 - Pension and Retirement (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	2.3%	6.31
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	(0.69)
Total	<u>100%</u>	

Discount rate – The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate - The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50 percent) or 1 percentage point higher (8.5 percent) than the current rate.

	1% Decrease 6.5%	Discount Rate 7.5%	1% Increase 8.5%
County's proportionate share of the net Pension liability	\$ 29,347,310	\$ 13,166,977	\$ (472,880)

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report which is available on IPERS' website at www.ipers.org.

Payables to the pension plan - At June 30, 2015, the County reported payables to the defined benefit pension plan of \$199,021 for legally required employer contributions and \$144,118 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

Note 13 - Other Postemployment Benefits (OPEB)

Plan Description – The County operates a single-employer retiree benefit plan which provides self insured medical/prescription drug benefits for all active employees and retirees and their eligible dependents. Sheriff's deputies must be a minimum of age 50 with 22 or more years of service to be eligible for retiree benefits. All other employees must be a minimum of age 55 with four or more years of service to be eligible for retiree benefits. Benefits cease upon attaining age 65. There are also six retirees receiving an explicit subsidy until age 65. No future retirees are eligible for this explicit subsidy.

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

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

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

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2015, the amount actually contributed to the plan and changes in the County's OPEB obligation:

Annual required contribution	\$ 262,000
Interest on net OPEB obligation	61,000
Adjustment to annual required contribution	<u>(52,000)</u>
Annual OPEB cost	271,000
Contributions made	<u>(113,000)</u>
Increase in net OPEB obligation	158,000
Net OPEB obligation beginning of year	<u>1,519,000</u>
Net OPEB obligation end of year	<u>\$ 1,677,000</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, 2015. The general fund, secondary roads fund, rural services fund, mental health fund and Country View Care Facility fund typically fund this liability.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

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

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years 2010 through 2015 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	\$ 271,000	42%	\$ 1,677,000
June 30, 2014	\$ 271,000	42%	\$ 1,519,000
June 30, 2013	\$ 302,000	38%	\$ 1,361,000
June 30, 2012	\$ 302,000	38%	\$ 1,174,000
June 30, 2011	\$ 290,280	28%	\$ 987,000
June 30, 2010	\$ 362,000	28%	\$ 778,720

Funded Status and Funding Progress – As of July 1, 2013, the most recent actuarial valuation date for the period July 1, 2013 through June 30, 2014, the actuarial accrued liability was \$2,721,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,721,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$28,200,000 and the ratio of the UAAL to covered payroll was 9.6%. As of June 30, 2015, 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 assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

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

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

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

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

Note 14 - Contingencies

The County receives significant financial assistance from the U.S. government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund that receives the grant. As of June 30, 2015, the County estimates that no material liabilities will result from such audits.

Pending Litigation

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

Note 15 - Conduit Debt Obligations

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

As of June 30, 2015, Industrial Revenue Bonds outstanding had an original issue amount of \$8,775,000. The outstanding balance at June 30, 2015 was \$6,246,568.

Note 16 - Construction Commitment

The County has entered into contracts totaling \$6,352,532 for various bridge and road construction, engineering and other maintenance projects, which were ongoing at year end. As of June 30, 2015, costs of \$1,355,273 had been incurred against the contracts. The balance of \$4,997,259 remaining at June 30, 2015 will be paid as work on the projects progress.

Note 17 - Accounting Change / Restatement

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27* was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Beginning net position for governmental and business type activities were restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2015

Note 17 - Accounting Change / Restatement (Continued)

	Governmental Activities	Business-Type Activities
Net Position June 30, 2014, as previously reported	\$ 91,859,434	\$ 6,707,218
Net Pension Liability at June 30, 2014	(16,949,789)	(5,344,126)
Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	1,949,068	614,525
Net Position June 30, 2014, as restated	<u>\$ 76,858,713</u>	<u>\$ 1,977,617</u>

**Note 18 - Black Hawk County Financial Information Included in the County Social Services
Mental Health Region**

County Social Services Mental Health Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa which became effective June 27, 2014 and includes twenty-two member counties. The financial activity of Black Hawk County's Special Revenue, Mental Health Fund is included in the County Social Services Mental Health Region for the year ended June 30, 2015 as follows:

Revenues:

Property and other County tax		\$ 5,467,077
Intergovernmental revenues:		
State tax credits	\$ 344,484	
Mental health and disability services transition	50,681	
Other intergovernmental revenues	605,859	1,001,024
Total Revenues		<u>6,468,101</u>

Expenditures:

Services to persons with:		
Mental illness		506,223
General administration		
Direct administration	114,622	
Distribution to regional fiscal agent	5,967,506	6,082,128
Total Expenditures		<u>6,588,351</u>
Excess expenditures over revenues		(120,250)
Fund balance beginning of the year		1,799,032
Fund balance end of the year		<u>\$ 1,678,782</u>

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Amended		
Revenue:				
Property tax	\$ 30,972,425	\$ 30,972,425	\$ 30,240,768	\$ (731,657)
Other County tax	3,929,632	3,929,632	4,367,609	437,977
Interest and penalty on property tax	384,500	384,500	363,452	(21,048)
Intergovernmental	13,177,987	14,105,162	14,090,273	(14,889)
Licenses and permits	505,950	505,950	545,320	39,370
Charges for services	4,568,391	4,568,391	4,863,730	295,339
Use of money and property	841,029	876,029	834,310	(41,719)
Miscellaneous, primarily contributions	2,979,746	3,004,746	2,195,924	(808,822)
Total Revenue	57,359,660	58,346,835	57,501,386	(845,449)
Expenditures:				
Current operating:				
Public safety and legal services	19,054,037	19,399,841	19,031,164	368,677
Physical health and social services	7,832,261	8,030,319	7,276,643	753,676
Mental health	6,800,872	6,800,872	6,588,351	212,521
County environment and education	3,796,775	4,579,587	3,962,309	617,278
Roads and transportation	5,837,756	6,187,221	5,480,704	706,517
Government services to residents	1,809,293	1,884,803	1,778,144	106,659
Administration	5,735,454	5,735,454	5,262,939	472,515
Capital projects	908,652	1,031,820	646,297	385,523
Debt service	6,751,628	6,762,714	6,756,025	6,689
Total Expenditures	58,526,728	60,412,631	56,782,576	3,630,055
Excess (deficiency) of revenues over expenditures	(1,167,068)	(2,065,796)	718,810	2,784,606
Other financing sources (uses):				
Transfers in	2,931,802	3,063,619	3,377,226	313,607
Transfers out	(2,931,802)	(3,063,619)	(3,377,226)	(313,607)
Proceeds from sale of capital assets	-	(24,149)	33,210	57,359
Total other financing sources (uses)	-	(24,149)	33,210	57,359
Net Change in Fund Balances	\$ (1,167,068)	\$ (2,089,945)	752,020	\$ 2,841,965
Fund balances - beginning of year			31,727,993	
Fund balances - end of year			<u>\$ 32,480,013</u>	

COUNTY OF BLACK HAWK, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2015

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

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

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$1,885,903. The budget amendment is 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, 2015, disbursements did not exceed the amounts budgeted.

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF FUNDING PROGRESS FOR THE
RETIREE HEALTH PLAN
For the Year Ended June 30, 2015

REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009	July 1, 2008	* \$ -	\$ 4,319,000	\$ 4,319,000	0.00%	\$ 22,723,576	19.0%
2010	July 1, 2009	\$ -	\$ 3,432,000	\$ 3,432,000	0.00%	\$ 23,861,244	14.4%
2011	July 1, 2009	\$ -	\$ 3,432,000	\$ 3,432,000	0.00%	\$ 27,072,108	12.7%
2012	July 1, 2011	\$ -	\$ 2,905,000	\$ 2,905,000	0.00%	\$ 27,322,434	10.6%
2013	July 1, 2011	\$ -	\$ 2,905,000	\$ 2,905,000	0.00%	\$ 28,058,641	10.4%
2014	July 1, 2013	\$ -	\$ 2,721,000	\$ 2,721,000	0.00%	\$ 28,200,000	9.6%
2015	July 1, 2013	\$ -	\$ 2,721,000	\$ 2,721,000	0.00%	\$ 28,216,094	9.6%

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

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

BLACK HAWK COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM LAST FISCAL YEAR*
(IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

	<u>2015</u>
County's proportion of the net pension liability	.3320042%
County's proportionate share of the net pension liability	\$ 13,167
County's covered-employee payroll	\$ 28,216
County's proportionate share of the net pension liability as a percentage of its covered employee payroll	46.67%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

*The amounts presented for each fiscal year were determined as of June 30.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

BLACK HAWK COUNTY
SCHEDULE OF THE COUNTY CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN YEARS (IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

	2015	2014	2013	2012	2011
Statutorily required contribution	\$ 2,577	\$ 2,564	\$ 2,475	\$ 2,363	\$ 1,968
Contributions in relation to the statutorily required contribution	(2,577)	(2,564)	(2,475)	(2,363)	(1,968)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered employee payroll	\$ 28,216	\$ 27,774	\$ 27,165	\$ 28,006	\$ 26,677
Contributions as a percentage of covered-employee payroll	9.13%	9.23%	9.10%	8.44%	7.38%

	2010	2009	2008	2007	2006
Statutorily required contribution	\$ 1,827	\$ 1,690	\$ 1,574	\$ 1,510	\$ 1,494
Contributions in relation to the statutorily required contribution	(1,827)	(1,690)	(1,574)	(1,510)	(1,494)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered employee payroll	\$ 26,458	\$ 25,350	\$ 24,440	\$ 23,960	\$ 23,859
Contributions as a percentage of covered-employee payroll	6.91%	6.67%	6.44%	6.30%	6.26%

See accompanying independent auditors' report

BLACK HAWK COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2015

Changes of Benefit Terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of Assumptions

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

**BLACK HAWK COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2015**

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

COUNTY OF BLACK HAWK, IOWA
 COMBINING BALANCE SHEET
 Governmental Nonmajor Funds
 JUNE 30, 2015

	Special Revenue Funds		
	Resource Enhancement and Protection	County Recorder's Records Management	Sheriff's Comissary
Assets			
Cash and Pooled Investments	\$ 240,539	\$ 20,113	\$ 228,485
Receivables:			
Accounts	-	2,414	9,748
Total Assets	<u>240,539</u>	<u>22,527</u>	<u>238,233</u>
Liabilities, Deferred Inflows and Equity			
Liabilities:			
Accounts Payable	2,335	-	8,331
Salaries and Benefits Payable	-	-	896
Total Liabilities	<u>2,335</u>	<u>-</u>	<u>9,239</u>
Fund Balances:			
Restricted for:			
Records Management Purposes	-	22,527	-
Other Purposes	-	-	228,994
Conservation Purposes	238,204	-	-
Assigned for:			
Conservation Land Acquisition	-	-	-
Total Fund Balances	<u>238,204</u>	<u>22,527</u>	<u>228,994</u>
Total Liabilities Deferred Inflows and Equity	<u>\$ 240,539</u>	<u>\$ 22,527</u>	<u>\$ 238,233</u>

Special Revenue Funds		Capital Projects	
Drainage Districts	Friends of Hartman Reserve Fund	Conservation Land Acquisition Fund	Total
\$ 3,246	\$ 1,320,309	\$ 33,173	\$ 1,845,865
-	-	373	12,535
3,246	1,320,309	33,546	1,858,400
-	92,698	1,312	104,676
-	-	-	896
-	92,698	1,312	105,584
-	-	-	22,527
3,246	-	-	232,240
-	1,227,611	-	1,465,815
-	-	32,234	32,234
3,246	1,227,611	32,234	1,752,816
\$ 3,246	\$ 1,320,309	\$ 33,546	\$ 1,858,400

COUNTY OF BLACK HAWK, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
Year Ended June 30, 2015

	Special Revenue Funds		
	Resource Enhancement and Protection	County Recorder's Records Management	Sheriff's Comissary
Revenue:			
Intergovernmental	\$ 142,425	\$ -	\$ -
Charges for services	103,781	21,656	196,991
Use of money and property	1,188	147	-
Miscellaneous	46,519	-	-
Total Revenue	293,913	21,803	196,991
Expenditures:			
Current operating:			
Public safety and legal services	-	-	153,101
County environment and education	186,867	-	-
Government services to residents	-	17,995	-
Total Expenditures	186,867	17,995	153,101
Excess (deficiency) of revenues over expenditures	107,046	3,808	43,890
Other financing sources (uses):			
Proceeds from sale of capital assets	24,149	-	-
Total other financing sources (uses)	24,149	-	-
Net Change in Fund Balances	131,195	3,808	43,890
Fund balances - beginning of year	107,009	18,719	185,104
Fund balances - end of year	\$ 238,204	\$ 22,527	\$ 228,994

Special Revenue Funds		Capital Projects	
Drainage Districts	Friends of Hartman Reserve Fund	Conservation Land Acquisition Fund	Total
\$ -	\$ 4,569	\$ 2,000	\$ 148,994
-	22,658	-	345,086
-	(19,756)	-	(18,421)
3,500	512,085	18,846	580,950
3,500	519,556	20,846	1,056,609
-	-	-	153,101
-	139,180	12,896	338,943
-	-	-	17,995
-	139,180	12,896	510,039
3,500	380,376	7,950	546,570
-	-	-	24,149
-	-	-	24,149
3,500	380,376	7,950	570,719
(254)	847,235	24,284	1,182,097
\$ 3,246	\$ 1,227,611	\$ 32,234	\$ 1,752,816

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF NET POSITION
Enterprise Nonmajor Funds
JUNE 30, 2015

	Business Type Activities		
	Rural Sewer	Rural Water	Total
ASSETS			
Current Assets:			
Cash and Pooled Investments	\$ 106,513	\$ 184,381	\$ 290,894
Investments			
Receivables:			
Accounts	32,242	2,008	34,250
Total Current Assets	138,755	186,389	325,144
Noncurrent Assets:			
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	1,644,096	585,734	2,229,830
Total Noncurrent Assets	1,644,096	585,734	2,229,830
Total Assets	1,782,851	772,123	2,554,974
LIABILITIES			
Accounts Payable	27,483	-	27,483
Accrued Interest Payable	1,192	-	1,192
Current Portion of General Obligation Bonds	85,000	-	85,000
Due to Other Governments	17	17	34
Total Current Liabilities	113,692	17	113,709
Noncurrent Liabilities:			
Due in more than one year:			
General Obligation Bonds	278,391	-	278,391
Total Noncurrent Liabilities	278,391	-	278,391
Total Liabilities	392,083	17	392,100
NET POSITION			
Invested in Capital Assets,			
Net Investment in Capital Assets	1,280,705	585,734	1,866,439
Unrestricted	110,063	186,372	296,435
Total Net Position	\$ 1,390,768	\$ 772,106	\$ 2,162,874

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 Enterprise Nonmajor Funds
 Year Ended June 30, 2015

	Business Type Activities		
	Rural Sewer	Rural Water	Total
Operating Revenues:			
Charges for Services	\$ 179,392	\$ 20,036	\$ 199,428
Total Operating Revenue	<u>179,392</u>	<u>20,036</u>	<u>199,428</u>
Operating Expenses:			
Contract Services	34,466	727	35,193
Repairs and Improvements	36,167	1,552	37,719
Utilities	2,689	-	2,689
Depreciation	128,739	66,729	195,468
Total Operating Expenses	<u>202,061</u>	<u>69,008</u>	<u>271,069</u>
Operating (Loss)	(22,669)	(48,972)	(71,641)
Non-Operating Income (Expenses):			
Interest Income	787	992	1,779
Interest Expense	(17,672)	-	(17,672)
Total Non-Operating Income	<u>(16,885)</u>	<u>992</u>	<u>(15,893)</u>
Change in Net Position	(39,554)	(47,980)	(87,534)
Net Position - Beginning	<u>1,430,322</u>	<u>820,086</u>	<u>2,250,408</u>
Net Position - Ending	<u>\$ 1,390,768</u>	<u>\$ 772,106</u>	<u>\$ 2,162,874</u>

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CASH FLOWS
Enterprise Nonmajor Funds
Year Ended June 30, 2015

	Business Type Activities		
	Rural Sewer	Rural Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 179,494	\$ 20,295	\$ 199,789
Cash Paid to Suppliers for Goods and Services	(49,096)	(14,436)	(63,532)
Net Cash Provided by Operating Activities	130,398	5,859	136,257
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments on capital loan notes and bonds	(85,000)	-	(85,000)
Interest paid on capital loan bonds and notes	(17,540)	-	(17,540)
Net Cash (Used) for Capital and Related Financing Activities	(102,540)	-	(102,540)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends on Investments	787	992	1,779
Net Increase (Decrease) in Cash and Cash Equivalents	28,645	6,851	35,496
Cash and Cash Equivalents at Beginning of Year	77,868	177,530	255,398
Cash and Cash Equivalents at End of Year	\$ 106,513	\$ 184,381	\$ 290,894
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Net Operating (Loss)	\$ (22,669)	\$ (48,972)	\$ (71,641)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	128,739	66,729	195,468
(Increase) Decrease in Assets:			
Accounts Receivable	102	259	361
Increase (Decrease) in Liabilities:			
Accounts Payable	24,225	(12,016)	12,209
Due to Other Governments	1	(141)	(140)
Total Adjustments	153,067	54,831	207,898
Net Cash Provided by Operating Activities	\$ 130,398	\$ 5,859	\$ 136,257

COUNTY OF BLACK HAWK, IOWA
Combining Statement of Net Position
Internal Service Funds
JUNE 30, 2015

ASSETS	Health Insurance	Self-Insurance	Office Equipment	Total
<u>Current Assets</u>				
Cash and Pooled Investments	\$ 4,191,282	\$ 619,262	\$ 51,798	\$ 4,862,342
Receivables:				
Accounts Receivable	239,027	-	-	239,027
Prepaid Items	66,348	-	-	66,348
Total Assets	4,496,657	619,262	51,798	5,167,717
 LIABILITIES				
<u>Current Liabilities</u>				
Accounts Payable	219	2,900	118	3,237
Accrued Claims	1,041,018	80,003	-	1,121,021
Unearned Revenue	5,681	-	-	5,681
Total Current Liabilities	1,046,918	82,903	118	1,129,939
Total Liabilities	1,046,918	82,903	118	1,129,939
 NET POSITION				
Unrestricted	\$ 3,449,739	\$ 536,359	\$ 51,680	\$ 4,037,778

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 Internal Service Funds
 Year Ended June 30, 2015

	Health Insurance	Self-Insurance	Office Equipment	Total
Operating revenues:				
Charges for services to operating funds	\$ 6,640,632	\$ 159,842	\$ -	\$ 6,800,474
Total operating revenue	6,640,632	159,842	-	6,800,474
Operating expenses:				
Contract Services	8,127,517	(82,042)	6,825	8,052,300
Total operating expenses	8,127,517	(82,042)	6,825	8,052,300
Operating Income	(1,486,885)	241,884	(6,825)	(1,251,826)
Nonoperating income:				
Revenues and Interest on investments	28,594	3,091	308	31,993
Change in Net Position	(1,458,291)	244,975	(6,517)	(1,219,833)
Net position- beginning	4,908,030	291,384	58,197	5,257,611
Net position - ending	\$ 3,449,739	\$ 536,359	\$ 51,680	\$ 4,037,778

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CASH FLOWS
Internal Service Funds
Year Ended June 30, 2015

	Health Insurance	Self-Insurance	Office Equipment	Total
Cash flows from operating activities:				
Cash received from customers and users	\$ 6,717,545	\$ 160,092	\$ -	\$ 6,877,637
Cash paid for claims and administrative provider	(8,212,883)	(117,047)	(7,065)	(8,336,995)
Net cash (used) by operating activities	(1,495,338)	43,045	(7,065)	(1,459,358)
Cash flows from investing activities:				
Interest on investments	28,594	3,091	308	31,993
Net (decrease) in cash and cash equivalents	(1,466,744)	46,136	(6,757)	(1,427,365)
Cash and pooled investments - beginning of year	5,658,026	573,126	58,555	6,289,707
Cash and pooled investments - end of year	\$ 4,191,282	\$ 619,262	\$ 51,798	\$ 4,862,342
Reconciliation of operating income (loss) to net cash provided (used) in operating activities:				
Operating income (loss)	\$ (1,486,885)	\$ 241,884	\$ (6,825)	\$ (1,251,826)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
(Increase) Decrease in Assets:				
Accounts receivable	71,232	250	-	71,482
Prepaid Items	(66,348)	-	-	(66,348)
Increase (Decrease) in Liabilities:				
Accounts payable	(21,482)	1,200	(240)	(20,522)
Claims payable	2,464	(200,289)	-	(197,825)
Unearned Revenue	5,681	-	-	5,681
Net cash provided (used) from operating activities	\$ (1,495,338)	\$ 43,045	\$ (7,065)	\$ (1,459,358)

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Agency Funds
Year Ended June 30, 2015

	Balance July 1, 2014	Addi- tions	Deduc- tions	Balance June 30, 2015
County Offices Fund				
<i>Assets</i>				
Cash and Pooled Investments	\$ 521,542	\$ 558,999	\$ 521,542	\$ 558,999
Property Tax and Other Receivables	1,852	1,771	1,850	1,773
Total Assets	<u>523,394</u>	<u>560,770</u>	<u>523,392</u>	<u>560,772</u>
<i>Liabilities</i>				
Trust Payable	481,718	297,865	481,718	297,865
Due to Other Governments	41,676	262,905	41,674	262,907
Total Liabilities	<u>523,394</u>	<u>560,770</u>	<u>523,392</u>	<u>560,772</u>
Agricultural Extension Education				
<i>Assets</i>				
Cash and Pooled Investments	3,972	479,383	479,325	4,030
Property Tax and Other Recivables	457,544	455,656	457,544	455,656
Total Assets	<u>461,516</u>	<u>935,039</u>	<u>936,869</u>	<u>459,686</u>
<i>Liabilities</i>				
Due to Other Governments	461,516	459,687	461,517	459,686
Total Liabilities	<u>461,516</u>	<u>459,687</u>	<u>461,517</u>	<u>459,686</u>
County Assessor Fund				
<i>Assets</i>				
Cash and Pooled Investments	1,812,982	1,530,966	1,153,832	2,190,116
Property Tax and Other Receivable	1,460,338	1,421,921	1,460,338	1,421,921
Total Assets	<u>3,273,320</u>	<u>2,952,887</u>	<u>2,614,170</u>	<u>3,612,037</u>
<i>Liabilities</i>				
Accounts Payable	27,123	18,829	27,122	18,830
Due to Other Governments	3,246,197	3,593,201	3,246,191	3,593,207
Total Liabilities	<u>3,273,320</u>	<u>3,612,030</u>	<u>3,273,313</u>	<u>3,612,037</u>
Schools Taxing District Fund				
<i>Assets</i>				
Cash and Pooled Investments	671,275	74,005,235	74,040,150	636,360
Property Tax and Other Receivable	70,649,835	69,171,902	70,649,835	69,171,902
Total Assets	<u>71,321,110</u>	<u>143,177,137</u>	<u>144,689,985</u>	<u>69,808,262</u>
<i>Liabilities</i>				
Due to Other Governments	71,321,110	69,808,262	71,321,110	69,808,262
Total Liabilities	<u>\$ 71,321,110</u>	<u>\$ 69,808,262</u>	<u>\$ 71,321,110</u>	<u>\$ 69,808,262</u>

(Continued)

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2015

	Balance July 1, 2014	Addi- tions	Deduc- tions	Balance June 30, 2015
Community College Taxing District				
<i>Assets</i>				
Cash and Pooled Investments	\$ 43,357	\$ 4,789,531	\$ 4,792,730	\$ 40,158
Property Tax and Other Receivable	4,572,002	4,635,195	4,572,001	4,635,196
Total Asset	<u>4,615,359</u>	<u>9,424,726</u>	<u>9,364,731</u>	<u>4,675,354</u>
<i>Liabilities</i>				
Due to Other Governments	4,615,359	4,675,354	4,615,359	4,675,354
Total Liabilities	<u>4,615,359</u>	<u>4,675,354</u>	<u>4,615,359</u>	<u>4,675,354</u>
Corporations Taxing District Fund				
<i>Assets</i>				
Cash and Pooled Investments	769,866	78,993,595	79,076,444	687,017
Property Tax and Other Receivable	75,273,481	74,028,087	75,273,480	74,028,088
Total Assets	<u>76,043,347</u>	<u>153,021,682</u>	<u>154,349,924</u>	<u>74,715,105</u>
<i>Liabilities</i>				
Due to Other Governments	76,043,347	74,715,106	76,043,348	74,715,105
Total Liabilities	<u>76,043,347</u>	<u>74,715,106</u>	<u>76,043,348</u>	<u>74,715,105</u>
City Special Assessments Fund				
<i>Assets</i>				
Cash and Pooled Investments	37,776	243,967	252,630	29,113
Property Tax and Other Receivable	184,215	201,784	184,215	201,784
Total Assets	<u>221,991</u>	<u>445,751</u>	<u>436,845</u>	<u>230,897</u>
<i>Liabilities</i>				
Due to Other Governments	221,991	230,897	221,991	230,897
Total Liabilities	<u>\$ 221,991</u>	<u>\$ 230,897</u>	<u>\$ 221,991</u>	<u>\$ 230,897</u>

(Continued)

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
 Agency Funds
 Year Ended June 30, 2015

	Balance July 1, 2014	Addi- tions	Deduc- tions	Balance June 30, 2015
Auto License and Use Tax Fund				
<i>Assets</i>				
Cash and Pooled Investments	\$ 2,771,131	\$ 34,881,225	\$ 34,535,303	\$ 3,117,053
Total Assets	<u>2,771,131</u>	<u>34,881,225</u>	<u>34,535,303</u>	<u>3,117,053</u>
<i>Liabilities</i>				
Due to Other Governments	<u>2,771,131</u>	<u>34,881,225</u>	<u>34,535,303</u>	<u>3,117,053</u>
Total Liabilities	<u>2,771,131</u>	<u>34,881,225</u>	<u>34,535,303</u>	<u>3,117,053</u>
Other Funds				
<i>Assets</i>				
Cash and Pooled Investments	1,262,470	9,449,163	9,440,926	1,270,707
Property Tax and Other Receivable	654,028	701,550	654,027	701,551
Total Assets	<u>1,916,498</u>	<u>10,150,713</u>	<u>10,094,953</u>	<u>1,972,258</u>
<i>Liabilities</i>				
Trust Payable	867,087	839,601	867,088	839,600
Accounts Payable and Accured Liabilities	59,471	73,961	9,469	123,963
Due to Other Governments	989,940	1,069,850	1,051,095	1,008,695
Total Liabilities	<u>\$ 1,916,498</u>	<u>\$ 1,983,412</u>	<u>\$ 1,927,652</u>	<u>\$ 1,972,258</u>

(Continued)

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
 Agency Funds
 Year Ended June 30, 2015

	Balance July 1, 2014	Addi- tions	Deduc- tions	Balance June 30, 2015
Total All Agency Funds				
Assets				
Cash and Pooled Investments	\$ 7,894,371	\$ 204,932,064	\$ 204,292,882	\$ 8,533,553
Property Tax and Other Receivable	<u>153,253,295</u>	<u>150,617,866</u>	<u>153,253,290</u>	<u>150,617,871</u>
Total Assets	<u><u>161,147,666</u></u>	<u><u>355,549,930</u></u>	<u><u>357,546,172</u></u>	<u><u>159,151,424</u></u>
Liabilities				
Accounts Payable	86,594	92,790	36,591	142,793
Due to Other Governments	159,712,267	189,696,487	191,537,588	157,871,166
Trusts Payable	<u>1,348,805</u>	<u>1,137,466</u>	<u>1,348,806</u>	<u>1,137,465</u>
Total Liabilities	<u><u>\$ 161,147,666</u></u>	<u><u>\$ 190,926,743</u></u>	<u><u>\$ 192,922,985</u></u>	<u><u>\$ 159,151,424</u></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.	84
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).	96
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.	104
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.	109
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.	111

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

Black Hawk County, Iowa

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	2006	2007	2008	2009
Governmental activities:				
Net investment in capital assets	\$ 41,703,511	\$ 44,413,745	\$ 46,981,577	\$ 49,946,957
Restricted	7,517,884	6,502,517	6,350,678	10,351,227
Unrestricted (deficit)	4,471,819	5,949,336	10,807,901	12,996,278
Total governmental activities net assets	\$ 53,693,214	\$ 56,865,598	\$ 64,140,156	\$ 73,294,462
Business-type activities:				
Net investment in capital assets	\$ 2,449,044	\$ 1,438,878	\$ 1,461,863	\$ 2,277,715
Restricted	-	953,156	873,765	-
Unrestricted (deficit)	420,879	408,493	324,739	325,564
Total business-type activities net assets	\$ 2,869,923	\$ 2,800,527	\$ 2,660,367	\$ 2,603,279
Primary government:				
Net investment in capital assets	\$ 44,152,555	\$ 45,852,623	\$ 48,443,440	\$ 52,224,672
Restricted	7,517,884	7,455,673	7,224,443	10,351,227
Unrestricted (deficit)	4,892,698	6,357,829	11,132,640	13,321,842
Total primary government net assets	\$ 56,563,137	\$ 59,666,125	\$ 66,800,523	\$ 75,897,741

Source: County records

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 55,621,608	\$ 52,154,674	\$ 55,310,782	\$ 55,929,989	\$ 62,893,726	\$ 67,721,832
6,790,101	13,742,221	12,135,498	16,372,523	14,805,215	16,748,169
12,239,242	14,958,730	16,229,395	16,140,723	14,160,493	(352,603)
\$ 74,650,951	\$ 80,855,625	\$ 83,675,675	\$ 88,443,235	\$ 91,859,434	\$ 84,117,398
\$ 2,251,494	\$ 5,369,297	\$ 4,600,839	\$ 4,370,375	\$ 4,110,091	\$ 3,852,604
-	-	-	-	-	-
283,836	1,181,802	2,681,600	2,626,223	2,597,127	(1,394,297)
\$ 2,535,330	\$ 6,551,099	\$ 7,282,439	\$ 6,996,598	\$ 6,707,218	\$ 2,458,307
\$ 57,873,102	\$ 57,523,971	\$ 59,911,621	\$ 60,300,364	\$ 67,003,817	\$ 71,574,436
6,790,101	13,742,221	12,135,498	16,372,523	14,805,215	16,748,169
12,523,078	16,140,532	18,910,995	18,766,946	16,757,620	(1,746,900)
\$ 77,186,281	\$ 87,406,724	\$ 90,958,114	\$ 95,439,833	\$ 98,566,652	\$ 86,575,705

Black Hawk County, Iowa

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

	2006	2007	2008	2009
Expenses:				
Governmental activities:				
Public safety and legal services	\$ 15,997,089	\$ 14,899,182	\$ 15,213,200	\$ 15,871,852
Physical health and social services	10,331,387	10,640,808	10,942,877	12,192,983
Mental health	20,128,555	21,030,553	21,301,854	19,914,329
County environment and education	2,315,684	2,908,155	2,404,401	5,871,685
Roads and transportation	5,731,706	5,895,167	6,738,742	7,305,032
Governmental services to residents	1,501,746	1,534,397	1,836,987	2,515,000
Administration	4,773,716	5,020,133	5,274,253	5,463,590
Capital Projects	-	-	-	-
Interest on long-term debt	433,064	422,793	453,455	1,020,416
Total governmental activities expenses	61,212,947	62,351,188	64,165,769	70,154,887
Business-type activities:				
Rural sewer	229,229	292,510	324,573	276,608
Rural water	93,589	86,273	82,386	81,838
Country View Care Facility**	-	-	-	-
Total business-type activities expenses	322,818	378,783	406,959	358,446
Total government expenses	\$ 61,535,765	\$ 62,729,971	\$ 64,572,728	\$ 70,513,333
Program revenues:				
Governmental activities:				
Charges for services:				
Public safety and legal services	\$ 872,871	\$ 843,694	\$ 901,593	\$ 933,657
Physical health and social services	1,419,539	1,427,374	1,401,837	1,418,603
Mental health	1,453,995	1,464,696	1,686,870	1,818,427
County environment and education	412,542	470,176	525,109	500,511
Roads and transportation	3,957	3,835	6,167	5,922
Governmental services to residents	1,813,549	1,760,240	1,672,055	1,639,723
Administration	858,011	918,388	865,750	750,314
Operating grants and contributions	23,594,453	24,172,120	26,083,543	32,506,243
Capital grants and contributions	3,213,418	1,419,484	2,444,339	3,616,441
Total governmental activities program revenues	33,642,335	32,480,007	35,587,263	43,186,841
Business-type activities:				
Charges for services:				
Rural sewer	179,670	190,289	165,970	200,579
Rural water	73,934	87,325	83,024	64,513
Country View Care Facility*	-	-	-	-
Operating grants and contributions	-	20,704	2,761	-
Total business-type activities program revenues	253,604	298,318	231,755	265,092
Total government program revenues	\$ 33,895,939	\$ 32,778,325	\$ 35,819,018	\$ 43,451,933

(Continued)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 16,737,313	\$ 17,708,848	\$ 17,614,051	\$ 18,156,232	\$ 18,764,343	\$ 18,972,897
11,695,480	8,344,752	7,711,949	7,871,355	7,290,096	7,155,953
20,535,742	2,874,876	9,248,329	5,567,395	6,531,543	6,589,757
4,460,783	4,554,435	3,619,566	4,619,524	4,879,483	3,900,609
6,983,934	7,761,476	8,057,683	8,997,547	8,576,219	8,887,988
2,131,600	1,563,909	1,626,233	1,765,826	1,804,827	1,825,609
5,767,744	5,253,070	5,159,646	5,837,435	6,837,855	6,121,608
-	-	-	172,640	-	-
1,226,964	1,371,330	1,518,393	1,402,736	1,378,717	1,187,015
69,539,560	49,432,296	54,555,850	54,390,690	56,063,083	54,641,436
248,272	253,880	238,802	225,898	257,343	219,733
78,045	90,508	82,222	67,468	90,057	69,008
-	11,096,457	11,606,877	12,308,641	12,746,339	12,810,208
326,317	11,440,843	11,927,901	12,602,007	13,093,739	13,098,949
\$ 69,865,877	\$ 60,873,139	\$ 66,483,751	\$ 66,992,697	\$ 69,156,822	\$ 67,740,385
\$ 1,037,347	\$ 2,237,579	\$ 2,337,436	\$ 2,347,199	\$ 2,244,895	\$ 2,151,777
1,479,510	1,018,620	998,478	1,126,233	886,355	923,771
1,760,556	58,210	48,814	37,029	40,344	50,974
491,836	557,394	633,515	674,546	778,727	814,498
5,989	13,389	24,913	43,123	50,574	27,710
1,712,826	1,769,692	1,881,925	2,046,771	1,995,821	2,110,299
936,159	691,587	964,040	624,934	547,738	509,238
25,737,204	11,149,510	10,539,342	10,324,098	10,463,557	10,996,943
1,481,509	4,672,902	3,548,186	5,065,574	4,026,136	6,246,023
34,642,936	22,168,883	20,976,649	22,289,507	21,034,147	23,831,233
198,267	188,650	206,923	187,687	192,757	179,392
59,659	62,483	56,928	62,142	34,313	20,036
-	13,271,064	12,303,826	11,940,324	12,517,547	13,349,854
-	-	-	46,168	-	-
257,946	13,522,197	12,567,677	12,236,321	12,744,617	13,549,282
\$ 34,900,882	\$ 35,691,080	\$ 33,544,326	\$ 34,525,828	\$ 33,778,764	\$ 37,380,515

Black Hawk County, Iowa

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

	2006	2007	2008	2009
Net (expense)/revenue:				
Governmental activities	\$ (27,570,612)	\$ (29,871,181)	\$ (28,578,506)	\$ (26,968,046)
Business-type activities	(69,214)	(80,465)	(175,204)	(93,354)
Total government net expense	\$ (27,639,826)	\$ (29,951,646)	\$ (28,753,710)	\$ (27,061,400)
General revenues and other changes in net assets:				
Governmental activities:				
Taxes:				
Property taxes	\$ 25,330,735	\$ 25,487,836	\$ 25,967,840	\$ 27,593,677
Other taxes	3,601,967	3,482,384	4,139,438	4,358,516
State tax replacement credits	1,179,717	1,145,229	1,102,343	1,082,828
Investment earnings	1,069,135	1,605,979	1,372,116	1,198,968
Gain on disposal of capital assets	18,803	-	-	-
Miscellaneous	1,202,771	1,322,137	3,271,327	1,888,363
Total governmental activities	32,403,128	33,043,565	35,853,064	36,122,352
Business-type activities:				
Unrestricted grants and contributions	-	-	-	-
Investment earnings	3,369	5,796	35,044	36,266
Gain on disposal of capital assets	-	-	-	-
Miscellaneous	-	5,273	-	-
Total business-type activities	3,369	11,069	35,044	36,266
Total government	\$ 32,406,497	\$ 33,054,634	\$ 35,888,108	\$ 36,158,618
Change in net assets:				
Governmental activities	\$ 4,832,516	\$ 3,172,384	\$ 7,274,558	\$ 9,154,306
Business-type activities	(65,845)	(69,396)	(140,160)	(57,088)
Total primary government	\$ 4,766,671	\$ 3,102,988	\$ 7,134,398	\$ 9,097,218

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

Source: County records

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ (34,896,624)	\$ (27,263,413)	\$ (33,579,201)	\$ (32,101,183)	\$ (35,028,936)	\$ (30,810,203)
(68,371)	2,081,354	639,776	(365,686)	(349,122)	450,333
\$ (34,964,995)	\$ (25,182,059)	\$ (32,939,425)	\$ (32,466,869)	\$ (35,378,058)	\$ (30,359,870)

\$ 28,083,985	\$ 29,656,058	\$ 30,719,060	\$ 31,446,791	\$ 32,418,805	\$ 31,305,061
4,352,102	3,587,407	3,785,891	3,628,660	3,766,622	3,709,500
1,122,280	875,035	864,425	996,825	1,170,706	1,928,536
914,311	605,731	341,262	390,127	405,838	439,088
-	12,481	40,207	105,782	-	18,554
1,780,435	586,432	658,450	564,567	683,165	668,149
36,253,113	35,323,144	36,409,295	37,132,752	38,445,136	38,068,888

-	20,748	-	-	-	-
422	2,170	1,765	1,615	1,642	1,808
-	-	-	-	-	675
-	56,440	79,755	78,230	58,100	27,874
422	79,358	81,520	79,845	59,742	30,357
\$ 36,253,535	\$ 35,402,502	\$ 36,490,815	\$ 37,212,597	\$ 38,504,878	\$ 38,099,245

\$ 1,356,489	\$ 8,059,731	\$ 2,830,094	\$ 5,031,569	\$ 3,416,200	\$ 7,258,685
(67,949)	2,160,712	721,296	(285,841)	(289,380)	480,690
\$ 1,288,540	\$ 10,220,443	\$ 3,551,390	\$ 4,745,728	\$ 3,126,820	\$ 7,739,375

Black Hawk County, Iowa

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

	2006	2007	2008	2009
General Fund:				
Reserved	\$ 2,503,998	\$ 3,014,288	\$ 3,014,288	\$ 3,849,541
Unreserved	3,659,487	4,418,391	7,993,680	7,023,597
Restricted ¹	-	-	-	-
Committed ¹	-	-	-	-
Unassigned ¹	-	-	-	-
Total General Fund	\$ 6,163,485	\$ 7,432,679	\$ 11,007,968	\$ 10,873,138
All other governmental funds:				
Reserved	2,651,862	2,889,269	14,316,183	8,042,035
Unreserved for:				
Special Revenue Fund	5,744,807	3,915,859	4,253,897	6,526,298
Capital Projects Fund	(39,861)	35,927	12,789	(297,364)
Nonspendable ¹	-	-	-	-
Restricted ¹	-	-	-	-
Assigned ¹	-	-	-	-
Unassigned ¹	-	-	-	-
Total All Other Government Funds	\$ 8,356,808	\$ 6,841,055	\$ 18,582,869	\$ 14,270,969
Total Government Funds				
Reserved	5,155,860	5,903,557	17,330,471	11,891,576
Unreserved for:				
General Fund	3,659,487	4,418,391	7,993,680	7,023,597
Special Revenue Fund	5,744,807	3,915,859	4,253,897	6,526,298
Capital Projects Fund	(39,861)	35,927	12,789	(297,364)
Nonspendable ¹	-	-	-	-
Restricted ¹	-	-	-	-
Committed ¹	-	-	-	-
Assigned ¹	-	-	-	-
Unassigned ¹	-	-	-	-
Total Government Funds	\$ 14,520,293	\$ 14,273,734	\$ 29,590,837	\$ 25,144,107

(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					
2010	2011	2012	2013	2014	2015
\$ 3,230,289	\$ -	\$ -	\$ -	\$ -	\$ -
7,009,230	-	-	-	-	-
-	3,973,689	4,338,973	4,595,183	4,826,969	5,118,373
-	905,202	424,083	376,858	275,309	257,390
-	6,889,135	8,666,837	9,967,825	10,644,194	11,126,606
<u>\$ 10,239,519</u>	<u>\$ 11,768,026</u>	<u>\$ 13,429,893</u>	<u>\$ 14,939,866</u>	<u>\$ 15,746,472</u>	<u>\$ 16,502,369</u>
10,061,865	-	-	-	-	-
3,807,069	-	-	-	-	-
(432,789)	-	-	-	-	-
-	350,881	363,567	366,428	395,252	431,818
-	27,151,125	14,199,768	11,499,447	15,562,239	15,513,592
-	26,076	27,126	15,645	24,284	32,234
-	-	-	(167)	(254)	-
<u>\$ 13,436,145</u>	<u>\$ 27,528,082</u>	<u>\$ 14,590,461</u>	<u>\$ 11,881,353</u>	<u>\$ 15,981,521</u>	<u>\$ 15,977,644</u>
13,292,154	-	-	-	-	-
7,009,230	-	-	-	-	-
3,807,069	-	-	-	-	-
(432,789)	-	-	-	-	-
-	350,881	363,567	366,428	395,252	431,818
-	31,124,814	18,538,741	16,094,630	20,389,208	20,631,965
-	905,202	424,083	376,858	275,309	257,390
-	26,076	27,126	15,645	24,284	32,234
-	6,889,135	8,666,837	9,967,658	10,643,940	11,126,606
<u>\$ 23,675,664</u>	<u>\$ 39,296,108</u>	<u>\$ 28,020,354</u>	<u>\$ 26,821,219</u>	<u>\$ 31,727,993</u>	<u>\$ 32,480,013</u>

Black Hawk County, Iowa

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2006	2007	2008	2009
Revenues:				
Property and other County tax	\$ 28,548,171	\$ 28,940,081	\$ 30,128,426	\$ 31,932,977
Interest and penalty on property tax	345,844	359,660	501,651	404,936
Intergovernmental	24,895,285	25,832,554	27,337,150	33,107,903
Licenses and permits	359,161	357,952	503,428	494,664
Charges for service	5,912,720	5,916,816	5,966,101	6,133,983
Use of money and property	1,185,643	1,588,001	1,347,329	1,175,036
Miscellaneous	1,074,547	1,437,258	1,526,478	1,628,863
Total revenues	62,321,371	64,432,522	67,310,563	74,878,362
Expenditures:				
Public safety and legal services	15,177,369	14,644,919	15,147,782	16,202,010
Physical health and social services	10,356,702	10,700,336	11,133,191	12,443,549
Mental health	20,236,700	21,172,522	21,699,357	20,469,347
County environment and education	2,242,623	2,769,241	2,366,295	6,210,048
Roads and transportation	4,312,500	4,320,351	5,189,582	5,740,813
Governmental services to residents	1,492,111	1,525,049	1,519,451	1,846,197
Administration	4,604,180	4,925,462	5,134,223	5,295,627
Debt service:				
Interest	430,187	429,266	415,697	1,009,945
Principal	2,317,182	2,103,093	2,322,725	3,300,126
Debt issuance costs	51,241	23,112	69,904	76,995
Capital projects	2,367,104	3,569,460	2,015,652	11,560,272
Total expenditures	63,587,899	66,182,811	67,023,859	84,154,929
Excess of revenues over (under) expenditures	(1,266,528)	(1,750,289)	286,704	(9,276,567)
Other financing sources (uses):				
Proceeds from the sale of land and capital assets	76,751	3,530	1,506,229	1,023
Transfers in	1,624,082	1,701,065	1,860,555	1,991,922
Transfers out	(1,749,082)	(1,701,065)	(1,860,555)	(1,991,922)
General obligation bonds and notes issued	2,980,000	2,010,000	13,260,000	3,863,600
Redemption of refunded bonds	-	(500,000)	-	-
Discount on general obligation bonds and notes	(15,046)	(9,800)	(74,315)	(30,400)
Premiums on Bonds Issued	-	-	-	-
Insurance proceeds	-	-	338,485	283,305
Payments received on capital lease receivable	-	-	-	712,309
Total other financing sources (uses)	2,916,705	1,503,730	15,030,399	4,829,837
Net change in fund balances	\$ 1,650,177	\$ (246,559)	\$ 15,317,103	\$ (4,446,730)
Debt service as % of noncapital expenditures	4.49%	4.04%	4.21%	5.94%

Source: County records

Fiscal Year						
2010	2011	2012	2013	2014	2015	
\$ 32,268,714	\$ 32,978,105	\$ 34,201,174	\$ 34,721,423	\$ 35,752,215	\$ 34,608,377	
410,634	390,102	394,076	388,657	386,573	363,452	
26,983,363	15,642,743	13,112,737	15,879,589	13,754,762	14,090,273	
485,311	495,724	491,139	501,326	507,388	545,320	
6,444,766	4,384,639	4,588,753	4,993,451	4,697,632	4,863,730	
1,492,422	1,081,883	730,816	751,108	774,037	834,310	
1,822,656	1,945,529	2,120,679	1,981,607	2,148,351	2,195,924	
69,907,866	56,918,725	55,639,374	59,217,161	58,020,958	57,501,386	
17,080,739	17,456,467	17,464,855	17,607,744	18,666,501	19,031,164	
11,901,238	8,209,118	7,654,874	7,869,190	7,286,923	7,276,643	
21,254,887	2,872,865	9,246,928	5,562,162	6,531,467	6,588,351	
4,971,752	5,811,886	4,133,703	7,403,138	4,731,197	3,962,309	
5,099,989	5,559,563	6,297,386	5,661,318	5,473,766	5,480,704	
1,729,895	1,501,987	1,562,243	1,705,478	1,764,464	1,778,144	
5,506,549	5,541,663	5,092,556	4,645,504	5,132,570	5,262,939	
1,192,563	1,275,881	1,472,757	1,371,981	1,296,937	1,324,020	
3,965,776	3,046,508	4,112,334	4,698,264	4,389,312	5,432,005	
43,145	100,714	51,568	32,273	56,238	-	
6,931,728	8,726,249	12,100,276	5,577,646	3,873,576	646,297	
79,678,261	60,202,901	69,209,480	62,534,698	59,202,951	56,782,576	
(9,770,395)	(3,284,176)	(13,570,106)	(3,317,537)	(1,181,993)	718,810	
55,649	-	30,240	37,883	19,704	33,210	
2,083,911	2,129,046	2,517,777	3,306,530	9,656,136	3,377,226	
(2,083,911)	(2,222,768)	(2,517,777)	(3,306,530)	(9,656,136)	(3,377,226)	
8,290,000	18,905,000	3,080,000	2,000,000	5,935,000	-	
-	-	(820,000)	-	-	-	
(66,320)	(88,301)	(6,468)	-	-	-	
-	181,643	-	80,548	134,063	-	
22,623	-	10,551	-	-	-	
-	-	-	-	-	-	
8,301,952	18,904,620	2,294,323	2,118,431	6,088,767	33,210	
\$ (1,468,443)	\$ 15,620,444	\$ (11,275,783)	\$ (1,199,106)	\$ 4,906,774	\$ 752,020	
7.09%	8.40%	9.78%	10.66%	10.94%	13.43%	

Black Hawk County, Iowa

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

Function / Program	Fiscal Year			
	2006	2007	2008	2009
Governmental activities:				
Public safety and legal services	\$ 3,595,716	\$ 2,672,347	\$ 2,817,366	\$ 3,025,628
Physical health and social services	5,580,813	5,734,785	6,578,689	8,489,683
Mental health	14,093,443	15,529,395	16,389,743	17,201,625
County environment and education	626,765	783,596	861,542	3,655,514
Roads and transportation	6,344,156	4,506,350	5,778,396	7,326,096
Governmental services to residents	2,057,134	1,789,887	1,771,488	1,724,611
Administration	1,344,308	1,463,647	1,390,059	1,763,684
Total governmental activities	33,642,335	32,480,007	35,587,263	43,186,841
Business-type activities:				
Rural sewer	179,670	210,993	168,731	200,579
Rural water	73,934	87,325	63,024	64,513
Country View Care Facility*	-	-	-	-
Total business-type activities	253,604	298,318	231,755	265,092
Total government	\$ 33,895,939	\$ 32,778,325	\$ 35,819,018	\$ 43,451,933

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

Source: County records

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 2,935,329	\$ 4,596,276	\$ 4,543,611	\$ 4,644,341	\$ 5,341,884	\$ 4,693,681
7,356,412	4,360,327	4,193,830	4,235,862	3,912,685	4,041,546
12,586,504	561,339	506,910	539,902	564,657	656,329
2,555,491	4,592,852	2,536,371	5,794,947	3,091,690	2,686,116
4,529,550	4,476,977	5,522,567	3,847,359	4,912,605	8,618,646
2,107,594	1,793,214	1,967,223	2,046,771	2,112,511	2,173,452
2,672,056	1,787,898	1,706,137	1,180,325	1,097,915	961,463
34,642,936	22,168,883	20,976,649	22,289,507	21,034,147	23,831,233
198,287	188,650	206,923	187,687	192,757	179,392
59,659	62,483	56,928	62,142	34,313	20,036
-	13,271,064	12,303,826	11,986,492	12,517,547	13,349,854
257,946	13,522,197	12,567,677	12,236,321	12,744,617	13,549,282
\$ 34,900,882	\$ 35,691,080	\$ 33,544,326	\$ 34,525,828	\$ 33,778,764	\$ 37,380,515

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
2006	\$ 24,942,457	\$ 2,605,674	\$ 904,326	\$ 95,714	\$ 28,548,171
2007	25,438,232	2,496,495	887,759	102,773	28,940,081
2008	25,954,609	2,787,561	869,608	516,648	30,128,426
2009	27,574,461	2,896,574	964,312	497,630	31,932,977
2010	28,046,535	2,773,380	950,249	498,550	32,268,714
2011	28,571,374	2,924,158	915,122	507,099	32,917,753
2012	29,723,661	2,972,672	976,129	526,780	34,199,242
2013	30,442,122	2,807,922	923,183	546,366	34,719,593
2014	31,368,092	2,952,640	883,736	545,594	35,750,062
2015	30,240,768	2,898,616	897,572	571,437	34,608,393
Change 2006-2015	21.24%	11.24%	-0.75%	497.03%	21.23%

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 Taxable Assessed Property	Total Direct Tax Rate Urban
2006	\$ 1,953,383	\$ 1,018,912	\$ 119,013	\$ 234,112	\$ 213,333	\$ 187,134	\$ 14,650	\$ 3,711,237	7.61
2007	2,076,900	1,045,299	123,095	249,026	268,567	191,819	14,577	3,940,129	7.39
2008	2,123,552	1,061,673	122,062	249,456	284,869	182,634	14,279	4,009,967	7.41
2009	2,263,853	1,180,234	117,722	259,931	347,247	198,667	15,283	4,352,371	6.94
2010	2,405,460	1,193,974	119,012	273,699	383,558	206,079	14,975	4,566,807	6.71
2011	2,502,546	1,186,978	120,459	274,346	416,892	208,213	13,403	4,696,031	6.67
2012	2,642,989	1,200,554	118,995	286,322	419,779	215,751	13,031	4,871,360	6.60
2013	2,890,123	1,285,937	147,273	292,825	458,530	213,032	12,650	5,275,071	6.24
2014	3,055,033	1,411,401	177,235	305,307	283,298	213,603	12,275	5,433,600	6.02
2015	3,105,727	1,179,992	142,105	316,653	496,973	212,762	11,975	5,442,239	6.12

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	2006			2015		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$ 123,259	1	3.52%	\$ 157,182	1	3.18%
Qwest Corporation	34,702	3	0.99	26,635	8	0.54
College Square Mall Partners, LLC	35,972	2	1.03	28,458	7	0.58
Deere and Company	28,313	5	0.81	57,370	4	1.16
Tyson Fresh Meats (IBP Inc.)	19,534	7	0.56	-	-	-
Target Corporation	27,861	6	0.80	81,815	2	1.65
Berth Cabinet Mfg, Inc.	12,518	9	0.36	-	-	-
Hunt Wesson, Inc.	3,603	10	0.10	-	-	-
Menard Inc.	-	-	-	23,136	9	0.47
Con Agra	-	-	-	20,522	10	0.41
IOC Black Hawk County, Inc.	-	-	-	61,592	3	1.25
Waterloo Owner, LLC (Crossroads)	33,564	4	0.96	33,942	6	0.69
R and N Investment Prop., LLC	14,628	8	0.42	-	-	-
Cedar Falls Utilities	-	-	-	55,140	5	1.11
Total	<u>\$ 333,954</u>		<u>9.55%</u>	<u>\$ 545,789</u>		<u>11.04%</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
2006	\$ 135,805,464	\$ 135,584,839	99.84	\$ 34,737	\$ 135,619,576	99.86
2007	143,359,171	143,096,906	99.82	69,698	143,166,604	99.87
2008	146,299,165	145,909,251	99.73	137,703	146,046,954	99.83
2009	159,054,529	158,537,222	99.67	130,965	158,668,187	99.76
2010	164,871,504	164,582,136	99.82	81,946	164,664,082	99.87
2011	171,020,072	170,018,109	99.41	127,194	170,145,303	99.49
2012	175,786,426	175,378,631	99.77	94,705	175,473,336	99.82
2013	184,252,986	182,952,820	99.29	38,278	182,991,098	99.32
2014	183,858,465	183,110,439	99.59	(422,117)	182,688,322	99.36
2015	183,444,159	182,293,936	99.37	(835,628)	181,458,308	98.92

Total tax collection solely for Black Hawk County, Iowa:

2006	\$ 24,790,096
2007	25,313,302
2008	25,954,609
2009	27,547,914
2010	28,035,371
2011	28,578,595
2012	29,718,148
2013	30,430,730
2014	31,368,091
2015	30,240,768

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)

	2006	2007	2008	2009
County Direct Rates:				
General Basic	3.50	3.50	3.50	3.50
General Supplemental	1.90	1.76	1.77	1.42
MH/DD Service	1.65	1.57	1.55	1.44
Debt Service	0.56	0.56	0.58	0.58
Total Urban County Rate	7.61	7.39	7.41	6.94
Rural Basic	0.32	0.28	0.25	2.79
Total Rural County Rate	7.93	7.67	7.66	9.72
City and Town Rates:				
Waterloo	19.16	18.85	18.77	18.37
Cedar Falls	14.05	13.84	13.61	13.26
Dunkerton	11.23	11.13	8.45	8.10
Elk Run Heights	6.30	6.00	6.00	6.00
Evansdale	7.50	6.83	6.75	6.74
Gilbertville	11.33	11.86	12.46	11.54
Hudson	9.73	9.73	9.73	9.73
Janesville	13.18	12.63	12.50	12.40
Jesup	14.50	13.12	12.62	12.55
LaPorte City	12.91	15.39	14.91	14.91
Raymond	6.70	6.90	6.90	6.90
Township Rates:				
Barclay	0.66	0.68	0.46	0.44
Bennington	0.58	0.56	0.56	0.56
Big Creek	0.63	0.60	0.61	0.58
Black Hawk	0.55	0.54	0.54	0.53
Cedar	0.59	0.52	0.53	0.57
Cedar Falls	0.58	0.57	0.58	0.58
Eagle	0.50	0.50	0.55	0.54
East Waterloo	0.15	0.17	0.17	0.16
Fox	0.31	0.38	0.39	0.26
Lester	0.70	0.70	0.70	0.69
Lincoln	0.55	0.58	0.59	0.59
Mt. Vernon	0.41	0.41	0.41	0.41
Orange	0.40	0.27	0.28	0.38
Poyner	0.67	0.67	0.67	0.66
Spring Creek	0.72	0.75	0.76	0.74
Union	0.61	0.64	0.63	0.68
Washington	0.41	0.39	0.35	0.33

(Continued)

Fiscal Year					
2010	2011	2012	2013	2014	2015
3.50	3.50	3.50	3.50	3.50	3.50
1.26	1.39	1.14	0.90	0.77	0.86
1.37	1.34	1.29	1.20	1.12	1.17
0.58	0.44	0.67	0.64	0.63	0.59
6.71	6.67	6.60	6.24	6.02	6.12
2.86	2.88	3.00	3.15	3.26	3.10
9.57	9.55	9.59	9.39	9.28	9.22
18.31	18.26	18.53	18.21	17.49	17.95
13.02	12.99	12.86	12.20	12.02	11.81
8.10	8.43	8.58	8.50	8.46	8.43
6.00	6.01	6.01	6.01	6.01	6.01
6.75	6.88	6.88	6.88	6.31	6.99
11.25	12.27	11.09	10.58	10.57	10.63
9.73	9.73	9.73	9.73	9.73	11.03
12.26	12.08	11.68	11.60	11.41	11.07
13.00	13.95	14.78	14.77	14.72	14.99
14.55	14.54	14.51	14.51	15.52	14.82
6.90	6.90	6.92	6.92	6.92	6.96
0.36	0.34	0.33	0.54	0.52	0.50
0.55	0.55	0.56	0.55	0.55	0.55
0.55	0.57	0.50	0.45	0.44	0.42
0.57	0.57	0.49	0.51	0.51	0.57
0.56	0.58	0.56	0.53	0.56	0.57
0.56	0.56	0.57	0.55	0.48	0.58
0.52	0.47	0.63	0.49	0.65	0.48
0.16	0.16	0.14	0.12	0.11	0.11
0.21	0.26	0.31	0.39	0.44	0.44
0.65	0.69	0.67	0.64	0.66	0.64
0.62	0.61	0.70	0.63	0.63	0.54
0.41	0.41	0.42	0.04	0.39	0.39
0.34	0.35	0.36	0.40	0.40	0.40
0.76	0.66	0.63	0.64	0.61	0.71
0.74	0.69	0.77	0.72	0.68	0.62
0.61	0.68	0.74	0.62	0.66	0.65
0.32	0.36	0.39	0.35	0.33	0.33

Black Hawk County, Iowa

Direct and Overlapping Property Tax Rates (Continued)

Last Ten Fiscal Years

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

(Unaudited)

	2006	2007	2008	2009
School District Rates:				
Waterloo	15.99	16.33	16.75	16.66
Cedar Falls	13.03	13.02	13.13	13.73
Dunkerton	14.44	13.73	14.02	14.10
Elk Run Heights	15.99	16.33	16.75	16.66
Evansdale	15.99	16.33	16.75	16.66
Gilbertville	15.99	16.33	16.75	16.66
Hudson	15.11	15.53	15.96	15.98
Janesville	11.84	11.94	11.83	11.82
Jesup	11.37	11.46	11.62	11.76
LaPorte City	11.94	12.29	12.50	12.68
Raymond	15.99	16.33	16.75	16.66
Other:				
State	-	-	-	-
Hawkeye CC - Area VII	1.07	1.04	0.83	1.00
Kirkwood - Area X	0.65	0.87	0.86	0.85
Ag. Extension	0.04	0.04	0.08	0.08
Special Appraiser*	0.06	0.01	0.03	0.06
Assessor	0.25	0.25	0.24	0.22

Source: Black Hawk County, Auditor's Office

* Special Appraiser and Assessor rates combined in FY13

Fiscal Year					
2010	2011	2012	2013	2014	2015
16.46	16.44	16.28	15.80	15.73	15.98
13.73	14.15	13.79	13.38	12.83	12.78
13.86	15.94	16.00	15.99	15.20	15.56
16.46	16.44	16.28	15.80	15.73	15.98
16.46	16.44	16.28	15.80	15.73	15.98
16.46	16.44	16.28	15.80	15.73	15.98
15.88	16.90	16.89	16.49	15.79	14.94
12.22	11.84	12.33	13.03	12.54	12.06
11.78	11.92	12.94	12.94	12.92	12.93
12.57	12.71	12.70	12.07	12.14	12.05
16.46	16.44	16.28	15.80	15.73	15.98
-	0.00	0.00	0.00	0.00	0.00
0.93	1.00	0.96	0.96	0.95	0.95
0.84	0.93	1.00	1.08	1.06	1.06
0.08	0.08	0.09	0.09	0.09	0.10
0.08	0.09	0.02	-	-	-
0.24	0.22	0.21	0.28	0.32	0.31

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			
2006	\$ 10,405	\$ 1,365	\$ 211	\$ 565	\$ 975	\$ 13,521	0.44	\$ 107.40
2007	10,155	1,125	108	1,450	920	13,758	0.34	109.10
2008	21,260	1,065	-	1,290	860	24,475	0.57	192.04
2009	22,040	790	58	1,130	-	24,018	0.54	190.46
2010	26,655	505	53	960	-	28,173	0.61	217.93
2011	42,605	420	46	790	-	43,861	0.92	334.59
2012	39,525	1,655	39	610	-	41,829	0.85	317.97
2013	37,250	1,240	31	530	-	39,051	0.76	296.24
2014	39,300	935	21	450	-	40,706	0.77	307.11
2015	33,990	630	-	365	-	34,985	0.64	263.25

* 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		
2006	\$ 10,970	\$ 10,970	0.29	\$ 87.14
2007	11,605	11,605	0.29	92.03
2008	22,550	22,550	0.56	176.94
2009	23,170	23,170	0.53	180.53
2010	27,615	27,615	0.60	213.61
2011	43,395	43,395	0.92	331.03
2012	40,135	40,135	0.82	305.10
2013	39,020	39,020	0.74	296.01
2014	40,495	40,495	0.75	305.52
2015	35,107	35,107	0.65	264.17

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

** Amounts are shown net of applicable premium or (discount).

Source: County records

Black Hawk County, Iowa

Direct and Overlapping Governmental Activities Debt As of June 30, 2015 (Unaudited)

Governmental Unit	Debt Outstanding **	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
County direct debt	\$ 35,107,291	100.00%	\$ 35,107,291
City debt:			
Cedar Falls	7,770,000	100.00	7,770,000
Dunkerton	1,055,000	100.00	1,055,000
Elk Run Heights	-	100.00	-
Evansdale	4,290,000	100.00	4,290,000
Gilbertville	1,635,000	100.00	1,635,000
Hudson	5,010,000	100.00	5,010,000
Janesville	48,750	17.75	8,653
Jesup	2,390,000	8.13	194,307
LaPorte City	2,980,000	100.00	2,980,000
Raymond	575,000	100.00	575,000
Waterloo	92,740,000	100.00	92,740,000
Subtotal, City debt			116,257,960
School district debt:			
Cedar Falls	-	100.00	-
Denver	810,000	21.28	172,368
Dike-New Hartford	3,545,000	5.18	183,631
Dunkerton	1,620,000	99.35	1,609,470
Gladbrook-Reinbeck	-	8.09	-
Hudson	-	100.00	-
Janesville	-	47.56	-
Jesup	2,475,000	29.70	735,075
Union (LaPorte City/Dysart)	-	42.13	-
Vinton-Shellsburg	9,645,000	0.04	3,858
Wapsie Valley	8,395,000	5.28	443,256
Waterloo	-	100.00	-
Waverly-Shellrock	13,430,000	0.12	16,116
Subtotal, school district debt			3,163,774
College, Hawkeye Community College	-	58.52	-
Total overlapping debt			119,421,734
Total direct and overlapping debt			\$ 154,529,025

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.

** Amounts are shown net of applicable premium or (discount).

Black Hawk County, Iowa

Legal Debt Margin Information

As of June 30, 2015

(dollars in thousands)

(Unaudited)

	2006	2007	2008	2009
Debt limit	\$ 185,562	\$ 183,249	\$ 200,498	\$ 217,618
Total net debt applicable to limit	13,521	13,758	24,475	24,018
Legal debt margin	\$ 172,041	\$ 169,491	\$ 176,023	\$ 193,600
Total net debt applicable to the limit as a percentage of debt limit	7.86%	8.12%	13.90%	12.41%

Source: County records

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value	\$ 5,442,239
Debt limit (5% of assessed value)	<u>272,112</u>
Debt applicable to limit:	
General obligation bonds	34,355
General obligation capital loan notes	<u>630</u>
Total net applicable to limit	<u>34,985</u>
Legal debt margin	<u>\$ 237,127</u>

2010	2011	2012	2013	2014	2015
\$ 228,340	\$ 234,802	\$ 243,568	\$ 263,754	\$ 271,680	\$ 272,112
28,173	43,815	41,790	39,020	40,495	34,985
<u>\$ 200,167</u>	<u>\$ 190,987</u>	<u>\$ 201,778</u>	<u>\$ 224,734</u>	<u>\$ 231,185</u>	<u>\$ 237,127</u>
14.07%	22.94%	20.71%	17.36%	17.52%	14.75%

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
2005	125,891	3,878,324	30,807	930	16,920	4.6
2006	126,106	4,014,054	31,528	930	16,431	3.9
2007	127,446	4,194,885	32,915	930	16,334	4.3
2008	128,040	4,500,196	35,147	940	17,042	4.5
2009	129,276	4,582,209	35,445	960	17,219	5.8
2010	131,090	4,772,869	36,409	960	17,277	6.1
2011	131,549	4,927,973	37,461	960	18,056	6.2
2012	131,820	5,106,005	38,735	960	18,219	5.5
2013	132,546	5,280,667	39,840	N/A	18,361	5.0
2014*	132,897	5,437,614	40,916	N/A	18,313	4.6

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

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

³ Source: USDA National Agricultural Statistics Service

⁴ Source: School districts in Black Hawk County (certified enrollment 2015-2016)

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

* Per capita personal income was calculated by taking the 2013 figure and multiplying it by the State of Iowa average increase of 2.7%.

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

Black Hawk County, Iowa

Principal Employers

Current Year and Nine Years Ago

(Unaudited)

Employer	2006			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
John Deere	4,700	1	6.45%	5,600	1	7.97%
Wheaton Franciscan Healthcare	2,908	2	3.99	3,059	2	4.35
Tyson Fresh Meats (IBP Inc.)	2,700	3	3.70	2,500	3	3.56
University of Northern Iowa	1,781	4	2.44	1,738	4	2.47
Unity Point Health (Allen Hospital)	1,767	5	2.42	1,616	5	2.30
Bertch Cabinet Manufacturing Co.	1,288	8	1.77	-	-	-
Waterloo Public Schools	1,670	6	2.29	1,608	6	2.29
Omega Cabinets	1,350	7	1.85	-	-	-
Hy-Vee	905	9	1.24	1,547	7	2.20
Wal-Mart Stores	-	-	-	1,047	8	1.49
Target Distribution	-	-	-	860	9	1.22
CBE Companies, Inc.	-	-	-	800	10	1.14
Hawkeye Community College	774	10	1.06	-	-	-

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public safety and legal services:										
Sheriff	133.00	134.00	132.00	132.00	134.00	134.00	134.00	134.00	134.00	135.00
Attorney	28.90	28.10	28.90	28.80	29.80	29.80	30.80	30.80	30.80	31.10
Consolidated comm ctr	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.20	26.70
District court administration**	1.00	-	-	-	-	-	-	-	-	-
Child support recovery*	8.50	-	-	-	-	-	-	-	-	-
Physical health and social services:										
Health department	88.23	89.93	90.43	88.22	89.81	88.15	93.00	93.00	90.39	90.44
County Social Services**	8.00	11.00	9.00	9.00	9.00	8.00	8.00	9.00	9.00	9.00
Youth shelter***	9.80	11.50	8.80	10.50	11.29	12.84	13.30	10.60	-	-
Veteran affairs	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03
Mental health:										
Country View	189.50	190.50	190.50	171.00	181.50	184.00	180.50	184.60	185.70	185.60
County environment and education, Conservation	25.54	28.14	28.84	27.26	26.85	26.29	27.29	26.63	26.44	26.59
Roads and transportation, engineer	43.40	43.40	43.40	43.80	43.90	43.90	44.30	44.30	44.30	44.30
Governmental services to residents:										
Treasurer	13.00	12.50	12.50	12.50	12.50	10.50	10.50	11.50	11.50	11.50
Recorder	11.00	11.00	11.00	10.00	10.00	9.00	9.00	9.00	9.00	9.00
Auditor: elections	3.40	3.40	3.40	3.40	3.40	3.60	3.50	3.30	3.30	4.00
Administration:										
Board office	8.00	8.00	7.50	7.50	7.50	7.50	7.50	8.00	8.00	8.00
Auditor	13.00	13.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	10.00
Treasurer	10.10	10.60	10.60	10.60	10.50	9.00	8.50	7.50	7.50	7.50
Human resources	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.10	3.10	2.10
Information technology	7.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00	7.00
Maintenance	7.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	6.00
Civil service	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total	643.67	643.10	635.90	613.61	630.08	622.61	628.22	630.36	618.26	618.86

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

Source: Black Hawk County, Auditor's Office

* Contract for Child Support Recovery not renewed

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

*** Youth Shelter closed at end of FY13

Black Hawk County, Iowa

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

Function/Program	2006	2007	2008	2009	2010
Public safety and legal services:					
Sheriff:					
# of civil papers served	17,700	16,590	17,971	20,043	19,507
# of arrests made	3,148	3,035	3,358	3,384	4,449
# of jail bookings	8,093	8,533	8,621	9,157	9,558
# of service calls	12,784	9,405	11,945	14,463	14,683
Attorney, # of felonies/aggravated fieldcases filed	2,161	1,949	2,084	1,691	1,716
Physical health and social services:					
Health Department:					
# of Success Street visits	2,901	2,719	3,486	3,968	4,031
# of environmental inspections	2,621	2,442	2,572	2,810	2,600
# of home care aide visits	21,707	19,556	18,323	15,801	15,122
# of home care aide clients	300	223	231	194	188
Community Services, # of people seen	2,258	2,566	2,080	2,077	3,057
Youth Shelter, # of kids per year**	148	98	152	143	161
Veteran Affairs, # of new clients per year	256	260	284	305	309
Mental health:					
Country View, census per year	53,335	51,790	52,008	56,285	55,382
C.P.C., # of people seen	5,503	3,730	2,869	2,985	3,250
County environment and education conservation:					
Hartman Reserve visitors	55,000	55,000	55,900	56,200	53,290
Campers	30,890	37,910	42,999	41,938	47,333
Lodge/Shelter Usage	28,891	27,009	26,865	21,269	27,671
Roads and transportation:					
Engineer:					
# of miles of road paved	11	5	7	17	24
# of bridges/culverts repaired/replaced	14	17	17	8	7
Governmental services to residents:					
Treasurer, titles issued	38,050	37,150	39,731	41,506	41,447
Recorder, documents recorded	30,952	32,158	26,345	25,841	24,771
Auditor, Elections:					
# of active voters	77,058	77,058	77,058	86,891	81,464
# of inactive voters	5,073	5,073	5,073	5,323	5,934
# of absentee ballots	11,002	11,002	11,002	23,999	947
Administration, maintenance, sq. ft maintained	353,980	353,980	353,980	444,393	444,393

Source: County records

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

* Information not available.

** Youth Shelter was closed at the end of FY13

Fiscal Year

2011	2012	2013	2014	2015
19,905	18,162	17,122	16,126	*
4,337	4,130	4,107	4,176	*
9,153	9,244	9,040	8,685	*
14,047	15,328	13,769	13,758	*
1,947	1,445	1,456	1,268	2,243
3,427	3,302	3,277	3,093	3,114
3,202	2,605	3,326	3,351	2,534
13,305	10,692	9,969	8,818	8,549
206	157	149	83	99
3,298	3,319	2,992	3,511	3,102
173	190	**	**	**
258	277	440	312	256
56,839	57,982	57,881	58,847	55,643
3,384	3,422	3,512	3,488	2,036
51,112	51,865	50,827	51,539	52,836
40,588	43,877	37,477	44,607	44,281
26,137	28,761	25,139	34,000	25,917
9	22	20	5	12
12	9	13	10	13
42,704	42,842	40,814	37,311	38,332
24,554	24,859	27,396	23,340	21,639
81,715	78,448	81,066	81,700	79,927
6,516	5,669	5,784	7,094	5,568
15,844	1,501	31,944	1,464	28,134
444,393	458,633	458,633	458,633	458,633

Black Hawk County, Iowa

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

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public safety and legal services:										
Sheriff										
# of patrol cars	18	18	18	19	19	21	21	21	19	19
Physical health and social services:										
Health Department										
# of vehicles	18	17	17	17	17	17	18	19	18	19
County environment and education:										
Conservation										
# of acres managed	8,053	7,990	8,175	8,325	8,325	8,387	8,613	8,776	8,773	8,797
Roads and transportation:										
Engineer:										
# of vehicles	73	74	74	75	74	76	76	78	75	77
# of buildings	15	15	15	16	15	15	15	15	15	15
Administration:										
Maintenance										
# of buildings maintained	4	4	4	6	6	6	9	9	9	9

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

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

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

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	5884NU02	\$ 6,608
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5885NU02	37,802
			<u>44,410</u>
Passed through the Iowa Department of Human Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	45,696
			<u>90,106</u>
U.S. Department of Housing and Urban Development:			
Passed through the Iowa Department of Human Services:			
Lead Hazard Reduction Demonstration Grant Program	14.905	IALHB0498-11	23,187
			<u>23,187</u>
Passed through the Iowa Department of Economic Development:			
Community Development Block Grants/States Program			
Jumpstart Residential	14.228	08-DRH-201	1,088,401
			<u>1,088,401</u>
U.S. Department of the Interior:			
Passed through the Iowa Department of Natural Resources:			
North American Wetlands Conservation Act (NAWCA)	15.623	F12AP00110	60,000
U.S. Department of Justice:			
Bulletproof Vest Partnership Program	16.607	2012-BO-BX-12063628	1,541
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-2462	7,065
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-0617	8,195
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-060	6,200
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-021	1,268
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12-JAG-76324	67,332
			<u>90,060</u>
Passed through the Iowa Department of Justice:			
Federal Violence Against Women Act Court Training and Improvement Grants	16.013	VW-15-91-CJ	11,662
Federal Violence Against Women Act Court Training and Improvement Grants	16.013	VW-14-91-CJ	8,091
			<u>19,753</u>
Crime Victim Assistance	16.575	VA-14-91-CJ	30,635
Federal Violence Against Women Formula Grants	16.588	VW-15-91-CJ	29,214
State Criminal Alien Assistance Program	16.606	2014-AP-BX-0537	10,271
Methamphetamine Drug Hot Spots Grant	16.710	2014-2015	2,083
U.S. Department of Transportation:			
Passed through the Iowa Dept of Transportation			
Highway Planning and Construction Grant	20.205	BROS-COO7(114)-8J-07	15,606
			<u>\$ 15,606</u>

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

Federal Grantor Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Identifying Number	Federal Expenditures
Passed through Iowa Department of Public Safety-			
Passed through the Iowa Department of Public Health:			
National Priority Safety Programs	20.616	PAP 014-405d-M6OT	\$ 1,045
National Priority Safety Programs	20.616	PAP 015-405d-M6OT	10,993
			<u>12,038</u>
U.S. Department of Health and Human Services:			
Passed through the Food and Drug Administration:			
Food and Drug Administration Research	93.103	G-SP-1402-00740	3,000
Passed through the Iowa Department of Public Health:			
Public Health Emergency Preparedness	93.069	5885BT12	59,210
			<u>59,210</u>
Hospital Preparedness and Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	5885BT304	10,945
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2015-TB01	5,525
Immunization Grants	93.268	5885I406	11,686
Immunization Grants	93.268	5884I406	17,136
			<u>28,822</u>
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	5884I407	175
Centers for Disease Control and Prevention Technical Assistance	93.283	5885DH01	8,434
Centers for Disease Control and Prevention Technical Assistance	93.283	5885CRC10	14,699
Centers for Disease Control and Prevention Technical Assistance	93.283	5885NB02	20,358
			<u>43,491</u>
HIV Prevention Activities- Health Department Based	93.940	5884AP03	12,178
HIV Prevention Activities- Health Department Based	93.940	5885AP03	10,854
			<u>23,032</u>
Maternal and Child Health Federal Consolidated Program	93.110'	5885MH03	4,634
Maternal and Child Health Services Block Grant to the States	93.994	5884DH01	5,200
Maternal and Child Health Services Block Grant to the States	93.994	5885DH01	6,566
Maternal and Child Health Services Block Grant to the States	93.994	5884MH03	29,830
Maternal and Child Health Services Block Grant to the States	93.994	5885MH03	84,933
			<u>126,529</u>
Passed through the Iowa Department of Human Services:			
Community Transformation Grant	93.531	5884HP01	21,877
			<u>\$ 21,877</u>

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

Federal Grantor Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Identifying Number	Federal Expenditures
Human Services Administrative Reimbursements:			
Medical Assistance Program	93.778	N/A	\$ 86,085
State Children's Insurance Program	93.767	N/A	281
Child Support	93.563	N/A	8,012
Foster Care - Title IV-E	93.658	N/A	17,514
Refugee and Entrant Assistance	93.566	N/A	100
Adoption Assistance	93.659	N/A	5,529
Child Care Development Fund	93.596	N/A	11,818
Social Services Block Grant	93.667	N/A	14,057
			<u>143,396</u>
U.S. Department of Homeland Security:			
Passed through Iowa Disaster Services Division:			
Emergency Management Performance Grants	97.042	FY 14 EMPG	39,000
			<u>39,000</u>
Passed through the Iowa Homeland Security and Emergency Management Division:			
Disaster Grants - Public Assistance	97.036	FEMA 4187 DR IA	161,843
			<u>161,843</u>
 Total expenditures of federal awards			 <u>\$ 2,144,374</u>

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (Continued)
Year Ended June 30, 2015

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, 2015. 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	\$ 1,088,401
------------------	--------	--------------

COUNTY OF BLACK HAWK, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Part I: Summary of the Independent Auditor's Results

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

CFDA #

Program Name

14.228

Community Development Block Grants/States Program

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

Instances of Non-compliance:

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

MATERIAL WEAKNESS:

2015-001: Financial Reporting

Condition and Criteria – During the audit, we identified transactions concerning receivables not properly recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Effect – The financial information provided by management does not properly present all transactions.

Cause – With a limited number of personnel and current staff workload, they do not allow for adequate review and preparation.

Recommendation – The County should implement procedures to ensure all transactions are properly identified, classified, and included in the County's financial statements.

Response – We will revise our current procedures to ensure the proper amounts are recorded in the financial statements in the future and monitor this process on a regular basis. However, hiring additional staff to implement additional review would not be cost effective.

COUNTY OF BLACK HAWK, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Part III: Findings Related to Federal Expenditures

Instances of Non-Compliance:

None Noted

Significant Deficiencies:

None Noted.

Part IV: Other Findings Related to Required Statutory Reporting

- IV-A-15** Certified Budget – Disbursements for the year ended June 30, 2015, did not exceed the amounts budgeted.
- IV-B-15** 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-15** Travel Expenses – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- IV-D-15** Business Transactions – There were no business transactions between the County and County officials and/or employees during the year ended June 30, 2015.
- IV-E-15** Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions.
- IV-F-15** Board Minutes – No transactions were found that we believe should have been approved in the Board Minutes but were not.
- IV-G-15** 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, 2015 for the County Extension Office did not exceed the amount budgeted.
- IV-H-15** 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-15** Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.



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

To the Board of Supervisors
Black Hawk County, Iowa:

Report on Compliance for Each Major Federal Program:

We have audited compliance of Black Hawk County, Iowa (the County) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015. Black Hawk County, Iowa's major federal programs are identified in Part I of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
December 30, 2015



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

To the Board of Supervisors
Black Hawk County, Iowa

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, the aggregate remaining fund information of Black Hawk County, Iowa, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 30, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Black Hawk County, Iowa's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Black Hawk County, Iowa's internal control. Accordingly, we do not express an opinion on the effectiveness of the Black Hawk County, Iowa's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2015-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Black Hawk County, Iowa's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an

opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Black Hawk County, Iowa's Response to Findings

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

Purpose of this Report

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

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

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
December 30, 2015