



Black Hawk County, Iowa

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018**

Black Hawk County, Iowa
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018

Prepared by
Susan Deaton, Finance Director and Staff
Grant Veeder, Auditor and Staff
Rita Schmidt, Treasurer and Staff

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Black Hawk County Board of Supervisors

Linda L. Laylin
833-3076

Tom Little
833-3075

Frank Magsamen
833-3077

Chris Schwartz
833-3074

Craig White
833-3078

Susan Deaton
Finance Director

Dana Laidig
Administrative Aide

December 3, 2018

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, 2018 is hereby submitted in accordance with the provisions of Section 331.403 of the Code of Iowa.

This report consists of management's representations concerning the finances of the County. The County assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls. 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.

CliftonLarsonAllen LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Black Hawk County financial statements for the year ended June 30, 2018. 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 auditors' 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

Black Hawk County, Iowa was organized in 1853. The County is governed by a five-member Board of Supervisors. Each member is elected at large to a four-year term. 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, however, they cannot exceed the total amount budgeted to their department. Transfers between departments and funds, in addition to increasing or reducing a

department's budget, requires special approval by 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 82% of the population with the remainder living in smaller towns and rural areas.

The U.S. Census Bureau's 2010 population of Black Hawk County was 131,090. The estimated County population for calendar year 2017 is 132,648. Household income per capita in 2017 was \$42,187 up \$1,168 or 2.8% from 2016 household income per capita of \$41,019.

The unemployment rate for Black Hawk County now stands at 2.4% versus 3.2% a year ago. This is slightly higher than the statewide average of 2.1% but lower than the national average of 3.7%.

Significant construction and development has occurred in the county in the last several years. The city of Cedar Falls had record setting construction activity in two of the last three fiscal years while the city of Waterloo has exceeded \$100 million in construction permits for the last five years.

Deere and Company, the largest employer in the County is nearing completion of a 57,500 square-foot addition to one of their warehouse buildings, estimated at \$7.3 million. They reported a 26% increase in worldwide sales and revenue for fiscal year 2018 and their officials continue to remain optimistic about the farm economy.

Tyson Fresh Meats, Inc., the second largest employer in the County, is planning to invest \$28 million to expand its Waterloo pork processing plant and add 245 new jobs.

Long-Term Financial Planning

The unassigned general fund balance for Black Hawk County is at 38.1% of the total general fund expenditures. The fiscal year 2018 percentage figure is above the 25% target set by the Board of Supervisors. The total combined general fund balance (restricted, committed, and unassigned) is at 46.2% of total general fund expenditures. Black Hawk County will continue to diligently manage the unassigned fund balance to maintain the preferred range of fund balance to expenditures.

Black Hawk County continues to follow the twenty-year plan that was created in the fall of 2008 and was updated in November of 2013 with the assistance of the Institute for Decision Making at the University of Northern Iowa.

Due to the significant operating losses incurred in recent years, the County decided to sell their county owned nursing facility to a private company. On October 9, 2018, the County entered into an agreement with Pritok Capital LLC, to transfer ownership and operation of the Country View Care nursing facility. The anticipated closing date is December 31, 2018. The Country View Care facility has been operating as an enterprise fund since fiscal year 2011.

Major Initiatives

Between 2002 and 2012, Black Hawk County replaced three of the four large highway bridges that span the Cedar River. The fourth and final highway bridge is scheduled to be replaced in fiscal years 2019 and 2020 with an estimated cost of \$6 to \$7 million.

The upgrade and replacement of the current county-wide public safety radio system is nearing completion. The project is just under \$9 million and will be completed in fiscal year 2019. 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. Projects including a new chiller and lighting upgrades for the Courthouse were implemented in fiscal year 2018. Additional lighting upgrades in other county buildings are planned for fiscal year 2019.

The Black Hawk County Conservation Board completed a \$3.1 million renovation of the Hartman Reserve Nature Center in fiscal year 2018. The Conservation Board is planning to replace the Wolf Creek Bridge on the Cedar Valley Nature Trail in fiscal year 2019.

The County also completed an upgrade of the Jail Security System in fiscal year 2018 for an estimated \$2 million.

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, Iowa for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the thirteenth 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, CliftonLarsonAllen LLP, 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,



Susan Deaton, CPA
Finance Director

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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, 2017

Christopher P. Morill

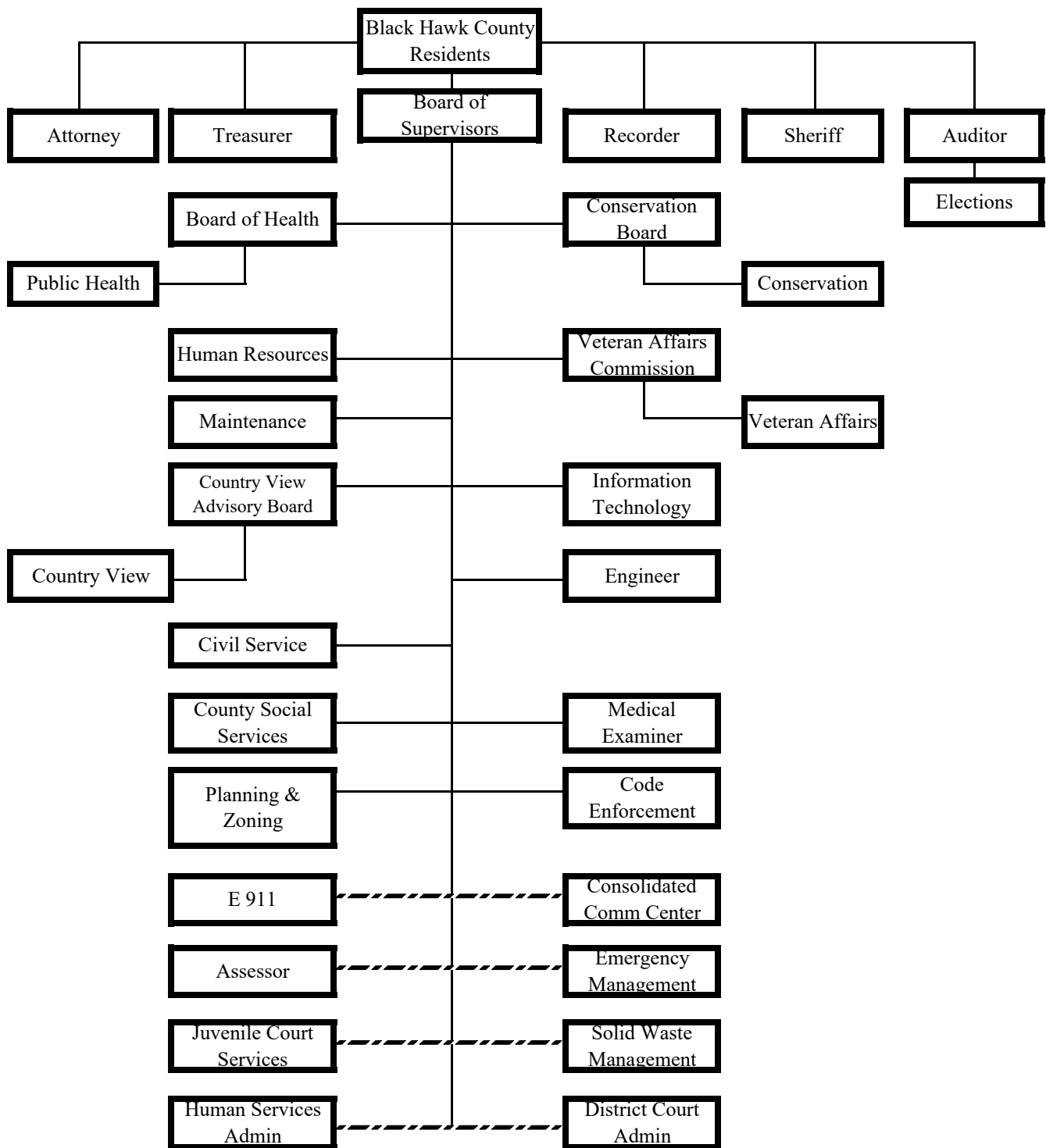
Executive Director/CEO

BLACK HAWK COUNTY OFFICIALS

<u>Official Title</u>	<u>Official</u>	<u>Term Expiration Date of Elected Officials</u>
Elected Officials		
Board of Supervisors, Chairperson	Craig White	2019
Board of Supervisors, Chair Pro Tempore	Tom Little	2021
Board of Supervisors	Frank Magsamen	2019
Board of Supervisors	Linda L. Laylin	2021
Board of Supervisors	Chris Schwarz	2021
County Attorney	Brian Williams	2019
County Auditor	Grant Veeder	2021
County Recorder	Sandie L. Smith	2019
County Sheriff	Tony Thompson	2021
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	Mike Hendrickson	
Country View Provisional Administrator	Carol Laurie	
County Buildings Superintendent	Rory Geving	
County Engineer	Catherine Nicholas	
County Planning & Zoning	Seth Hyberger	
Human Resources Director	Debra Bunger	
Information Technology Director	Kim Veeder	
Public Health Director	Dr. Nafissatou Egbuonye	
Veteran Affairs Director	Kevin Dill	
County Finance Director	Susan Deaton	

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ORGANIZATIONAL CHART



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INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Black Hawk County, Iowa
Waterloo, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Black Hawk County (the County), as of and for the year ended June 30, 2018, 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 accounting principles generally accepted in the United States of America; 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 auditors' 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 County'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 County'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, the business-type activities, each major fund, and the aggregate remaining fund information of Black Hawk County as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 18 to the financial statements, Black Hawk County adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, budgetary comparison information, schedule of the County's proportionate share of the net pension liability, schedule of County contributions, and schedule of changes in the County's OPEB total OPEB liability, related ratios and notes 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 auditing standards generally accepted in the United States of America, 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Black Hawk County's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

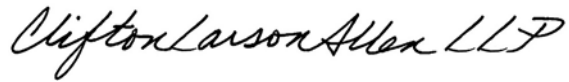
The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Supervisors
Black Hawk County, Iowa

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 our report dated December 3, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Black Hawk County's 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Cedar Rapids, Iowa
December 3, 2018

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Black Hawk County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2018. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2018 FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, during fiscal year 2018. The beginning net position was restated by \$1,380,854 to retroactively report the increase in the OPEB liability as of July 1, 2017. OPEB expense for fiscal year 2017 and deferred outflows of resources at June 30, 2017 were not restated because the information needed to restate those amounts was not available.
- The County's total net position increased 6.1%, or \$5,711,614, over the restated June 30, 2017 balance. The net position for the County's governmental activities increased \$5,590,817 and the net position for the business-type activities increased \$120,797.
- Revenues of the County's governmental activities increased 2.3% or \$1,504,372 from fiscal year 2017. Property tax revenues increased \$1,690,026; charges for services increased \$1,184,327; operating grants and contributions decreased \$128,525; and capital grants and contributions decreased \$1,553,957.
- Revenues of the County's business-type activities increased 11.37% or \$1,484,675 from fiscal year 2017. Miscellaneous revenues increased \$1,480,274.
- Program expenses of the County's governmental activities increased \$1,130,325 or 1.9% from fiscal year 2017. Public safety and legal services increased \$1,076,018; physical health and social services increased \$1,213,077; mental health increased \$99,032; county environment and education increased \$47,799; roads and transportation decreased \$403,320; government services to residents increased \$97,743; administration decreased \$672,667; and interest on long-term debt decreased \$327,357.
- Expenses of the County's business-type activities increased \$193,816 from fiscal year 2017.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the County's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Black Hawk County as a whole and present an overall view of the County's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Black Hawk County's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Black Hawk County acts solely as an agent or custodian for the benefit of those outside of County government (Agency Funds).

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, the County's Proportionate Share of the Net Pension Liability and Related Contributions, as well as presenting the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes.

Supplementary Information provides detailed information about the nonmajor governmental and the individual Agency Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information which helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The Statement of Net Position presents financial information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal years.

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, roads 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 water operations and the Country View Care facility.

Fund Financial Statements

The County has three kinds of funds:

- 1) Governmental funds - Most of the County's basic services are included in the governmental funds. These focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Mental Health, Rural Services and Secondary Roads, 3) the Debt Service Fund and 4) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

- 2) Proprietary funds - Black Hawk County maintains two types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County maintains three enterprise funds: 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. The County maintains three internal service funds for its self-funded employee health insurance plan, property and liability insurance, and office equipment repair funds.

The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

- 3) Fiduciary funds - Fiduciary funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Agency Funds that account for E-911 services, emergency management services and the County Assessor, to name a few.

The required financial statement for fiduciary funds is a Statement of Fiduciary Assets and Liabilities.

Reconciliations between the government-wide financial statements and the governmental fund financial statements follow the governmental fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. Black Hawk County's combined net position increased from approximately \$95.4 million to approximately \$99.7 million.

Net Position of Governmental and Business-Type Activities						
	Governmental Activities		Business-Type Activities		Total	
	2018	2017 (Not Restated)	2018	2017 (Not Restated)	2018	2017 (Not Restated)
Current and Other Assets	\$ 80,398,002	\$ 82,540,776	\$ 4,135,081	\$ 3,654,695	\$ 84,533,083	\$ 86,195,471
Capital Assets	104,005,660	100,664,653	3,265,844	3,600,861	107,271,504	104,265,514
Total Assets	184,403,662	183,205,429	7,400,925	7,255,556	191,804,587	190,460,985
Deferred Outflows of Resources	5,955,933	5,462,828	1,931,675	1,764,091	7,887,608	7,226,919
Long-term Liabilities	46,285,601	52,276,761	7,287,835	6,644,099	53,573,436	58,920,860
Other Liabilities	6,574,592	5,600,556	899,481	985,246	7,474,073	6,585,802
Total Liabilities	52,860,193	57,877,317	8,187,316	7,629,345	61,047,509	65,506,662
Deferred Inflows of Resources	38,573,039	36,503,169	345,608	282,794	38,918,647	36,785,963
Net Position:						
Net Investment in Capital Assets	85,550,373	80,589,750	3,171,246	3,411,666	88,721,619	84,001,416
Restricted	14,957,089	17,385,533	-	-	14,957,089	17,385,533
Unrestricted	(1,581,099)	(3,687,512)	(2,371,570)	(2,304,158)	(3,952,669)	(5,991,670)
Total Net Position	\$ 98,926,363	\$ 94,287,771	\$ 799,676	\$ 1,107,508	\$ 99,726,039	\$ 95,395,279

Prior to restatement, Black Hawk County's combined net position increased 4.5% (approximately \$99.7 million compared to approximately \$95.4 million). The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position — the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements — increased from a deficit of approximately \$5,992,000 at June 30, 2017 to a deficit of approximately \$3,953,000 at the end of this year, an increase of 34.0%.

Changes in Net Position of Governmental and Business-Type Activities

	Government Activities		Business-Type Activities		Total	
	2018	2017 (Not Restated)	2018	2017 (Not Restated)	2018	2017 (Not Restated)
<u>Revenues:</u>						
Program Revenues:						
Charges for Services	\$ 7,165,189	\$ 5,980,862	\$13,028,555	\$13,027,493	\$20,193,744	\$19,008,355
Operating Grants / Contributions	12,269,031	12,397,556	-	-	12,269,031	12,397,556
Capital Grants / Contributions	2,912,073	4,466,030	-	-	2,912,073	4,466,030
General Revenues:						
Property Tax	35,751,623	34,061,597	-	-	35,751,623	34,061,597
Penalty and Interest on Property Tax	353,761	363,321	-	-	353,761	363,321
State Tax Credits	3,070,930	2,969,905	-	-	3,070,930	2,969,905
Local Option Sales Tax	2,791,615	2,925,996	-	-	2,791,615	2,925,996
Gambling Taxes	425,556	433,987	-	-	425,556	433,987
Unrestricted Investment Earnings	783,263	567,076	9,825	6,486	793,088	573,562
Miscellaneous	1,032,859	885,198	1,500,000	19,726	2,532,859	904,924
Total Revenues	66,555,900	65,051,528	14,538,380	13,053,705	81,094,280	78,105,233
<u>Expenses:</u>						
Public Safety and Legal Services	21,362,522	20,286,504	-	-	21,362,522	20,286,504
Physical Health and Social Services	8,607,394	7,394,317	-	-	8,607,394	7,394,317
Mental Health	6,400,062	6,301,030	-	-	6,400,062	6,301,030
County Environment and Education	3,487,532	3,439,733	-	-	3,487,532	3,439,733
Roads and Transportation	9,565,788	9,969,108	-	-	9,565,788	9,969,108
Government Services to Residents	2,188,549	2,090,806	-	-	2,188,549	2,090,806
Administration	8,422,655	9,095,322	-	-	8,422,655	9,095,322
Capital Projects	-	-	-	-	-	-
Interest on Long-Term Debt	930,581	1,257,938	-	-	930,581	1,257,938
Country View Care Facility	-	-	14,131,011	13,930,036	14,131,011	13,930,036
Washburn Water and Sewer	-	-	286,572	293,731	286,572	293,731
Total Expenses	60,965,083	59,834,758	14,417,583	14,223,767	75,382,666	74,058,525
Increase (Decrease) in Net Position	5,590,817	5,216,770	120,797	(1,170,062)	5,711,614	4,046,708
Net Position, Beginning	94,287,771	89,613,208	1,107,508	1,735,363	95,395,279	91,348,571
Restatement	(952,225)	(542,207)	(428,629)	542,207	(1,380,854)	-
Net Position, Beginning, as restated	93,335,546	89,071,001	678,879	2,277,570	94,014,425	91,348,571
Net Position, Ending	\$98,926,363	\$94,287,771	\$ 799,676	\$ 1,107,508	\$99,726,039	\$95,395,279

Governmental Activities

After restatement, Black Hawk County's governmental activities net position increased approximately \$4,639,000 during the year. Revenues for governmental activities increased approximately \$1,504,000 over the prior year, with property tax revenue up from the prior year approximately \$1,690,000, or 5.0%.

The County increased property taxes levied for fiscal year 2018 by 4.6%. This increase raised the County's property tax revenue by \$1,690,026. Based on increases in the tax levies and total assessed valuation, property tax revenue is budgeted to increase an additional \$1.9 million, or approximately 5.4% for fiscal year 2019.

The cost of all governmental activities this year was \$60,965,083 compared to \$59,834,758 last year. The amount financed by taxpayers was \$38,618,790. Some of this cost was paid for by those who benefited from programs or by other governments and organizations which subsidized certain programs with grants and contributions. Overall, the County's governmental activities program revenues, including intergovernmental aid and charges for service, decreased \$498,155 in fiscal year 2018 from \$22,844,448 to \$22,346,293 due to a reduction in capital grants and contributions related to the Hartman Reserve renovation project.

Business-type Activities

The County's business-type activities net position decreased approximately \$308,000 during the year. Revenues for business-type activities increased approximately \$1,485,000 due to a \$1.5 million supplement from the County's general fund to subsidize financial operations at the Country View Care Facility. Expenses for business-type activities increased approximately \$194,000.

INDIVIDUAL MAJOR FUND ANALYSIS

Governmental funds reported a combined fund balance of \$33,041,191, a decrease of \$5,763,717 compared to prior year.

- General fund revenues increased by \$1,797,891 or 4.6% due to an increase in property and other county tax revenue of \$2,352,940. Intergovernmental revenues decreased by \$200,925, licenses and permits increased by \$50,757, charges for services increased by \$122,258, use of money and property increased by \$267,043 and miscellaneous revenues decreased by \$784,622. Expenditures increased by \$2,205,955 or 5.8%. Public safety and legal services increased by \$1,552,520 due to the implementation of a new jail security system. Physical health and social services increased by \$1,097,064 due to the supplement provided to the County operated nursing facility. County environment and education decreased by \$543,592 due to the completion of the Hartman Reserve renovation project. The ending fund balance increased by \$494,116 from the prior year ending the year with a balance of \$18,604,174.
- The Mental Health fund balance at year end decreased \$736,508 over the prior year due to a planned reduction in overall fund balance by the County Social Services Region. Revenues decreased by \$5,678 while expenditures increased by \$97,354.
- There were no significant changes in revenues, expenditures and fund balance of the Rural Services fund.

INDIVIDUAL MAJOR FUND ANALYSIS (CONTINUED)

- Secondary Road fund revenues decreased by \$316,139 due to a decrease in intergovernmental revenues of \$342,475. Secondary Road fund expenditures increased by \$1,057,135 primarily due to the purchase of three new motor graders in fiscal year 2018. The ending fund balance increased by \$232,224 from the prior year ending the year with a balance of \$4,601,891.
- Debt Service fund revenues, transfers in and other financing sources decreased by \$5,160,535 due to a decrease in property tax revenue and refunding bonds issued in the previous fiscal year. Expenditures decreased by \$4,486,006. The ending fund balance decreased by \$1,685,355 from the prior year ending the year with a balance of \$3,583,581.
- Capital Projects revenues and other financing sources decreased by \$2,011,585 primarily due to general obligation bonds being issued in the previous fiscal year. Expenditures and transfers out decreased by \$332,473. The fund balance decreased from \$5,975,878 to \$2,372,880 in fiscal year 2018 as remaining bond proceeds from previous fiscal years continued to be expended.

BUDGETARY HIGHLIGHTS

Over the course of the year, Black Hawk County amended its budget two times. The first amendment was made in December 2017 and was necessary to recognize additional grant revenues and grant program expenditures, additional revenues and expenditures associated with the Hartman Reserve renovation project, expenditures for the new jail security system, expenditures for ongoing capital projects expenditures and to include a subsidy for the Country View Care Facility to sustain financial operations. The second amendment was made in May 2018. This amendment was made to provide for additional revenues and expenditures in certain County departments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, the County had approximately \$107.3 million invested in a broad range of capital assets, including land, buildings, improvements other than buildings, equipment and vehicles, and infrastructure. This is a net increase of approximately \$3 million or 2.9% over the prior year.

	Capital Assets, Net of Applicable Depreciation					
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 6,251,636	\$ 6,157,911	\$ -	\$ -	\$ 6,251,636	\$ 6,157,911
Construction-in-Progress	1,783,624	3,800,134	-	-	1,783,624	3,800,134
Buildings	35,034,571	30,954,604	4,896,955	4,896,955	39,931,526	35,851,559
Improvements other than buildings	1,390,156	1,390,156	111,488	111,488	1,501,644	1,501,644
Equipment and Vehicles	17,403,095	14,966,891	655,438	644,917	18,058,533	15,611,808
Infrastructure	112,141,669	108,771,635	5,420,639	5,420,639	117,562,308	114,192,274
Accumulated Depreciation	(69,999,091)	(65,376,678)	(7,818,675)	(7,473,138)	(77,817,766)	(72,849,816)
Total Capital Assets	\$104,005,660	\$100,664,653	\$ 3,265,845	\$ 3,600,861	\$107,271,505	\$104,265,514

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

- Completion of two renovation projects at the Hartman Reserve Nature Center for \$3,137,642.
- Purchase and implementation of a new jail security system for \$1,983,958.
- Building improvements at the Courthouse and Pinecrest building for \$825,600.
- Purchase of three motor graders for the Secondary Roads department for \$873,000.
- Completion of \$3,370,034 in roadway and bridge projects.
- Construction in progress at year-end includes ceiling and lighting upgrades for the Courthouse and replacement of a portion of the Jail parking lot.

More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2018, the County had approximately \$24,597,000 of general obligation bonds outstanding, compared to approximately \$32,480,000 at June 30, 2017, as shown below:

Table of Outstanding Debt
General Obligation and Revenue Bonds

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$24,080,000	\$31,535,000	\$ 95,000	\$190,000	\$24,175,000	\$31,725,000
Bond discount	(16,181)	(22,923)	(402)	(805)	(16,583)	(23,728)
Bond premium	438,678	779,176			438,678	779,176
Total	\$24,502,497	\$32,291,253	\$ 94,598	\$189,195	\$24,597,095	\$32,480,448

The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Black Hawk County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$443 million. Additional information about the County's long-term debt is presented in Note 7 to the 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 2019 budget and tax rates. One of those factors is the economy. Unemployment in the County now stands at 2.4% versus 3.2% a year ago. This compares with the State's unemployment rate of 2.1% and the national rate of 3.7%.

For fiscal year 2019, property taxes levied will increase approximately \$1,983,000 or 5.4% from the fiscal 2018 budget. The countywide tax levy rate for FY19 will increase approximately 28 cents to \$6.69 per thousand dollars of taxable value. The rural levy rate will increase by 57 cents to \$10.19 per thousand dollars of taxable value. A significant factor impacting the budget for fiscal year 2019 is the amount of taxpayer support needed to fund continuing operations of the County owned nursing facility. The fiscal year 2019 budget includes \$2 million in appropriations from the General Fund for the Country View Care Facility, one of the County's enterprise funds. The County is in the process of selling the nursing facility to a private company and expects to close on the sale by the end of calendar year 2018.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the County'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 Susan Deaton, Black Hawk County Finance Director, Board of Supervisor's Office, 316 E. 5th Street, Waterloo, IA 50703.

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BASIC FINANCIAL STATEMENTS

BLACK HAWK COUNTY, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Cash and pooled investments	\$ 34,511,077	\$ 1,188,027	\$ 35,699,104
Restricted cash and investments	4,260,268	-	4,260,268
Receivables:			
Property Tax			
Delinquent	141,638	-	141,638
Succeeding year	37,512,337	-	37,512,337
Accrued interest	42,116	-	42,116
Accounts	301,642	1,943,096	2,244,738
Interest and penalty on property tax, net	136,819	-	136,819
Notes receivable	1,215,000	-	1,215,000
Due from other governments	2,551,911	248,822	2,800,733
Internal balances	(695,447)	695,447	-
Prepaid items	34,380	8,640	43,020
Inventories	386,261	51,049	437,310
Non-current Assets:			
Land	6,251,636	-	6,251,636
Construction in progress	1,783,624	-	1,783,624
Infrastructure, property and equipment, net of accumulated depreciation	95,970,400	3,265,844	99,236,244
Total Assets	184,403,662	7,400,925	191,804,587
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	5,955,933	1,931,675	7,887,608
LIABILITIES			
Accounts payable	3,398,033	245,452	3,643,485
Claims payable	1,182,471	-	1,182,471
Due to other governments	264,505	387,303	651,808
Unearned revenue	30,714	-	30,714
Accrued interest payable	58,968	317	59,285
Salaries and benefits payable	1,639,901	266,409	1,906,310
Long-term Liabilities:			
Portion due or payable within one year:			
General obligation bonds	6,910,000	94,598	7,004,598
Compensated absences	1,274,255	307,316	1,581,571
Portion due or payable after one year:			
General obligation bonds	17,592,497	-	17,592,497
Compensated absences	591,278	179,805	771,083
Net pension liability	17,487,825	5,671,790	23,159,615
Total OPEB liability	2,429,746	1,034,326	3,464,072
Total Liabilities	52,860,193	8,187,316	61,047,509
DEFERRED INFLOWS OF RESOURCES			
Succeeding year property tax revenue	37,512,337	-	37,512,337
OPEB related deferred inflows	52,497	18,619	71,116
Pension related deferred inflows	1,008,205	326,989	1,335,194
Total Deferred Inflows of Resources	38,573,039	345,608	38,918,647
NET POSITION			
Net investment in capital assets	85,550,373	3,171,246	88,721,619
Restricted for:			
Debt service	3,599,371	-	3,599,371
Mental health purposes	757,042	-	757,042
Supplemental levy purposes	3,261,329	-	3,261,329
Secondary roads purposes	4,215,630	-	4,215,630
Rural services	1,469,715	-	1,469,715
Conservation	1,096,610	-	1,096,610
Other purposes	557,392	-	557,392
Unrestricted	(1,581,099)	(2,371,570)	(3,952,669)
Total Net Position	\$ 98,926,363	\$ 799,676	\$ 99,726,039

See Accompanying Notes to Financial Statements

BLACK HAWK COUNTY, IOWA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues
		Charges for Services
PRIMARY GOVERNMENT		
Governmental Activities:		
Public safety and legal services	\$ 21,362,522	\$ 2,068,053
Physical health and social services	8,607,394	787,189
Mental health	6,400,062	195,951
County environment and education	3,487,532	678,010
Roads and transportation	9,565,788	88,175
Government services to residents	2,188,549	2,065,959
Administration	8,422,655	1,281,852
Interest on long-term debt	930,581	-
Total Governmental Activities	60,965,083	7,165,189
BUSINESS-TYPE ACTIVITIES		
Rural Sewer	217,336	183,942
Rural Water	69,236	10,328
Country View Care Facility	14,131,011	12,834,285
Total Business-Type Activities	14,417,583	13,028,555
Total	\$ 75,382,666	\$ 20,193,744

See Accompanying Notes to Financial Statements

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants Contributions	Capital Grants Contributions	Governmental Activities	Business-Type Activities	Total
\$ 2,524,935	\$ -	\$ (16,769,534)	\$ -	\$ (16,769,534)
2,854,105	-	(4,966,100)	-	(4,966,100)
891,214	-	(5,312,897)	-	(5,312,897)
961,177	476,798	(1,371,547)	-	(1,371,547)
4,514,665	2,435,275	(2,527,673)	-	(2,527,673)
123,060	-	470	-	470
399,875	-	(6,740,928)	-	(6,740,928)
-	-	(930,581)	-	(930,581)
12,269,031	2,912,073	(38,618,790)	-	(38,618,790)
-	-	-	(33,394)	(33,394)
-	-	-	(58,908)	(58,908)
-	-	-	(1,296,726)	(1,296,726)
-	-	-	(1,389,028)	(1,389,028)
\$ 12,269,031	\$ 2,912,073	\$ (38,618,790)	\$ (1,389,028)	\$ (40,007,818)

GENERAL REVENUES

Property and other County tax levied for:

General purposes	\$ 31,322,193	\$ -	\$ 31,322,193
Debt service	4,429,430	-	4,429,430
Interest and penalties on taxes	353,761	-	353,761
State tax credits	3,070,930	-	3,070,930
Local option sales tax	2,791,615	-	2,791,615
Gambling taxes	425,556	-	425,556
Unrestricted investment earnings	783,263	9,825	793,088
Miscellaneous	1,032,859	1,500,000	2,532,859
Total General Revenues	44,209,607	1,509,825	45,719,432
CHANGE IN NET POSITION	5,590,817	120,797	5,711,614
Net Position - Beginning of Year	94,287,771	1,107,508	95,395,279
Restatement (Note 18)	(952,225)	(428,629)	(1,380,854)
Net Position - Beginning of Year, as Restated	93,335,546	678,879	94,014,425
NET POSITION - END OF YEAR	\$ 98,926,363	\$ 799,676	\$ 99,726,039

See Accompanying Notes to Financial Statements

BLACK HAWK COUNTY, IOWA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General	Mental Health	Rural Services
ASSETS			
Cash and pooled investments	\$ 19,525,588	\$ 570,638	\$ 1,450,978
Restricted cash and investments	-	-	-
Receivables:			
Property Tax			
Delinquent	104,762	17,706	3,208
Succeeding year	26,152,837	4,420,166	2,881,961
Accrued interest	31,320	-	-
Accounts	202,216	1,081	-
Interest and penalty on property tax, net	136,819	-	-
Notes receivable	-	-	-
Due from other funds	2,803	-	-
Due from other Governments	1,569,875	206,216	137,648
Prepaid items	34,380	-	-
Inventories	-	-	-
Total Assets	<u>\$ 47,760,600</u>	<u>\$ 5,215,807</u>	<u>\$ 4,473,795</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,144,210	\$ 1,227	\$ 440
Due to other funds	-	165	582
Due to other Governments	236,056	-	24,121
Unearned revenue	30,714	-	-
Salaries and benefits payable	1,347,449	37,207	96,976
Total Liabilities	<u>2,758,429</u>	<u>38,599</u>	<u>122,119</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues:			
Succeeding year property tax	26,152,837	4,420,166	2,881,961
Delinquent property tax	238,954	17,501	3,181
Other	6,206	-	-
Total Deferred Inflows of Resources	<u>26,397,997</u>	<u>4,437,667</u>	<u>2,885,142</u>
FUND BALANCES			
Nonspendable:			
Prepaid items	34,380	-	-
Inventory	-	-	-
Restricted for:			
Debt service	-	-	-
Supplemental levy purposes	3,228,843	-	-
Mental health purposes	-	739,541	-
Rural services purposes	-	-	1,466,534
Secondary roads purposes	-	-	-
Records management purposes	-	-	-
Conservation purposes	-	-	-
Capital projects	-	-	-
Other purposes	-	-	-
Assigned for:			
Conservation land acquisition	-	-	-
Unassigned	15,340,951	-	-
Total Fund Balances	<u>18,604,174</u>	<u>739,541</u>	<u>1,466,534</u>
Total Liabilities Deferred Inflows and Fund Balances	<u>\$ 47,760,600</u>	<u>\$ 5,215,807</u>	<u>\$ 4,473,795</u>

See Accompanying Notes to Financial Statements

Secondary Roads		Debt Service		Capital Projects		Other Governmental Funds	Total Governmental Funds
\$	4,297,614	\$	2,238,131	\$	-	\$	1,761,152
	-		-		4,260,268		-
	-		15,962		-		-
	-		4,057,373		-		-
	-		10,796		-		-
	10,224		-		-	20,065	-
	-		-		-	-	-
	-		1,215,000		-	-	-
	-		-		-	-	-
	325,610		119,482		-	1,927	-
	-		-		-	-	-
	386,261		-		-	-	-
\$	5,019,709	\$	7,656,744	\$	4,260,268	\$	1,783,144
						\$	76,170,067
\$	255,068	\$	-	\$	1,887,388	\$	108,651
	2,043		-		-		13
	4,328		-		-		-
	-		-		-		-
	156,379		-		-	1,890	-
	417,818		-		1,887,388	110,554	-
	-		4,057,373		-	-	-
	-		15,790		-	-	-
	-		-		-	-	-
	-		4,073,163		-	-	-
	-		-		-	-	-
	386,261		-		-	-	-
	-		3,583,581		-	-	-
	-		-		-	-	-
	-		-		-	-	-
	-		-		-	-	-
	4,215,630		-		-	-	-
	-		-		-	23,405	-
	-		-		-	1,096,610	-
	-		-		2,372,880	-	-
	-		-		-	533,987	-
	-		-		-	18,588	-
	-		-		-	-	-
	4,601,891		3,583,581		2,372,880	1,672,590	-
\$	5,019,709	\$	7,656,744	\$	4,260,268	\$	1,783,144
						\$	76,170,067

See Accompanying Notes to Financial Statements

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BLACK HAWK COUNTY, IOWA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
JUNE 30, 2018

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

Total fund balance - governmental funds		\$ 33,041,191
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds.		104,005,660
Internal service funds used by management to charge the costs of self-insured health, general liability, and worker compensation are included in the statement of net position.		3,047,218
Unavailable revenues from the balance sheet that provide current financial resources for governmental activities.		281,632
Accrued expenses from the balance sheet that require current financial resources for governmental activities.		
Accrued compensated absences	\$ (1,865,533)	
Net pension liability	(17,487,825)	
Other postemployment liabilities	<u>(2,429,746)</u>	(21,783,104)
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	5,955,933	
Deferred inflows of resources	<u>(1,060,702)</u>	4,895,231
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(24,502,497)	
Accrued interest payable	<u>(58,968)</u>	(24,561,465)
Total net position - governmental activities		<u>\$ 98,926,363</u>

BLACK HAWK COUNTY, IOWA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	General	Mental Health	Rural Services
REVENUES			
Property tax	\$ 23,549,742	\$ 4,052,200	\$ 2,443,507
Other County tax	1,319,431	139,900	1,606,610
Interest and penalty on property tax	353,761	-	-
Intergovernmental	8,855,789	1,262,826	161,386
Licenses and permits	415,072	-	87,616
Charges for services	4,435,599	195,951	9,428
Use of money and property	578,122	-	-
Miscellaneous	1,596,572	-	270
Total Revenues	41,104,088	5,650,877	4,308,817
EXPENDITURES			
Operating			
Public safety and legal services	19,943,606	-	1,874,810
Physical health and social services	8,528,400	-	-
Mental health	-	6,387,385	-
County environment and education	4,013,811	-	268,647
Roads and transportation	-	-	-
Government services to residents	2,093,398	-	332
Administration	5,700,398	-	-
Capital projects	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	40,279,613	6,387,385	2,143,789
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	824,475	(736,508)	2,165,028
OTHER FINANCING SOURCES (USES)			
Transfers in	575,413	-	-
Transfers (out)	(907,597)	-	(2,342,496)
Proceeds from sale of capital assets	1,825	-	-
Total Other Financing Sources (Uses)	(330,359)	-	(2,342,496)
NET CHANGE IN FUND BALANCES	494,116	(736,508)	(177,468)
Fund Balances - Beginning of Year	18,110,058	1,476,049	1,644,002
FUND BALANCES - END OF YEAR	\$ 18,604,174	\$ 739,541	\$ 1,466,534

See Accompanying Notes to Financial Statements

Secondary Roads	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 4,294,235	\$ -	\$ -	\$ 34,339,684
-	1,529,003	-	-	4,594,944
-	-	-	-	353,761
4,689,270	737,440	-	48,572	15,755,283
82,335	-	-	-	585,023
849	-	-	396,801	5,038,628
-	159,686	-	37,579	775,387
38,179	-	-	371,533	2,006,554
4,810,633	6,720,364	-	854,485	63,449,264
-	-	-	246,371	22,064,787
-	-	-	-	8,528,400
-	-	-	-	6,387,385
-	-	-	288,215	4,570,673
7,125,313	-	-	-	7,125,313
-	-	-	32,214	2,125,944
-	-	-	-	5,700,398
841,742	-	3,602,998	-	4,444,740
-	7,455,000	-	-	7,455,000
-	950,719	-	-	950,719
7,967,055	8,405,719	3,602,998	566,800	69,353,359
(3,156,422)	(1,685,355)	(3,602,998)	287,685	(5,904,095)
3,250,093	-	-	6,777	3,832,283
-	-	-	(582,190)	(3,832,283)
138,553	-	-	-	140,378
3,388,646	-	-	(575,413)	140,378
232,224	(1,685,355)	(3,602,998)	(287,728)	(5,763,717)
4,369,667	5,268,936	5,975,878	1,960,318	38,804,908
\$ 4,601,891	\$ 3,583,581	\$ 2,372,880	\$ 1,672,590	\$ 33,041,191

See Accompanying Notes to Financial Statements

BLACK HAWK COUNTY, IOWA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2018

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

Net change in fund balances - total governmental funds \$ (5,763,717)

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	\$ 9,246,600	
Depreciation expense	<u>(5,831,025)</u>	3,415,575

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. (74,568)

Revenues reported in the funds that are not available to provide current financial resources (225,118)

Accrued interest expense that does not require current financial resources 20,138

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. 966,996

Compensated absences that do not require current financial resources (15,613)

Other postemployment benefits that do not require current financial resources (147,145)

Pension expenses reported in the statement of activities do not require the use of current financial resources. (374,487)

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	7,455,000	
Accretion of premium on long-term debt	340,498	
Amortization of discounts on long-term debt	<u>(6,742)</u>	7,788,756

Change in net position of governmental activities \$ 5,590,817

BLACK HAWK COUNTY, IOWA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Business-Type Activities			Governmental Activities
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Internal Service
ASSETS				
Cash and investments	\$ 882,279	\$ 305,748	\$ 1,188,027	\$ 4,666,976
Receivables (net, where applicable, of allowance for uncollectibles)				
Accounts	1,908,342	34,754	1,943,096	68,056
Due from other governments	248,822	-	248,822	191,153
Prepaid items	8,640	-	8,640	-
Inventories	51,049	-	51,049	-
Non-current Assets:				
Infrastructure, property and equipment, net of accumulated depreciation	1,622,419	1,643,425	3,265,844	-
Total Assets	4,721,551	1,983,927	6,705,478	4,926,185
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows	1,931,675	-	1,931,675	-
LIABILITIES				
Accounts payable	240,287	5,165	245,452	1,049
Claims payable	-	-	-	1,182,471
Accrued interest payable	-	317	317	-
Salaries and benefits payable	266,409	-	266,409	-
Due to other governments	387,303	-	387,303	-
Long-term Liabilities:				
Portion due or payable within one year:				
General obligation bonds	-	94,598	94,598	-
Compensated absences	307,316	-	307,316	-
Portion due or payable after one year:				
Compensated absences	179,805	-	179,805	-
Net pension liability	5,671,790	-	5,671,790	-
Total OPEB liability	1,034,326	-	1,034,326	-
Total Liabilities	8,087,236	100,080	8,187,316	1,183,520
DEFERRED INFLOWS OF RESOURCES				
OPEB related deferred inflows	18,619	-	18,619	-
Pension related deferred inflows	326,989	-	326,989	-
Total Deferred Inflows of Resources	345,608	-	345,608	-
NET POSITION				
Net Investment in Capital Assets	1,622,419	1,548,827	3,171,246	-
Unrestricted	(3,402,037)	335,020	(3,067,017)	3,742,665
Total Net Position	\$ (1,779,618)	\$ 1,883,847	104,229	\$ 3,742,665
Adjustment to Reflect the Consolidated Internal Service Fund Activities Related to the Enterprise Funds			695,447	
Total Net Position of the Business-type Activities			\$ 799,676	

See Accompanying Notes to Financial Statements

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BLACK HAWK COUNTY, IOWA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Business-Type Activities			Governmental Activities
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Internal Service
OPERATING REVENUES				
Charges for services	\$ 12,565,560	\$ 194,270	\$ 12,759,830	\$ 10,024,127
Total Operating Revenue	12,565,560	194,270	12,759,830	10,024,127
OPERATING EXPENSES				
Employee services	11,057,877	-	11,057,877	-
Contract services	1,536,819	38,710	1,575,529	8,881,729
Supplies	846,050	-	846,050	-
Repairs and improvements	162,344	41,730	204,074	-
Utilities	178,918	3,022	181,940	-
Miscellaneous	179,936	-	179,936	-
Depreciation	169,067	195,468	364,535	-
Total Operating Expenses	14,131,011	278,930	14,409,941	8,881,729
OPERATING INCOME (LOSS)	(1,565,451)	(84,660)	(1,650,111)	1,142,398
NONOPERATING INCOME (EXPENSE)				
Interest income	2,407	7,418	9,825	93,323
Other nonoperating income	1,500,000	-	1,500,000	-
Interest expense	-	(7,642)	(7,642)	-
Total Nonoperating Income (Expense)	1,502,407	(224)	1,502,183	93,323
CHANGE IN NET POSITION	(63,044)	(84,884)	(147,928)	1,235,721
Net Position - Beginning of Year, as Restated	(1,716,574)	1,968,731		2,506,944
NET POSITION - END OF YEAR	\$ (1,779,618)	\$ 1,883,847		\$ 3,742,665
Adjustment to Reflect the Consolidated Internal Service Fund Activities Related to the Enterprise Funds			268,725	
Change in Net Position of Business-Type Activities			\$ 120,797	

See Accompanying Notes to Financial Statements

BLACK HAWK COUNTY, IOWA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Business-Type Activities			Governmental Activities
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 12,398,391	\$ 210,223	\$ 12,608,614	\$ 10,196,723
Cash paid to suppliers for goods and services	(2,934,761)	(82,169)	(3,016,930)	-
Cash paid for claims and to administrative provider	-	-	-	(9,028,261)
Cash paid to employees for services provided	(10,909,836)	-	(10,909,836)	-
Other nonoperating income	1,500,000	-	1,500,000	-
Net Cash Provided by Operating Activities	53,794	128,054	181,848	1,168,462
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(29,518)	-	(29,518)	-
Payments on general obligation bonds	-	(95,000)	(95,000)	-
Interest paid on notes and bonds	-	(7,551)	(7,551)	-
Net Cash (Used) for Capital and Related Financing Activities	(29,518)	(102,551)	(132,069)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends on investments	2,407	7,418	9,825	93,323
Net Cash Provided from Investing Activities	2,407	7,418	9,825	93,323
NET INCREASE IN CASH AND CASH EQUIVALENTS	26,683	32,921	59,604	1,261,785
Cash and Cash Equivalents - Beginning of Year	855,596	272,827	1,128,423	3,405,191
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 882,279	\$ 305,748	\$ 1,188,027	\$ 4,666,976

See Accompanying Notes to Financial Statements

BLACK HAWK COUNTY, IOWA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Business-Type Activities			Governmental Activities
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Internal Service
Reconciliation of operating income (loss) to net Cash provided (used) by operating activities				
Operating income (loss)	\$ (1,565,451)	\$ (84,660)	\$ (1,650,111)	\$ 1,142,398
Adjustments to reconcile net operating income (loss) to net cash:				
Provided (used) by operating activities				
Depreciation	169,067	195,468	364,535	-
Miscellaneous non-operating income	1,500,000	-	1,500,000	-
(Increase) decrease in assets				
Accounts receivable	(1,706,787)	15,953	(1,690,834)	186,094
Prepaid expenses	(3,505)	-	(3,505)	-
Due from other governments	1,539,618	-	1,539,618	(13,498)
Inventories	2,664	-	2,664	-
Deferred outflows	(167,584)	-	(167,584)	-
Increase (decrease) in liabilities				
Accounts payable	(417,156)	2,235	(414,921)	(4,506)
Claims payable	-	-	-	(142,026)
Deferred inflows	62,814	-	62,814	-
Accrued compensated absences	14,237	-	14,237	-
Accrued salaries and benefits	(56,893)	-	(56,893)	-
Other post employment benefit liability	33,570	-	33,570	-
Net pension liability	261,897	-	261,897	-
Due to other governments	387,303	(942)	386,361	-
Total Adjustments	1,619,245	212,714	1,831,959	26,064
Net Cash Provided (Used) by Operating Activities	\$ 53,794	\$ 128,054	\$ 181,848	\$ 1,168,462

See Accompanying Notes to Financial Statements

BLACK HAWK COUNTY, IOWA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2018

ASSETS

Cash and pooled investments	\$	9,849,797
Receivables:		
Property tax:		
Delinquent		694,965
Succeeding year		156,916,374
Accounts		55,117
Due from other governments		535,757
Total Assets		<u>168,052,010</u>

LIABILITIES

Accounts payable		35,642
Salaries & benefits payable		65,349
Due to other governments		166,229,292
Trust payable		1,721,727
Total Liabilities	\$	<u>168,052,010</u>

See Accompanying Notes to Financial Statements

BLACK HAWK COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

(1) Summary of Significant Accounting Policies

Black Hawk 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, Treasurer, Recorder, 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 conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

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.

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.

Blended Component Units – The following component units are entities which are legally separate from the County, but are so intertwined with the County they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

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. 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.

BLACK HAWK COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

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 County Board of Supervisors are members of or appoint representatives to the following boards and commissions: County Assessor's Conference Board, County Emergency Management Commission, and County Joint 911 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 the 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, County Social Services, 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, Iowa Precinct Atlas Consortium, and North Iowa Juvenile Detention Services Commission.

B. Basis of Presentation

Government-wide Financial Statements – 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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position presents the County's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

BLACK HAWK COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The County reports the following major governmental funds:

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 not paid from other funds.

Special Revenue:

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

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the county outside of incorporated city areas.

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, transfers from the General Fund and the Special Revenue, Rural Services Fund and other revenues to be used for secondary roads construction and maintenance.

BLACK HAWK COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

The Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the County's general long-term debt.

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

Additionally, the County reports the following funds:

Proprietary funds are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

The County reports the following proprietary funds:

Enterprise Funds are used to account for those operations that are financed and operating in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The following is the County's major Enterprise Fund:

Country View Care Facility Fund is used to account for the activities and operations of the County's certified care facility.

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the County, or to other governmental entities, on a cost-reimbursement basis. The County's internal service fund is used to account for the self-insured health insurance and property and liability funds and the office equipment repair fund.

Fiduciary Funds - Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

BLACK HAWK COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end. A one-year availability period is used for expenditure-driven grants.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general 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.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 enterprise funds and Internal Service Fund are charges to customers for sales and services. Operating expenses for enterprise funds and Internal Service Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position

The following accounting policies are followed in preparing the financial statements:

Cash, Cash Equivalents and Pooled Investments – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust and non-negotiable certificates of deposit which are stated at amortized cost.

BLACK HAWK COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable 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 reported as 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.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2016 assessed property valuations; is for the tax accrual period July 1, 2017 through June 30, 2018 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2017.

Interest and Penalty on Property Tax Receivable – Interest and penalty on property tax receivable represents the amount of interest and penalty that was due and payable but has not been collected.

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2018, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

BLACK HAWK COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, 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 if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair 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 an initial, individual cost in excess of the following thresholds:

Asset Class	Amount
Infrastructure	\$ 50,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000

Capital assets of the County are depreciated/amortized using the straight line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Infrastructure	15 - 65
Buildings and building improvements	10 - 50
Improvements other than buildings	10 - 25
Equipment and vehicles	5 - 20

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which 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 and OPEB expense and contributions from the County after the measurement date but before the end of the County's reporting period.

Due to Other Governments – Due to other governments represents taxes and other revenues collected by the County and payments for services which will be remitted to other governments.

Trusts Payable – Trusts payable represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

BLACK HAWK COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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. Three bargaining units also include a deferred compensation contribution clause that allows retirees meeting certain conditions to receive a contribution to a deferred compensation account based on their accumulated sick leave balances at retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2018. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds. The compensated absences liability attributable to the business-type activities will be paid by the Country View Care Facility.

Long-Term Liabilities – In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds. The net pension liability attributable to the business-type activities will be paid by the Country View Care Facility.

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, information has been determined based on the County's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds. The total OPEB liability attributable to the business-type activities will be paid by the Country View Care Facility.

BLACK HAWK COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the fund financial statements consist of property tax receivable and other receivables not collected within sixty days after year end and succeeding year property tax and tax increment financing receivables that will not be recognized until the year for which they are levied.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivable that will not be recognized until the year for which they are levied, unrecognized items not yet charged to pension expense and the unamortized portion of the net difference between projected and actual earnings on pension plan assets.

Fund Balance – In the governmental fund financial statements, fund balances are classified as follows:

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

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

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

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

Unassigned – All amounts not included in the preceding classifications.

Net Position – The net position of the Internal Service, Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2018, disbursements did not exceed the amounts budgeted.

BLACK HAWK COUNTY, IOWA
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(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2018 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The County is authorized by statute to invest public funds in 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 Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; and certain joint investment trusts.

At June 30, 2018, the County had the following investments:

Investment	Fair Value	Maturity
Money market mutual fund	\$ 23,536	N/A
Mutual funds - equity income	31,623	N/A
Exchange Traded Products	739,394	N/A
	<u>\$ 794,553</u>	N/A

The County uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The recurring fair value measurement for the County Component Unit's Mutual Funds and Exchange Traded Products of \$794,553 was determined using the last reported sales price at current exchange rates. (Level 1 inputs)

In addition, the County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$15,363,388 pursuant to Rule 2a-7 under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated.

Interest rate risk - The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but no greater than 30 months.

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 agency. The investment in the Iowa Public Agency Investment Trust is unrated.

BLACK HAWK COUNTY, IOWA
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Concentration of credit risk - The County places no limit on the amount which may be invested in any one issuer. The County did not have any investments in any one issuer that represent 5% or more of the total County investments: mutual funds are excluded from this consideration given the County does not "hold" the underlying investments.

(3) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2018 is as follows:

	Due From Other Funds	Due To Other Funds
Governmental Funds		
General	\$ 2,803	\$ -
Mental Health	-	165
Rural Basic	-	582
Secondary Roads	-	2,043
Non-major funds	-	13
Total	<u>\$ 2,803</u>	<u>\$ 2,803</u>

These balances result from the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

(4) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2018 is as follows:

	Transfer Out			
	General	Rural Services	Other Governmental Funds	Total Transfer In
Transfer In:				
Secondary Roads	\$ 907,597	\$ 2,342,496	\$ -	\$ 3,250,093
Other Governmental Funds	-	-	6,777	6,777
General	-	-	575,413	575,413
Total Transfer Out	<u>\$ 907,597</u>	<u>\$ 2,342,496</u>	<u>\$ 582,190</u>	<u>\$ 3,832,283</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

BLACK HAWK COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

(5) Capital Assets

Capital assets activity for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,157,911	\$ 93,725	\$ -	\$ 6,251,636
Construction in progress	3,800,134	7,107,498	9,124,008	1,783,624
Total capital assets, not being depreciated	9,958,045	7,201,223	9,124,008	8,035,260
Capital assets being depreciated:				
Improvements other than buildings	1,390,156	-	-	1,390,156
Buildings	30,954,604	4,079,967	-	35,034,571
Equipment and vehicles	14,966,891	3,718,635	1,282,431	17,403,095
Infrastructure	108,771,635	3,370,783	749	112,141,669
Total capital assets being depreciated	156,083,286	11,169,385	1,283,180	165,969,491
Less accumulated depreciation for:				
Improvements other than buildings	1,088,440	38,314	-	1,126,754
Buildings	12,758,858	761,074	-	13,519,932
Equipment and vehicles	9,803,190	1,010,067	1,208,612	9,604,645
Infrastructure	41,726,190	4,021,570	-	45,747,760
Total accumulated depreciation	65,376,678	5,831,025	1,208,612	69,999,091
Total capital assets being depreciated, net	90,706,608	5,338,360	74,568	95,970,400
Governmental activities capital assets, net	<u>\$ 100,664,653</u>	<u>\$ 12,539,583</u>	<u>\$ 9,198,576</u>	<u>\$ 104,005,660</u>
Business-type Activities:				
Capital assets being depreciated:				
Improvements other than buildings	\$ 111,488	\$ -	\$ -	\$ 111,488
Buildings	4,896,955	-	-	4,896,955
Equipment and vehicles	644,917	29,518	18,998	655,437
Infrastructure	5,420,639	-	-	5,420,639
Total capital assets being depreciated	11,073,999	29,518	18,998	11,084,519
Less accumulated depreciation for:				
Improvements other than buildings	83,496	1,599	-	85,095
Buildings	3,299,054	137,831	-	3,436,885
Equipment and vehicles	508,845	29,637	18,998	519,484
Infrastructure	3,581,743	195,468	-	3,777,211
Total accumulated depreciation	7,473,138	364,535	18,998	7,818,675
Total capital assets being depreciated, net	3,600,861	(335,017)	-	3,265,844
Business-type activities capital assets, net	<u>\$ 3,600,861</u>	<u>\$ (335,017)</u>	<u>\$ -</u>	<u>\$ 3,265,844</u>

BLACK HAWK COUNTY, IOWA
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Depreciation expense was charged to the governmental functions as follows:

Public safety and legal services	\$ 694,742
Physical health and social services	32,952
County environment and education	276,777
Roads and transportation	4,444,042
Governmental service to residents	31,578
Administration	350,934
	<u>\$ 5,831,025</u>

Depreciation expense was charged to the business-type activities as follows:

Rural Water	\$ 66,729
Rural Sewer	128,739
Country View Care Facility	169,067
	<u>\$ 364,535</u>

(6) 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, 2018, the outstanding balance is \$1,215,000.

BLACK HAWK COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

(7) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2018 is as follows:

	Balance July 1, 2017	Additions	Retirements/ Deletions	Balance June 30, 2018	Due Within One Year
Governmental activities:					
General Obligation bonds	\$ 31,535,000	\$ -	\$ 7,455,000	\$ 24,080,000	\$ 6,910,000
Bond discount	(22,923)	-	(6,742)	(16,181)	-
Bond premium	779,176	-	340,498	438,678	-
Net Pension Liability	16,752,715	735,110	-	17,487,825	-
Total OPEB Liability	2,335,098	276,393	181,745	2,429,746	-
Compensated absences	1,849,920	1,731,503	1,715,890	1,865,533	1,274,255
	<u>\$ 53,228,986</u>	<u>\$ 2,743,006</u>	<u>\$ 9,686,391</u>	<u>\$ 46,285,601</u>	<u>\$ 8,184,255</u>
Business-type activities					
General obligation bonds	\$ 190,000	\$ -	\$ 95,000	\$ 95,000	\$ 95,000
Bond discount	(805)	-	(403)	(402)	(402)
Net Pension Liability	5,409,893	261,897	-	5,671,790	-
Total OPEB Liability	1,000,756	98,031	64,461	1,034,326	-
Compensated absences	472,884	383,574	369,337	487,121	307,316
	<u>\$ 7,072,728</u>	<u>\$ 743,502</u>	<u>\$ 528,395</u>	<u>\$ 7,287,835</u>	<u>\$ 401,914</u>

Bonds Payable

A summary of the County's June 30, 2018 general obligation bonded indebtedness is as follows:

Governmental Activities			
Year Ending June 30,	Principal	Interest	Total
2019	\$ 6,910,000	\$ 707,619	\$ 7,617,619
2020	5,635,000	489,904	6,124,904
2021	3,195,000	296,694	3,491,694
2022	3,190,000	218,941	3,408,941
2023	2,875,000	140,181	3,015,181
2024-2026	2,275,000	121,906	2,396,906
	<u>\$ 24,080,000</u>	<u>\$ 1,975,245</u>	<u>\$ 26,055,245</u>

Business-type Activities			
Year Ending June 30,	Principal	Interest	Total
2019	\$ 95,000	\$ 3,800	\$ 98,800
	<u>\$ 95,000</u>	<u>\$ 3,800</u>	<u>\$ 98,800</u>

BLACK HAWK COUNTY, IOWA
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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 \$24,080,000 as of June 30, 2018. These bonds bear interest with rates ranging from 1.00% to 5.00% with final maturity due in the year ended June 30, 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 \$95,000 as of June 30, 2018. This bond bears interest with a rate ranging from 3.65% to 4.00% and will mature on June 1, 2019.

The governmental general obligation bonds are shown net of the unamortized premiums of \$438,678 and discounts of \$16,181 on the Statement of Net Position.

The Rural Sewer general obligation bonds were also shown net of unamortized bond discount of \$402.

In order to limit the liability of taxpayers, the Constitution of the State of Iowa imposes a limit on the amount of debt local governments may incur. The County's debt limitation is five percent of its assessed valuation. This limitation applies only to general obligation indebtedness. At June 30, 2018, the statutory limit for the County was \$463,415,655 providing a legal debt margin of \$442,919,236.

(8) Deferred Compensation Plan

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

(9) Employee Health Insurance Plan

The Internal Service, Health Insurance Fund was established to account for the partial self-funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with PreferredOne. The County assumes liability for claims up to the individual stop loss limitation of \$115,000. In addition to the individual stop loss coverage, the County has purchased aggregate excess loss coverage of 125% of expected claims during the year.

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

BLACK HAWK COUNTY, IOWA
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Amounts payable from the Health Insurance Fund at June 30, 2018 total \$1,165,338, 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 aggregate liability for claims for the previous and current years is as follows:

	2017	2018
Claims payable, beginning of year	\$ 1,189,803	\$ 1,261,508
Claims recognized	8,080,048	8,012,535
Claim payments and change in accrual	(8,008,343)	(8,108,705)
Claims payable, end of year	<u>\$ 1,261,508</u>	<u>\$ 1,165,338</u>

(10) Risk Management

Black Hawk County is exposed to various risks of loss related to torts; theft damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has purchased commercial insurance to protect against errors and omissions and injuries to employees. The County is a member of the Iowa Communities Assurance Pool (ICAP). The membership in the ICAP protects against loss related to torts; theft, damage to and destruction of assets; and natural disasters. ICAP is a risk sharing pool where liability of each member is limited to their financial contribution; no member is responsible for the liabilities of any other member. The County is responsible for the first \$50,000 of settlements. Below is the activity of what has been accrued for the deductibles of outstanding claims for the previous and current fiscal years under the pooled plan.

	2017	2018
Claims payable, beginning of year	\$ 104,871	\$ 62,989
Claims recognized	68,712	69,760
Claim payments and change in accrual	(110,594)	(115,616)
Claims payable, end of year	<u>\$ 62,989</u>	<u>\$ 17,133</u>

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

(11) Pension Plan

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 the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at PO Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

BLACK HAWK COUNTY, IOWA
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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, any time 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, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

Sheriffs, deputies and protection occupation members may retire at normal retirement age, which is generally age 55. Sheriffs, deputies and 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 sheriff's, deputy's or protection occupation member's monthly IPERS benefit includes:

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

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 the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month 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.

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Contributions – Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS’ Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires 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 2018, pursuant to the required rate, Regular members contributed 5.95% of covered payroll and the County contributed 8.93% of covered payroll, for a total rate of 14.88%. The Sheriff, deputies and the County each contributed 9.38% of covered payroll, for a total rate of 18.76%. Protection occupation members contributed 6.56% of covered payroll and the County contributed 9.84% of covered payroll, for a total rate of 16.40%.

The County’s contributions to IPERS for the year ended June 30, 2018 totaled \$2,673,361.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2018, the County reported a liability of \$23,159,615 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 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 IPERS relative to the contributions of all IPERS participating employers. At June 30, 2017, the County’s proportion was 0.317394%, which was a decrease of 0.000044% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$3,252,008. At June 30, 2018, 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	\$ 336,981	\$ (337,661)
Changes of assumptions	4,875,478	(71,022)
Net difference between projected and actual earnings on pension plan investments	-	(308,874)
Changes in proportion and differences between County contributions and proportionate share of contributions	1,788	(617,637)
County contributions subsequent to the measurement date	2,673,361	-
Total	<u>\$ 7,887,608</u>	<u>\$ (1,335,194)</u>

BLACK HAWK COUNTY, IOWA
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\$2,673,361 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. 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 Ending June 30,	Amount
2019	\$ 261,896
2020	1,995,373
2021	1,223,048
2022	74,377
2023	324,359
Total	<u>\$ 3,879,053</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Rate of Inflation	
(effective June 30, 2017)	2.60% per annum.
Rates of salary increase	3.25 to 16.25% average, including inflation.
(effective June 30, 2017)	Rates vary by membership group.
Long-term investment rate of return	7.00% compounded annually, net of investment
(effective June 30, 2017)	expense, including inflation.
Wage Growth	3.25% per annum, based on 2.60% inflation
(effective June 30, 2017)	and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study dated March 24, 2017.

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

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of 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:

BLACK HAWK COUNTY, IOWA
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Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	24.0%	6.25%
International equity	16.0	6.71
Core plus fixed income	27.0	2.25
Public credit	3.5	3.46
Public real assets	7.0	3.27
Cash	1.0	(0.31)
Private equity	11.0	11.15
Private real assets	7.5	4.18
Private credit	3.0	4.25
Total	100.0%	

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS’ fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS’ 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 7.00%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
County's proportionate share of the net			
Pension Liability	\$ 41,732,533	\$ 23,159,615	\$ 7,575,174

IPERS’ Fiduciary Net Position – Detailed information about IPERS’ fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at www.ipers.org.

Payables to IPERS – At June 30, 2018, the County reported payables to the defined benefit pension plan of \$297,850 for legally required employer contributions and \$217,728 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

BLACK HAWK COUNTY, IOWA
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(12) Other Postemployment Benefits (OPEB)

Plan Description – The County administers a single-employer benefit plan which provides medical, prescription drug and dental benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits – Individuals who are employed by Black Hawk County and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. 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. Retirees pay the same premium for the medical, prescription drug and dental benefits as active employees, which results in an implicit rate subsidy and an OPEB liability. There are 4 employees receiving an explicit subsidy until age 65. No future retiree is eligible for this explicit subsidy.

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	22
Active employees	<u>528</u>
Total	<u>550</u>

Total OPEB Liability – The County's total OPEB liability of \$3,464,072 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation	
(effective June 30, 2018)	2.5% per annum.
Rates of salary increase	3.0% per annum, including
(effective June 30, 2018)	inflation.
Discount rate	3.87% per annum (as of June 30, 2018)
(effective June 30, 2018)	3.58% (as of July 1, 2017)
Healthcare cost trend rate	6.5% initial rate decreasing by .5%
(effective June 30, 2018)	annually to an ultimate rate of 5.0%

Discount Rate – The discount rate is based on the long-term expected rate of return on tax-exempt, high-quality municipal bonds.

Mortality rates are from RP-2014 generational table scaled using MP-17 and applied on a gender-specific basis.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

BLACK HAWK COUNTY, IOWA
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Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year, as restated	\$ 3,335,854
Changes for the year:	
Service cost	239,315
Interest	135,109
Differences between expected and actual experiences	-
Changes in assumptions	(78,637)
Benefit payments	(167,569)
Net changes	<u>128,218</u>
Total OPEB liability end of year	<u><u>\$ 3,464,072</u></u>

Changes of assumptions reflect a change in the discount rate from 3.58% in fiscal year 2017 to 3.87% in fiscal year 2018.

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.87%) or 1% higher (4.87%) than the current discount rate.

	<u>1% Decrease (2.87%)</u>	<u>Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
Total OPEB Liability	\$ 3,746,052	\$ 3,464,000	\$ 3,211,206

Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.50%) or 1% higher (7.50%) than the current healthcare cost trend rates.

	<u>1% Decrease (5.5%)</u>	<u>Healthcare Cost Trend Rate (6.5%)</u>	<u>1% Increase (7.5%)</u>
Total OPEB Liability	\$ 3,034,000	\$ 3,464,000	\$ 3,989,000

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2018, the County recognized OPEB expense of \$366,903. At June 30, 2018, the County reported deferred outflows of resources related to OPEB from the following resources:

BLACK HAWK COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -
Changes in assumptions/inputs	(71,116)
Net difference between projected and actual investments	-
Total	\$ (71,116)

The amount reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ending June 30,	Amount
2019	\$ (7,520)
2020	(7,520)
2021	(7,520)
2022	(7,520)
2023	(7,520)
Thereafter	(33,516)
	<u>\$ (71,116)</u>

(13) Contingencies

The County receives significant financial assistance from the U.S. government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund that receives the grant. As of June 30, 2018, 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.

(14) Conduit Debt Obligations

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

BLACK HAWK COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

As of June 30, 2018, Industrial Revenue Bonds outstanding had an original issue amount of \$8,620,000. The outstanding balance at June 30, 2018 was \$5,817,268.

(15) Construction Commitments

The County has entered into contracts totaling \$7,956,905 for various bridge and road construction, engineering and other maintenance projects, which were ongoing at year end. As of June 30, 2018, costs of \$3,014,187 had been incurred against the contracts. The balance of \$4,942,718 remaining at June 30, 2018 will be paid as work on the projects progress.

(16) 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 includes twenty-two member counties. The financial activity of the County's Special Revenue, Mental Health Fund is included in the County Social Services Mental Health Region for the year ended June 30, 2018, as follows:

Revenues:

Property and other County tax		\$	4,192,100
Intergovernmental revenues:			
State tax credits	\$	371,373	
Payments from regional fiscal agent		890,958	
Other intergovernmental revenues		<u>495</u>	1,262,826
Charges for Services			195,951
Miscellaneous			<u>-</u>
Total Revenues			<u>5,650,877</u>

Expenditures:

Services to persons with mental illness		\$	768,314
General administration			
Direct administration	\$	136,272	
Distribution to regional fiscal agent		<u>5,482,799</u>	5,619,071
Total Expenditures			<u>6,387,385</u>
Excess of expenditures over revenues			(736,508)
Fund balance beginning of the year			<u>1,476,049</u>
Fund balance end of the year		\$	<u>739,541</u>

BLACK HAWK COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

(17) Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Tax Abatements of Other Entities

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2018 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Cedar Falls	Urban renewal & economic development	\$ 46,048
	Urban revitalization	1,276
City of Evansdale	Urban renewal & economic development	230
City of Hudson	Urban renewal & economic development	10,002
	Urban revitalization	334
City of Waterloo	Urban renewal & economic development	345,267
	Urban revitalization	13,080

(18) Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), was implemented during fiscal year 2018. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with OPEB benefits, including additional note disclosure and required supplementary information. In addition, GASB Statement No. 75 requires a state or local government employer to use the entry age normal actuarial cost method, and requires deferred outflows of resources and deferred inflows of resources which arise from other types of events related to OPEB to be recognized. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources are not reported. Beginning net position for governmental activities, business-type activities and County View Care Facility was restated to retroactively report the change in valuation of the beginning total OPEB liability, as follows:

	Governmental Activities	Business-type Activities	County View Care Facility
Net position June 30, 2017, as previously reported	\$ 94,287,771	\$ 1,107,508	\$ (1,287,945)
Net OPEB obligation measured under previous standards	1,382,873	572,127	572,127
Total OPEB liability at June 30, 2017	(2,335,098)	(1,000,756)	(1,000,756)
Net position July 1, 2017, as restated	<u>\$ 93,335,546</u>	<u>\$ 678,879</u>	<u>\$ 1,716,574</u>

BLACK HAWK COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

(19) Subsequent Events

Subsequent events have been evaluated through December 3, 2018, the date the financial statements were available to be issued.

On October 9, 2018, the County entered into an agreement for the conveyance of the Country View Care Facility with Pritok Capital LLC, an Illinois limited liability company to transfer ownership and operation of the County's nursing facility for \$4,150,000. On November 20, 2018, the agreement was amended to include a deposit of \$400,000 into an escrow account by the County to be used by the buyer for capital expenditures. The anticipated date of closing is December 31, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

BLACK HAWK COUNTY, IOWA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, ALL GOVERNMENTAL FUND TYPES, BUDGETARY BASIS
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive Positive (Negative)
	Original	Amended	Actual	
REVENUE				
Property tax	\$ 34,645,387	\$ 34,645,387	\$ 34,339,684	\$ (305,703)
Other County tax	4,601,513	4,601,513	4,594,944	(6,569)
Interest and penalty on property tax	331,500	331,500	353,761	22,261
Intergovernmental	14,810,185	15,233,635	15,755,283	521,648
Licenses and permits	537,900	537,900	585,023	47,123
Charges for services	4,323,389	4,323,389	5,038,628	715,239
Use of money and property	651,867	651,867	775,387	123,520
Miscellaneous	2,246,695	2,884,695	2,006,554	(878,141)
Total Revenue	62,148,436	63,209,886	63,449,264	239,378
EXPENDITURES				
Operating				
Public safety and legal services	22,452,143	23,058,143	22,064,787	993,356
Physical health and social services	8,084,166	10,114,166	8,528,400	1,585,766
Mental health	6,630,230	6,418,320	6,387,385	30,935
County environment and education	3,583,936	4,762,936	4,570,673	192,263
Roads and transportation	7,972,485	7,972,485	7,125,313	847,172
Government services to residents	2,193,423	2,235,423	2,125,944	109,479
Administration	6,210,078	6,305,902	5,700,398	605,504
Capital projects	3,533,930	6,827,809	4,444,740	2,383,069
Debt service	8,492,247	8,492,247	8,405,719	86,528
Total Expenditures	69,152,638	76,187,431	69,353,359	6,834,072
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,004,202)	(12,977,545)	(5,904,095)	7,073,450
OTHER FINANCING SOURCES (USES)				
Transfers in	8,746,584	8,746,584	3,832,283	(4,914,301)
Transfers (out)	(8,746,584)	(8,746,584)	(3,832,283)	4,914,301
Proceeds from sale of capital assets	5,200	5,200	140,378	135,178
Total Other Financing Sources (Uses)	5,200	5,200	140,378	135,178
NET CHANGE IN FUND BALANCES	<u>\$ (6,999,002)</u>	<u>\$ (12,972,345)</u>	(5,763,717)	<u>\$ 7,208,628</u>
Fund Balances - Beginning of Year			38,804,908	
FUND BALANCES - END OF YEAR			<u>\$ 33,041,191</u>	

See accompanying notes to required supplementary information.

BLACK HAWK COUNTY, IOWA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING
JUNE 30, 2018

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 \$7,034,793. 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, 2018, disbursements did not exceed the amounts budgeted.

BLACK HAWK COUNTY, IOWA
SCHEDULE OF CHANGES IN THE COUNTY'S
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES
YEAR ENDED JUNE 30, 2018

REQUIRED SUPPLEMENTARY INFORMATION

Service cost	\$	239,315
Interest		135,109
Difference between expected and actual experiences		-
Changes in assumptions		(78,637)
Benefit payments		(167,569)
Net change in total OPEB liability		<u>128,218</u>
Total OPEB liability beginning of year, as restated		<u>3,335,854</u>
Total OPEB liability end of year	\$	<u><u>3,464,072</u></u>
Covered-employee payroll	\$	25,885,353
Total OPEB liability as a percentage of covered-employee payroll		13%

See accompanying notes to the required supplementary information.

BLACK HAWK COUNTY, IOWA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB LIABILITY
JUNE 30, 2018

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

BLACK HAWK COUNTY, IOWA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM LAST FISCAL YEAR* (IN THOUSANDS)
YEAR ENDED JUNE 30, 2018

REQUIRED SUPPLEMENTARY INFORMATION

	2018	2017	2016	2015
County's proportion of the net pension liability	0.3173940%	0.3218354%	0.3214310%	0.3320042%
County's proportionate share of the net pension liability	\$ 23,160	\$ 22,163	\$ 16,677	\$ 13,167
County's covered payroll	\$ 29,876	\$ 28,900	\$ 28,216	\$ 27,774
County's proportionate share of the net pension liability as a percentage of its covered payroll	77.52%	76.69%	57.71%	46.67%
Plan fiduciary net position as a percentage of the total pension liability	84.61%	84.31%	85.19%	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, IOWA
SCHEDULE OF THE COUNTY CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN YEARS (IN THOUSANDS)
YEAR ENDED JUNE 30, 2018

REQUIRED SUPPLEMENTARY INFORMATION

	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 2,673	\$ 2,703	\$ 2,602	\$ 2,577	\$ 2,564
Contributions in relation to the statutorily required contribution	(2,673)	(2,703)	(2,602)	(2,577)	(2,564)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 29,709	\$ 29,876	\$ 28,900	\$ 28,216	\$ 27,774
Contributions as a percentage of covered payroll	9.00%	9.05%	9.00%	9.13%	9.23%
	2013	2012	2011	2010	2009
Statutorily required contribution	\$ 2,475	\$ 2,363	\$ 1,968	\$ 1,827	\$ 1,690
Contributions in relation to the statutorily required contribution	(2,475)	(2,363)	(1,968)	(1,827)	(1,690)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 27,165	\$ 28,006	\$ 26,677	\$ 26,458	\$ 25,350
Contributions as a percentage of covered payroll	9.11%	8.44%	7.38%	6.91%	6.67%

See accompanying notes to the required supplementary information.

BLACK HAWK COUNTY, IOWA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY
JUNE 30, 2018

Changes of benefit terms:

Legislation enacted in 2010 modified benefit terms for 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% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

Changes of assumptions:

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

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

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% 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 (unfunded actuarial liability) 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.

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SUPPLEMENTARY INFORMATION

BLACK HAWK COUNTY, IOWA
COMBINING BALANCE SHEET
GOVERNMENTAL NONMAJOR FUNDS
JUNE 30, 2018

	Special Revenue Funds		
	Resource Enhancement and Protection	County Recorder's Records Management	Sheriff's Commissary
ASSETS			
Cash and pooled investments	\$ 221,243	\$ 21,831	\$ 521,397
Receivables:			
Accounts	-	-	20,025
Due from other governments	-	1,927	-
Total Assets	<u>\$ 221,243</u>	<u>\$ 23,758</u>	<u>\$ 541,422</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
Accounts payable	\$ 1,338	\$ 353	\$ 7,517
Due to other funds	-	-	13
Salaries and benefits payable	-	-	1,890
Total Liabilities	<u>1,338</u>	<u>353</u>	<u>9,420</u>
FUND BALANCES			
Restricted for:			
Records management purposes	-	23,405	-
Other purposes	-	-	532,002
Conservation purposes	219,905	-	-
Assigned for:			
Conservation land acquisition	-	-	-
Total Fund Balances	<u>219,905</u>	<u>23,405</u>	<u>532,002</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 221,243</u>	<u>\$ 23,758</u>	<u>\$ 541,422</u>

Special Revenue Funds		Capital Projects		
Drainage Districts	Friends of Hartman Reserve Fund	Conservation Land Acquisition Fund	Total	
\$ 1,985	\$ 975,599	\$ 19,097	\$	1,761,152
-	-	40		20,065
-	-	-		1,927
\$ 1,985	\$ 975,599	\$ 19,137	\$	1,783,144
\$ -	\$ 98,894	\$ 549	\$	108,651
-	-	-		13
-	-	-		1,890
-	98,894	549		110,554
-	-	-		23,405
1,985	-	-		533,987
-	876,705	-		1,096,610
-	-	18,588		18,588
1,985	876,705	18,588		1,672,590
\$ 1,985	\$ 975,599	\$ 19,137	\$	1,783,144

BLACK HAWK COUNTY, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL NONMAJOR FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds		
	County		
	Resource Enhancement and Protection	Recorder's Records Management	Sheriff's Commissary
REVENUES			
Intergovernmental	\$ 38,740	\$ -	\$ -
Charges for services	-	21,652	344,536
Use of money and property	4,412	510	-
Miscellaneous	65,262	-	-
Total Revenues	108,414	22,162	344,536
EXPENDITURES			
Public safety and legal services	-	-	246,371
County environment and education	69,711	-	-
Government services to residents	-	32,214	-
Total Expenditures	69,711	32,214	246,371
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	38,703	(10,052)	98,165
OTHER FINANCING SOURCES (USES)			
Transfers in	6,777	-	-
Transfers (out)	-	-	-
Total Other Financing Sources (Uses)	6,777	-	-
NET CHANGE IN FUND BALANCES	45,480	(10,052)	98,165
Fund Balances - Beginning of Year	174,425	33,457	433,837
FUND BALANCES - END OF YEAR	\$ 219,905	\$ 23,405	\$ 532,002

Special Revenue Funds		Capital Projects		
Drainage Districts	Friends of Hartman Reserve Fund	Conservation Land Acquisition Fund	Total	
\$ -	\$ 9,832	\$ -	\$ 48,572	
-	30,613	-	396,801	
-	32,657	-	37,579	
-	276,069	30,202	371,533	
-	349,171	30,202	854,485	
-	-	-	246,371	
-	173,146	45,358	288,215	
-	-	-	32,214	
-	173,146	45,358	566,800	
-	176,025	(15,156)	287,685	
-	-	-	6,777	
-	(582,190)	-	(582,190)	
-	(582,190)	-	(575,413)	
-	(406,165)	(15,156)	(287,728)	
1,985	1,282,870	33,744	1,960,318	
\$ 1,985	\$ 876,705	\$ 18,588	\$ 1,672,590	

BLACK HAWK COUNTY, IOWA
COMBINING STATEMENT OF NET POSITION
ENTERPRISE NONMAJOR FUNDS
JUNE 30, 2018

	Business-Type Activities		
	Rural Sewer	Rural Water	Total
ASSETS			
Cash and pooled investments	\$ 80,777	\$ 224,971	\$ 305,748
Receivables:			
Accounts	32,638	2,116	34,754
Noncurrent Assets			
Infrastructure, Property and Equipment, Net of			
Accumulated Depreciation	1,257,879	385,546	1,643,425
Total Assets	1,371,294	612,633	1,983,927
LIABILITIES			
Accounts Payable	5,165	-	5,165
Accrued Interest Payable	317	-	317
Long-term liabilities:			
Portion due or payable within one year:			
General obligation bonds	94,598	-	94,598
Total Liabilities	100,080	-	100,080
NET POSITION			
Net Investment in Capital Assets	1,163,281	385,546	1,548,827
Unrestricted	107,933	227,087	335,020
Total Net Position	\$ 1,271,214	\$ 612,633	\$ 1,883,847

BLACK HAWK COUNTY, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ENTERPRISE NONMAJOR FUNDS
YEAR ENDED JUNE 30, 2018

	Business-Type Activities		
	Rural Sewer	Rural Water	Total
OPERATING REVENUES			
Charges for services	\$ 183,942	\$ 10,328	\$ 194,270
Total Operating Revenue	183,942	10,328	194,270
OPERATING EXPENSES			
Contract services	38,358	352	38,710
Repairs and improvements	39,575	2,155	41,730
Utilities	3,022	-	3,022
Depreciation	128,739	66,729	195,468
Total Operating Expenses	209,694	69,236	278,930
OPERATING (LOSS)	(25,752)	(58,908)	(84,660)
NONOPERATING INCOME (EXPENSE)			
Interest income	2,572	4,846	7,418
Interest expense	(7,642)	-	(7,642)
Total NonOperating Income (Expense)	(5,070)	4,846	(224)
CHANGES IN NET POSITION	(30,822)	(54,062)	(84,884)
Net Position - Beginning of Year	1,302,036	666,695	1,968,731
NET POSITION - END OF YEAR	\$ 1,271,214	\$ 612,633	\$ 1,883,847

BLACK HAWK COUNTY, IOWA
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE NONMAJOR FUNDS
YEAR ENDED JUNE 30, 2018

	Business-Type Activities		
	Rural Sewer	Rural Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 199,247	\$ 10,976	\$ 210,223
Cash paid to suppliers for goods and services	(78,720)	(3,449)	(82,169)
Net Cash Provided by Operating Activities	120,527	7,527	128,054
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payments on general obligation bonds	(95,000)	-	(95,000)
Interest paid on general obligation bonds	(7,551)	-	(7,551)
Net Cash (Used) for Capital and Related Financing Activities	(102,551)	-	(102,551)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends on investments	2,572	4,846	7,418
NET INCREASE IN CASH AND CASH EQUIVALENTS	20,548	12,373	32,921
Cash and Cash Equivalents at Beginning of Year	60,229	212,598	272,827
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 80,777	\$ 224,971	\$ 305,748
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Net Operating (Loss)	\$ (25,752)	\$ (58,908)	\$ (84,660)
Adjustments to Reconcile Net Operating (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	128,739	66,729	195,468
(Increase) decrease in assets:			
Accounts receivable	15,305	648	15,953
Increase (decrease) in liabilities:			
Accounts payable	2,235	-	2,235
Due to other governments	-	(942)	(942)
Total Adjustments	146,279	66,435	212,714
Net Cash Provided by Operating Activities:	\$ 120,527	\$ 7,527	\$ 128,054

BLACK HAWK COUNTY, IOWA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2018

	Health Insurance	Self-Insurance	Office Equipment	Total
ASSETS				
Cash and pooled investments	\$ 3,656,301	\$ 944,127	\$ 66,548	\$ 4,666,976
Accounts receivable	68,056	-	-	68,056
Due from other governments	191,153	-	-	191,153
Total Assets	3,915,510	944,127	66,548	4,926,185
LIABILITIES				
Accounts payable	-	1,049	-	1,049
Claims payable	1,165,338	17,133	-	1,182,471
Total Liabilities	1,165,338	18,182	-	1,183,520
NET POSITION				
Unrestricted	\$ 2,750,172	\$ 925,945	\$ 66,548	\$ 3,742,665

BLACK HAWK COUNTY, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018

	Health Insurance	Self-Insurance	Office Equipment	Total
OPERATING REVENUES				
Charges for services to operating funds	\$ 9,866,463	\$ 157,664	\$ -	\$ 10,024,127
Total Operating Revenue	9,866,463	157,664	-	10,024,127
OPERATING EXPENSES				
Contract services	8,860,743	16,596	4,390	8,881,729
Total Operating Expenses	8,860,743	16,596	4,390	8,881,729
OPERATING INCOME (LOSS)	1,005,720	141,068	(4,390)	1,142,398
NONOPERATING INCOME				
Revenues and interest on investments	73,495	18,346	1,482	93,323
CHANGE IN NET POSITION	1,079,215	159,414	(2,908)	1,235,721
Net Position - Beginning of Year	1,670,957	766,531	69,456	2,506,944
NET POSITION - END OF YEAR	\$ 2,750,172	\$ 925,945	\$ 66,548	\$ 3,742,665

BLACK HAWK COUNTY, IOWA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018

	Health Insurance	Self-Insurance	Office Equipment	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 10,038,559	\$ 158,164	\$ -	\$ 10,196,723
Cash paid for claims and administrative provider	(8,957,045)	(66,826)	(4,390)	(9,028,261)
Net Cash Provided (Used) by Operating Activities	1,081,514	91,338	(4,390)	1,168,462
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends on investments	73,495	18,346	1,482	93,323
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,155,009	109,684	(2,908)	1,261,785
Cash and pooled investments - Beginning of Year	2,501,292	834,443	69,456	3,405,191
CASH AND POOLED INVESTMENTS - END OF YEAR	\$ 3,656,301	\$ 944,127	\$ 66,548	\$ 4,666,976
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) in Operating Activities				
NET OPERATING INCOME (LOSS)	\$ 1,005,720	\$ 141,068	\$ (4,390)	\$ 1,142,398
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
(Increase) decrease in assets:				
Accounts receivable	185,594	500	-	186,094
Due from other governments	(13,498)	-	-	(13,498)
Increase (decrease) in liabilities:				
Accounts payable	(132)	(4,374)	-	(4,506)
Claims payable	(96,170)	(45,856)	-	(142,026)
Total Adjustments	75,794	(49,730)	-	26,064
Net Cash Provided (Used) from Operating Activities	\$ 1,081,514	\$ 91,338	\$ (4,390)	\$ 1,168,462

BLACK HAWK COUNTY, IOWA
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2018

	County Offices	Agricultural Extension Education	County Assessor	Schools
ASSETS				
Cash and pooled investments	\$ 618,552	\$ 3,325	\$ 2,925,192	\$ 552,897
Receivables:				
Property tax:				
Delinquent	-	1,920	5,137	299,903
Succeeding year	-	479,296	1,282,341	74,410,995
Accounts	956	-	-	-
Due from other governments	-	-	139	-
Total Assets	<u>\$ 619,508</u>	<u>\$ 484,541</u>	<u>\$ 4,212,809</u>	<u>\$ 75,263,795</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 48	\$ -
Salaries & benefits payable	-	-	51,136	-
Due to other governments	256,956	484,541	4,161,625	75,263,795
Trust payable	362,552	-	-	-
Total Liabilities	<u>\$ 619,508</u>	<u>\$ 484,541</u>	<u>\$ 4,212,809</u>	<u>\$ 75,263,795</u>

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
\$ 36,957	\$ 772,364	\$ 1,369	\$ 3,010,204	\$ 1,928,937	\$ 9,849,797
21,213	366,171	561	-	60	694,965
5,320,390	74,978,965	429,515	-	14,872	156,916,374
-	-	-	-	54,161	55,117
-	-	-	-	535,618	535,757
\$ 5,378,560	\$ 76,117,500	\$ 431,445	\$ 3,010,204	\$ 2,533,648	\$ 168,052,010
\$ -	\$ -	\$ -	\$ -	\$ 35,594	\$ 35,642
-	-	-	-	14,213	65,349
5,378,560	76,117,500	431,445	3,010,204	1,124,666	166,229,292
-	-	-	-	1,359,175	1,721,727
\$ 5,378,560	\$ 76,117,500	\$ 431,445	\$ 3,010,204	\$ 2,533,648	\$ 168,052,010

BLACK HAWK COUNTY, IOWA
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2018

	County Offices	Agricultural Extension Education	County Assessor	Schools
ASSETS AND LIABILITIES				
Balances beginning of year	\$ 579,187	\$ 470,795	\$ 4,107,912	\$ 76,139,588
Additions:				
Property and other county tax	-	520,959	1,447,829	81,221,813
911 surcharge	-	-	-	-
State tax credits	-	-	-	-
Office fees and collections	256,956	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	362,552	-	-	-
Miscellaneous	-	-	-	-
Total additions	619,508	520,959	1,447,829	81,221,813
Deductions:				
Agency remittances:				
To other funds	151,254	-	-	-
To other governments	98,680	507,213	1,342,932	82,097,606
Trusts paid out	329,253	-	-	-
Total deductions	579,187	507,213	1,342,932	82,097,606
Balances end of year	\$ 619,508	\$ 484,541	\$ 4,212,809	\$ 75,263,795

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
\$ 5,095,370	\$ 74,837,434	\$ 424,916	\$ 2,991,564	\$ 1,753,021	\$ 166,399,787
5,775,727	82,752,911	450,809	-	16,279	172,186,327
-	-	-	-	882,211	882,211
-	-	-	-	21,692	21,692
-	-	-	-	-	256,956
-	-	-	36,876,664	-	36,876,664
-	-	-	-	314,811	314,811
-	-	-	-	4,123,284	4,485,836
-	-	-	-	2,682,941	2,682,941
5,775,727	82,752,911	450,809	36,876,664	8,041,218	217,707,438
-	-	-	-	-	151,254
5,492,537	81,472,845	444,280	36,858,024	7,260,591	215,574,708
-	-	-	-	-	329,253
5,492,537	81,472,845	444,280	36,858,024	7,260,591	216,055,215
\$ 5,378,560	\$ 76,117,500	\$ 431,445	\$ 3,010,204	\$ 2,533,648	\$ 168,052,010

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STATISTICAL INFORMATION

**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.	83
Revenue Capacity These schedules contain trend information to help the reader assess the County's most significant local revenue sources, the property tax (or sales tax).	95
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.	103
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.	108
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.	110
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)

	2009	2010	2011	2012
Governmental Activities				
Net Investment in Capital Assets	\$ 49,946,957	\$ 55,621,608	\$ 52,154,674	\$ 55,310,782
Restricted	10,351,227	6,790,101	13,742,221	12,135,498
Unrestricted	12,996,278	12,239,242	14,958,730	16,229,395
Total Governmental Activities Net Position	<u>\$ 73,294,462</u>	<u>\$ 74,650,951</u>	<u>\$ 80,855,625</u>	<u>\$ 83,675,675</u>
Business-Type Activities				
Net Investment in Capital Assets	\$ 2,277,715	\$ 2,251,494	\$ 5,369,297	\$ 4,600,839
Unrestricted	325,564	283,836	1,181,802	2,681,600
Total Business-Type Activities Net Position	<u>\$ 2,603,279</u>	<u>\$ 2,535,330</u>	<u>\$ 6,551,099</u>	<u>\$ 7,282,439</u>
Primary Government				
Net Investment in Capital Assets	\$ 52,224,672	\$ 57,873,102	\$ 57,523,971	\$ 59,911,621
Restricted	10,351,227	6,790,101	13,742,221	12,135,498
Unrestricted	13,321,842	12,523,078	16,140,532	18,910,995
Total Primary Government Net Position	<u>\$ 75,897,741</u>	<u>\$ 77,186,281</u>	<u>\$ 87,406,724</u>	<u>\$ 90,958,114</u>

Source: County records

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 55,929,989	\$ 62,893,726	\$ 67,721,832	\$ 69,854,029	\$ 80,589,750	\$ 85,550,373
16,372,523	14,805,215	16,748,169	19,142,804	17,385,533	14,957,089
16,140,723	14,160,493	(352,603)	616,375	(3,687,512)	(1,581,099)
<u>\$ 88,443,235</u>	<u>\$ 91,859,434</u>	<u>\$ 84,117,398</u>	<u>\$ 89,613,208</u>	<u>\$ 94,287,771</u>	<u>\$ 98,926,363</u>
\$ 4,370,375	\$ 4,110,091	\$ 3,852,604	\$ 3,655,169	\$ 3,411,666	\$ 3,171,246
2,626,223	2,597,127	(1,394,297)	(1,919,806)	(2,304,158)	(2,371,570)
<u>\$ 6,996,598</u>	<u>\$ 6,707,218</u>	<u>\$ 2,458,307</u>	<u>\$ 1,735,363</u>	<u>\$ 1,107,508</u>	<u>\$ 799,676</u>
\$ 60,300,364	\$ 67,003,817	\$ 71,574,436	\$ 73,509,198	\$ 84,001,416	\$ 88,721,619
16,372,523	14,805,215	16,748,169	19,142,804	17,385,533	14,957,089
18,766,946	16,757,620	(1,746,900)	(1,303,431)	(5,991,670)	(3,952,669)
<u>\$ 95,439,833</u>	<u>\$ 98,566,652</u>	<u>\$ 86,575,705</u>	<u>\$ 91,348,571</u>	<u>\$ 95,395,279</u>	<u>\$ 99,726,039</u>

BLACK HAWK COUNTY, IOWA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2009	2010	2011	2012
Expenses:				
Governmental activities:				
Public safety and legal services	\$ 15,871,852	\$ 16,737,313	\$ 17,708,648	\$ 17,614,051
Physical health and social services	12,192,983	11,695,480	8,344,752	7,711,949
Mental health	19,914,329	20,535,742	2,874,676	9,248,329
County environment and education	5,871,685	4,460,783	4,554,435	3,619,566
Roads and transportation	7,305,032	6,983,934	7,761,476	8,057,683
Governmental services to residents	2,515,000	2,131,600	1,563,909	1,626,233
Administration	5,463,590	5,767,744	5,253,070	5,159,646
Capital Projects	-	-	-	-
Interest on long-term debt	1,020,416	1,226,964	1,371,330	1,518,393
Total governmental activities expenses	70,154,887	69,539,560	49,432,296	54,555,850
Business-type activities:				
Rural sewer	276,608	248,272	253,880	238,802
Rural water	81,838	78,045	90,506	82,222
Country View Care Facility**	-	-	11,096,457	11,606,877
Total business-type activities expenses	358,446	326,317	11,440,843	11,927,901
Total government expenses	\$ 70,513,333	\$ 69,865,877	\$ 60,873,139	\$ 66,483,751
Program revenues:				
Governmental activities:				
Charges for services:				
Public safety and legal services	\$ 933,657	\$ 1,037,347	\$ 2,237,579	\$ 2,337,436
Physical health and social services	1,418,603	1,479,510	1,018,620	998,478
Mental health	1,818,427	1,760,556	58,210	48,814
County environment and education	500,511	491,836	557,394	633,515
Roads and transportation	5,922	5,989	13,389	24,913
Governmental services to residents	1,636,723	1,712,826	1,769,692	1,881,925
Administration	750,314	936,159	691,587	964,040
Operating grants and contributions	32,506,243	25,737,204	11,149,510	10,539,342
Capital grants and contributions	3,616,441	1,481,509	4,672,902	3,548,186
Total governmental activities program revenues	43,186,841	34,642,936	22,168,883	20,976,649
Business-type activities:				
Charges for services:				
Rural sewer	200,579	198,287	188,650	206,923
Rural water	64,513	59,659	62,483	56,928
Country View Care Facility*	-	-	13,271,064	12,303,826
Operating grants and contributions	-	-	-	-
Total business-type activities program revenues	265,092	257,946	13,522,197	12,567,677
Total government program revenues	\$ 43,451,933	\$ 34,900,882	\$ 35,691,080	\$ 33,544,326

(Continued)

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 18,156,232	\$ 18,764,343	\$ 18,972,897	\$ 19,671,543	\$ 20,286,504	\$ 21,362,522
7,871,355	7,290,096	7,155,953	7,561,741	7,394,317	8,607,394
5,567,395	6,531,543	6,589,757	5,458,589	6,301,030	6,400,062
4,619,524	4,879,483	3,900,609	5,239,969	3,439,733	3,487,532
8,997,547	8,576,219	8,887,988	8,602,592	9,969,108	9,565,788
1,765,826	1,804,827	1,825,609	2,498,638	2,090,806	2,188,549
5,837,435	6,837,855	6,121,608	9,214,497	9,095,322	8,422,655
172,640	-	-	-	-	-
1,402,736	1,378,717	1,187,015	1,347,077	1,257,938	930,581
54,390,690	56,063,083	54,641,436	59,594,646	59,834,758	60,965,083
225,898	257,343	219,733	240,587	221,064	217,336
67,468	90,057	69,008	70,791	72,667	69,236
12,308,641	12,746,339	12,810,208	13,721,249	13,930,036	14,131,011
12,602,007	13,093,739	13,098,949	14,032,627	14,223,767	14,417,583
\$ 66,992,697	\$ 69,156,822	\$ 67,740,385	\$ 73,627,273	\$ 74,058,525	\$ 75,382,666
\$ 2,347,199	\$ 2,244,895	\$ 2,151,777	\$ 2,255,939	\$ 1,943,473	\$ 2,068,053
1,126,233	886,355	923,771	890,850	743,223	787,189
37,029	40,344	50,974	84,740	86,127	195,951
674,546	778,727	814,498	675,388	627,109	678,010
43,123	50,574	27,710	58,100	69,089	88,175
2,046,771	1,995,821	2,110,299	2,077,402	2,065,642	2,065,959
624,934	547,738	509,238	500,672	446,199	1,281,852
10,324,098	10,463,557	10,996,943	11,930,540	12,397,556	12,269,031
5,065,574	4,026,136	6,246,023	4,435,594	4,466,030	2,912,073
22,289,507	21,034,147	23,831,233	22,909,225	22,844,448	22,346,293
187,687	192,757	179,392	176,538	193,999	183,942
62,142	34,313	20,036	19,739	14,039	10,328
11,940,324	12,517,547	13,349,854	13,087,647	12,819,455	12,834,285
46,168	-	-	-	-	-
12,236,321	12,744,617	13,549,282	13,283,924	13,027,493	13,028,555
\$ 34,525,828	\$ 33,778,764	\$ 37,380,515	\$ 36,193,149	\$ 35,871,941	\$ 35,374,848

BLACK HAWK COUNTY, IOWA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2009	2010	2011	2012
Net (expense)/revenue:				
Governmental activities	\$ (26,968,046)	\$ (34,896,624)	\$ (27,263,413)	\$ (33,579,201)
Business-type activities	(93,354)	(68,371)	2,081,354	639,776
Total government net expense	\$ (27,061,400)	\$ (34,964,995)	\$ (25,182,059)	\$ (32,939,425)
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes	\$ 27,593,677	\$ 28,083,985	\$ 29,656,058	\$ 30,719,060
Other taxes	4,358,516	4,352,102	3,587,407	3,785,891
State tax replacement credits	1,082,828	1,122,280	875,035	864,425
Investment earnings	1,198,968	914,311	605,731	341,262
Gain on disposal of capital assets	-	-	12,481	40,207
Miscellaneous	1,888,363	1,780,435	586,432	658,450
Total governmental activities	36,122,352	36,253,113	35,323,144	36,409,295
Business-type activities:				
Unrestricted grants and contributions	-	-	20,748	-
Investment earnings	36,266	422	2,170	1,765
Gain on disposal of capital assets	-	-	-	-
Miscellaneous	-	-	56,440	79,755
Total business-type activities	36,266	422	79,358	81,520
Total government	\$ 36,158,618	\$ 36,253,535	\$ 35,402,502	\$ 36,490,815
Change in net position:				
Governmental activities	\$ 9,154,306	\$ 1,356,489	\$ 8,059,731	\$ 2,830,094
Business-type activities	(57,088)	(67,949)	2,160,712	721,296
Total primary government	\$ 9,097,218	\$ 1,288,540	\$ 10,220,443	\$ 3,551,390

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

Source: County records

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ (32,101,183)	\$ (35,028,936)	\$ (30,810,203)	\$ (36,685,421)	\$ (36,990,310)	\$ (38,618,790)
(365,686)	(349,122)	450,333	(748,703)	(1,196,274)	(1,389,028)
<u>\$ (32,466,869)</u>	<u>\$ (35,378,058)</u>	<u>\$ (30,359,870)</u>	<u>\$ (37,434,124)</u>	<u>\$ (38,186,584)</u>	<u>\$ (40,007,818)</u>
\$ 31,446,791	\$ 32,418,805	\$ 31,305,061	\$ 34,655,427	\$ 34,424,918	\$ 36,105,384
3,628,660	3,766,622	3,709,500	3,293,311	3,359,983	3,217,171
996,825	1,170,706	1,928,536	2,977,010	2,969,905	3,070,930
390,127	405,838	439,088	444,988	567,076	783,263
105,782	-	18,554	-	-	-
564,567	683,165	668,149	810,495	885,198	1,032,859
<u>37,132,752</u>	<u>38,445,136</u>	<u>38,068,888</u>	<u>42,181,231</u>	<u>42,207,080</u>	<u>44,209,607</u>
-	-	-	-	-	-
1,615	1,642	1,808	2,776	6,486	9,825
-	-	675	-	-	-
78,230	58,100	27,874	22,983	19,726	1,500,000
79,845	59,742	30,357	25,759	26,212	1,509,825
<u>\$ 37,212,597</u>	<u>\$ 38,504,878</u>	<u>\$ 38,099,245</u>	<u>\$ 42,206,990</u>	<u>\$ 42,233,292</u>	<u>\$ 45,719,432</u>
\$ 5,031,569	\$ 3,416,200	\$ 7,258,685	\$ 5,495,810	\$ 5,216,770	\$ 5,590,817
(285,841)	(289,380)	480,690	(722,944)	(1,170,062)	120,797
<u>\$ 4,745,728</u>	<u>\$ 3,126,820</u>	<u>\$ 7,739,375</u>	<u>\$ 4,772,866</u>	<u>\$ 4,046,708</u>	<u>\$ 5,711,614</u>

BLACK HAWK COUNTY, IOWA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2009	2010	2011	2012
General Fund:				
Reserved	\$ 3,849,541	\$ 3,230,289	\$ -	\$ -
Unreserved	7,023,597	7,009,230	-	-
Nonspendable ¹	-	-	-	-
Restricted ¹	-	-	3,973,689	4,338,973
Committed ¹	-	-	905,202	424,083
Assigned ¹	-	-	-	-
Unassigned ¹	-	-	6,889,135	8,666,837
Total General Fund	\$ 10,873,138	\$ 10,239,519	\$ 11,768,026	\$ 13,429,893
All other governmental funds:				
Reserved	\$ 8,042,035	\$ 10,061,865	\$ -	\$ -
Unreserved for:				
Special Revenue Fund	6,526,298	3,807,069	-	-
Capital Projects Fund	(297,364)	(432,789)	-	-
Nonspendable ¹	-	-	350,881	363,567
Restricted ¹	-	-	27,151,125	14,199,768
Committed ¹	-	-	-	-
Assigned ¹	-	-	26,076	27,126
Unassigned ¹	-	-	-	-
Total All Other Government Funds	\$ 14,270,969	\$ 13,436,145	\$ 27,528,082	\$ 14,590,461
Total Government Funds				
Reserved	\$ 11,891,576	\$ 13,292,154	\$ -	\$ -
Unreserved for:				
General Fund	7,023,597	7,009,230	-	-
Special Revenue Fund	6,526,298	3,807,069	-	-
Capital Projects Fund	(297,364)	(432,789)	-	-
Nonspendable ¹	-	-	350,881	363,567
Restricted ¹	-	-	31,124,814	18,538,741
Committed ¹	-	-	905,202	424,083
Assigned ¹	-	-	26,076	27,126
Unassigned ¹	-	-	6,889,135	8,666,837
Total Government Funds	\$ 25,144,107	\$ 23,675,664	\$ 39,296,108	\$ 28,020,354

(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					
2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	19,785	19,785	34,380
4,595,183	4,826,969	5,118,373	4,405,092	2,888,524	3,228,843
376,858	275,309	257,390	237,497	-	-
-	-	-	-	-	-
9,967,825	10,644,194	11,126,606	12,319,469	15,201,749	15,340,951
<u>\$ 14,939,866</u>	<u>\$ 15,746,472</u>	<u>\$ 16,502,369</u>	<u>\$ 16,981,843</u>	<u>\$ 18,110,058</u>	<u>\$ 18,604,174</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
366,428	395,252	431,818	464,388	463,108	386,261
11,499,447	15,562,239	15,513,592	22,968,124	20,197,998	14,032,168
-	-	-	-	-	-
15,645	24,284	32,324	27,197	33,744	18,588
(167)	(254)	-	-	-	-
<u>\$ 11,881,353</u>	<u>\$ 15,981,521</u>	<u>\$ 15,977,734</u>	<u>\$ 23,459,709</u>	<u>\$ 20,694,850</u>	<u>\$ 14,437,017</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
366,428	395,252	431,818	484,173	482,893	420,641
16,094,630	20,389,208	20,631,965	27,373,216	23,086,522	17,261,011
376,858	275,309	257,390	237,497	-	-
15,645	24,284	32,324	27,197	33,744	18,588
9,967,658	10,643,940	11,126,606	12,319,469	15,201,749	15,340,951
<u>\$ 26,821,219</u>	<u>\$ 31,727,993</u>	<u>\$ 32,480,103</u>	<u>\$ 40,441,552</u>	<u>\$ 38,804,908</u>	<u>\$ 33,041,191</u>

BLACK HAWK COUNTY, IOWA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2009	2010	2011
Revenues:			
Property and other county tax	\$ 31,932,977	\$ 32,268,714	\$ 32,978,105
Interest and penalty on property tax	404,936	410,634	390,102
Intergovernmental	33,107,903	26,983,363	15,642,743
Licenses and permits	494,664	485,311	495,724
Charges for service	6,133,983	6,444,766	4,384,639
Use of money and property	1,175,036	1,492,422	1,081,883
Miscellaneous	1,628,863	1,822,656	1,945,529
Total revenues	74,878,362	69,907,866	56,918,725
Expenditures:			
Public safety and legal services	16,202,010	17,080,739	17,456,467
Physical health and social services	12,443,549	11,901,238	8,209,118
Mental health	20,469,347	21,254,887	2,872,865
County environment and education	6,210,048	4,971,752	5,911,886
Roads and transportation	5,740,813	5,099,989	5,559,563
Governmental services to residents	1,846,197	1,729,895	1,501,987
Administration	5,295,627	5,506,549	5,541,663
Debt service:			
Interest	1,009,945	1,192,563	1,275,881
Principal	3,300,126	3,965,776	3,046,508
Debt issuance costs	76,995	43,145	100,714
Capital projects	11,560,272	6,931,728	8,726,249
Total expenditures	84,154,929	79,678,261	60,202,901
Excess of revenues over (under) expenditures	(9,276,567)	(9,770,395)	(3,284,176)
Other financing sources (uses):			
Proceeds from the sale of land and capital assets	1,023	55,649	-
Transfers in	1,991,922	2,083,911	2,129,046
Transfers out	(1,991,922)	(2,083,911)	(2,222,768)
General obligation bonds and notes issued	3,863,600	8,290,000	18,905,000
Redemption of refunded bonds	-	-	-
Issuance of refunding debt	-	-	-
Discount on general obligation bonds and notes	(30,400)	(66,320)	(88,301)
Premiums on Bonds Issued	-	-	181,643
Payment to escrow for refunding debt	-	-	-
Insurance proceeds	283,305	22,623	-
Payments received on capital lease receivable	712,309	-	-
Total other financing sources (uses)	4,829,837	8,301,952	18,904,620
Net change in fund balances	\$ (4,446,730)	\$ (1,468,443)	\$ 15,620,444
Debt service as % of noncapital expenditures	5.94%	7.09%	8.40%

Source: County records

	Fiscal Year						
	2012	2013	2014	2015	2016	2017	2018
\$	34,201,174	\$ 34,721,423	\$ 35,752,215	\$ 34,608,377	\$ 37,829,146	\$ 37,389,275	\$ 38,934,628
	394,076	388,657	386,573	363,452	333,601	363,321	353,761
	13,112,737	15,879,589	13,754,762	14,090,273	17,132,830	16,682,162	15,755,283
	491,139	501,326	507,388	545,320	531,380	523,884	585,023
	4,588,753	4,993,451	4,697,632	4,863,730	4,951,487	4,766,486	5,038,628
	730,816	751,108	774,037	834,310	831,658	591,125	775,387
	2,120,679	1,981,607	2,148,351	2,195,924	2,051,123	2,786,140	2,006,554
	55,639,374	59,217,161	58,020,958	57,501,386	63,661,225	63,102,393	63,449,264
	17,484,855	17,607,744	18,666,501	19,031,164	19,530,828	20,431,814	22,064,787
	7,654,874	7,869,190	7,286,923	7,276,643	7,398,630	7,431,336	8,528,400
	9,246,928	5,562,162	6,531,467	6,588,351	5,457,073	6,290,031	6,387,385
	4,133,703	7,403,138	4,731,197	3,962,309	5,554,645	5,124,757	4,570,673
	6,297,386	5,861,318	5,473,766	5,480,704	6,112,956	6,325,744	7,125,313
	1,562,243	1,705,478	1,764,464	1,778,144	2,594,949	2,074,400	2,125,944
	5,092,556	4,845,504	5,132,570	5,262,939	5,855,180	5,323,208	5,700,398
	1,472,757	1,371,981	1,296,937	1,324,020	1,594,354	1,285,173	950,719
	4,112,334	4,698,264	4,389,312	5,432,005	9,421,234	11,875,000	7,455,000
	51,568	32,273	56,238	-	-	77,547	-
	12,100,276	5,577,646	3,873,576	646,297	5,761,752	4,419,551	4,444,740
	69,209,480	62,534,698	59,202,951	56,782,576	69,281,601	70,658,561	69,353,359
	(13,570,106)	(3,317,537)	(1,181,993)	718,810	(5,620,376)	(7,556,168)	(5,904,095)
	30,240	37,883	19,704	33,210	5,125	48,458	140,378
	2,517,777	3,306,530	9,656,136	3,377,226	3,308,359	4,060,074	3,832,283
	(2,517,777)	(3,306,530)	(9,656,136)	(3,377,226)	(3,308,359)	(4,060,074)	(3,832,283)
	3,080,000	2,000,000	5,935,000	-	12,185,000	1,720,000	-
	(820,000)	-	-	-	-	-	-
	-	-	-	-	9,165,000	4,030,000	-
	(6,468)	-	-	-	-	-	-
	-	80,548	134,063	-	1,186,790	121,066	-
	-	-	-	-	(8,960,000)	-	-
	10,551	-	-	-	-	-	-
	-	-	-	-	-	-	-
	2,294,323	2,118,431	6,088,767	33,210	13,581,915	5,919,524	140,378
\$	(11,275,783)	\$ (1,199,106)	\$ 4,906,774	\$ 752,020	\$ 7,961,539	\$ (1,636,644)	\$ (5,763,717)
	9.78%	10.66%	10.28%	12.04%	17.34%	19.87%	13.98%

BLACK HAWK COUNTY, IOWA
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

Function / Program	2009	2010	2011	2012
Governmental activities:				
Public safety and legal services	\$ 3,025,628	\$ 2,935,329	\$ 4,596,276	\$ 4,543,611
Physical health and social services	8,489,683	7,356,412	4,360,327	4,193,830
Mental health	17,201,625	12,586,504	561,339	506,910
County environment and education	3,655,514	2,555,491	4,592,852	2,536,371
Roads and transportation	7,326,096	4,529,550	4,476,977	5,522,567
Governmental services to residents	1,724,611	2,107,594	1,793,214	1,967,223
Administration	1,763,684	2,572,056	1,787,898	1,706,137
Total governmental activities	43,186,841	34,642,936	22,168,883	20,976,649
Business-type activities:				
Rural sewer	200,579	198,287	188,650	206,923
Rural water	64,513	59,659	62,483	56,928
Country View Care Facility*	-	-	13,271,064	12,303,826
Total business-type activities	265,092	257,946	13,522,197	12,567,677
Total government	\$ 43,451,933	\$ 34,900,882	\$ 35,691,080	\$ 33,544,326

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

Source: County records

Fiscal Year						
2013	2014	2015	2016	2017	2018	
\$ 4,644,341	\$ 5,341,884	\$ 4,693,681	\$ 4,886,215	\$ 4,498,057	\$ 4,592,988	
4,235,862	3,912,685	4,041,546	3,835,105	3,969,165	3,641,294	
539,902	564,657	656,329	785,626	890,394	1,087,165	
5,794,947	3,091,890	2,686,116	3,772,372	3,081,236	2,115,985	
3,847,359	4,912,605	8,618,646	6,477,885	7,184,891	7,038,115	
2,046,771	2,112,511	2,173,452	2,238,719	2,082,073	2,189,019	
1,180,325	1,097,915	961,463	913,303	1,138,632	1,681,727	
22,289,507	21,034,147	23,831,233	22,909,225	22,844,448	22,346,293	
187,687	192,757	179,392	176,538	193,999	183,942	
62,142	34,313	20,036	19,739	14,039	10,328	
11,986,492	12,517,547	13,349,854	13,087,647	12,819,455	12,834,285	
12,236,321	12,744,617	13,549,282	13,283,924	13,027,493	13,028,555	
\$ 34,525,828	\$ 33,778,764	\$ 37,380,515	\$ 36,193,149	\$ 35,871,941	\$ 35,374,848	

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
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
2016	33,433,861	2,841,546	968,176	585,563	37,829,146
2017	32,770,534	2,922,144	1,162,322	534,275	37,389,275
2018	34,339,684	2,788,024	1,235,024	571,896	38,934,628
Change 2009-2018	24.53%	-3.75%	28.07%	14.92%	21.93%

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	Multi-Residential Property	TIF Property	Other Property	Less: Military Tax-Exempt Property	Total Taxable Assessed Property	Total Direct Tax Rate Urban
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
2016	3,242,596	1,071,590	130,132	326,387	-	518,488	208,118	11,519	5,485,792	6.75
2017	3,349,838	954,428	130,346	328,936	116,975	561,964	231,115	11,045	5,662,557	6.45
2018	3,486,477	1,083,319	139,769	339,335	108,878	431,874	231,277	10,704	5,810,225	6.42

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 TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$ 149,743,081	1	2.78 %	\$ 145,246,000	1	3.63 %
Target Corporation	77,508,954	2	1.44	49,753,981	2	1.24
Deere and Company	57,010,014	3	1.06	28,686,172	8	0.72
IOC Black Hawk County, Inc.	48,954,195	4	0.91	31,310,700	6	0.78
Con Agra	25,375,383	5	0.47	14,036,930	10	0.35
Northern Natural Gas Co	23,368,788	6	0.43	-	-	-
Crossroads Realty, LLC	22,867,983	7	0.43	-	-	-
Menard Inc.	20,295,000	8	0.38	-	-	-
College Square Realty, LLC	18,652,455	9	0.35	-	-	-
Ferguson Enterprises, Inc.	18,636,903	10	0.35	24,665,879	9	0.62
College Square Mall Partners, LLC	-	-	-	35,628,972	5	0.89
Qwest Corporation	-	-	-	29,945,313	7	0.75
Cedar Falls Utilities	-	-	-	39,107	4	0.00
GG and A Crossroads Mall, LLC	-	-	-	40,059,151	3	1.00
Total	\$ 462,412,756		8.60 %	\$ 399,372,205		9.97 %
Total Taxable Value	\$ 5,378,351,049			\$ 4,006,408,937		

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
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	182,293,781	99.37	(835,628)	181,458,153	98.92
2016	183,734,509	182,952,100	99.57	(566,697)	182,385,403	99.27
2017	185,733,703	185,051,474	99.63	19,977	185,071,451	99.64
2018	192,163,315	191,778,616	99.80	92,762	191,871,378	99.85

Total tax collection solely for Black Hawk County, Iowa:

2009	\$ 27,547,914
2010	28,035,371
2011	28,578,595
2012	29,718,148
2013	30,430,730
2014	31,421,650
2015	30,339,720
2016	33,541,638
2017	32,757,318
2018	34,330,271

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)

	2009	2010	2011	2012
County Direct Rates:				
General Basic	3.50	3.50	3.50	3.50
General Supplemental	1.42	1.26	1.39	1.14
MH/DD Service	1.44	1.37	1.34	1.29
Debt Service	0.58	0.58	0.44	0.67
Total Urban County Rate	6.94	6.71	6.67	6.60
Rural Basic	2.79	2.86	2.88	3.00
Total Rural County Rate	9.72	9.57	9.55	9.59
City and Town Rates:				
Waterloo	18.37	18.31	18.26	18.53
Cedar Falls	13.26	13.02	12.99	12.86
Dunkerton	8.10	8.10	8.43	8.58
Elk Run Heights	6.00	6.00	6.01	6.01
Evansdale	6.74	6.75	6.88	6.88
Gilbertville	11.54	11.25	12.27	11.09
Hudson	9.73	9.73	9.73	9.73
Janesville	12.40	12.26	12.08	11.68
Jesup	12.55	13.00	13.95	14.78
LaPorte City	14.91	14.55	14.54	14.51
Raymond	6.90	6.90	6.90	6.92
Township Rates:				
Barclay	0.44	0.36	0.34	0.33
Bennington	0.56	0.55	0.55	0.56
Big Creek	0.58	0.55	0.57	0.50
Black Hawk	0.53	0.57	0.57	0.49
Cedar	0.57	0.56	0.58	0.56
Cedar Falls	0.58	0.56	0.56	0.57
Eagle	0.54	0.52	0.47	0.63
East Waterloo	0.16	0.16	0.16	0.14
Fox	0.26	0.21	0.26	0.31
Lester	0.69	0.65	0.69	0.67
Lincoln	0.59	0.62	0.61	0.70
Mt. Vernon	0.41	0.41	0.41	0.42
Orange	0.38	0.34	0.35	0.36
Poyner	0.66	0.76	0.66	0.63
Spring Creek	0.74	0.74	0.69	0.77
Union	0.68	0.61	0.68	0.74
Washington	0.33	0.32	0.36	0.39

(Continued)

Fiscal Year					
2013	2014	2015	2016	2017	2018
3.50	3.50	3.50	3.50	3.50	3.50
0.90	0.77	0.86	0.94	1.08	1.29
1.20	1.12	1.17	1.00	0.91	0.82
0.64	0.63	0.59	1.31	0.96	0.81
6.24	6.02	6.12	6.75	6.45	6.42
3.15	3.26	3.10	2.90	3.09	3.20
9.39	9.28	9.22	9.65	9.54	9.62
18.21	17.49	17.95	17.76	17.61	17.60
12.20	12.02	11.81	11.53	11.22	11.13
8.50	8.46	8.43	8.18	8.15	8.23
6.01	6.01	6.01	7.00	7.00	8.10
6.88	6.31	6.31	6.99	7.42	7.59
10.58	10.57	10.63	10.97	11.35	11.77
9.73	9.73	9.73	11.49	11.51	11.57
11.60	11.41	11.07	10.76	10.07	9.84
14.77	14.72	14.99	14.87	14.83	14.83
14.51	15.52	0.00	14.84	15.00	14.88
6.92	6.92	6.96	6.96	6.99	6.92
0.54	0.52	0.50	0.48	0.46	0.38
0.55	0.55	0.55	0.55	0.55	0.55
0.45	0.44	0.42	0.35	0.40	0.42
0.51	0.51	0.57	0.64	0.63	0.62
0.53	0.56	0.57	0.57	0.59	0.59
0.55	0.48	0.58	0.60	0.62	0.61
0.49	0.65	0.48	0.47	0.47	0.49
0.12	0.11	0.11	0.10	0.10	-
0.39	0.44	0.44	0.46	0.46	0.46
0.64	0.66	0.64	0.58	0.55	0.53
0.63	0.63	0.54	0.54	0.56	0.54
0.04	0.39	0.39	0.39	0.39	0.39
0.40	0.40	0.40	0.38	0.38	0.37
0.64	0.61	0.71	0.77	0.67	0.64
0.72	0.68	0.62	0.64	0.77	0.79
0.62	0.66	0.65	0.64	0.69	0.64
0.35	0.33	0.33	0.32	0.32	0.27

BLACK HAWK COUNTY, IOWA
DIRECT AND OVERLAPPING PROPERTY TAX RATES (CONTINUED)
LAST TEN FISCAL YEARS
(RATE PER \$1,000 OF ASSESSED VALUE)
(UNAUDITED)

	2009	2010	2011	2012
School District Rates:				
Waterloo	16.66	16.46	16.44	16.28
Cedar Falls	13.73	13.73	14.15	13.79
Dunkerton	14.10	13.86	15.94	16.00
Elk Run Heights	16.66	16.46	16.44	16.28
Evansdale	16.66	16.46	16.44	16.28
Gilbertville	16.66	16.46	16.44	16.28
Hudson	15.98	15.88	16.90	16.89
Janesville	11.82	12.22	11.84	12.33
Jesup	11.76	11.78	11.92	12.94
LaPorte City	12.68	12.57	12.71	12.70
Raymond	16.66	16.46	16.44	16.28
Other:				
State	-	-	0.00	0.00
Hawkeye CC - Area VII	1.00	0.93	1.00	0.96
Kirkwood - Area X	0.85	0.84	0.93	1.00
Ag. Extension	0.08	0.08	0.08	0.09
Special Appraiser*	0.06	0.08	0.09	0.02
Assessor	0.22	0.24	0.22	0.21

Source: Black Hawk County, Auditor's Office

* Special Appraiser and Assessor rates combined in FY13

Fiscal Year					
2013	2014	2015	2016	2017	2018
15.80	15.73	15.98	15.62	15.40	14.98
13.38	12.83	12.78	12.44	12.77	14.27
15.99	15.20	15.56	15.47	14.73	15.45
15.80	15.73	15.98	15.62	15.40	14.98
15.80	15.73	15.98	15.62	15.40	14.98
15.80	15.73	15.98	15.62	15.40	14.98
16.49	15.79	14.94	14.44	14.01	14.51
13.03	12.54	12.06	11.99	11.91	11.43
12.94	12.92	12.92	13.93	13.74	14.02
12.07	12.14	12.05	12.31	12.26	12.23
15.80	15.73	15.98	15.62	15.40	14.98
0.00	0.00	0.00	0.00	0.00	0.00
0.96	0.95	0.95	0.95	0.95	0.97
1.08	1.06	1.06	1.06	1.08	1.13
0.09	0.09	0.09	0.10	0.09	0.09
-	-	-	-	-	-
0.28	0.32	0.31	0.30	0.29	0.27

BLACK HAWK COUNTY, IOWA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS, EXCEPT PER CAPITA)
(UNAUDITED)

Fiscal Year	Governmental Activities			Business-Type Activities		Total Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	General Capital Loan Notes	Capital Lease Purchase Agreement	General Obligation Bonds	General Capital Loan Notes			
2009	\$ 21,936	\$ 790	\$ 58	\$ 1,125	\$ -	\$ 23,909	0.53	183.08
2010	26,507	505	53	956	-	28,021	0.61	213.65
2011	42,579	420	46	786	-	43,831	0.90	333.39
2012	39,521	1,650	39	607	-	41,817	0.82	317.29
2013	37,171	1,240	31	528	-	38,970	0.76	293.49
2014	39,300	935	21	448	-	40,704	0.77	305.76
2015	34,114	630	-	364	-	35,108	0.65	263.11
2016	38,322	320	-	279	-	38,921	0.71	293.05
2017	32,291	-	-	189	-	32,480	0.58	244.86
2018	24,502	-	-	95	-	24,597	N/A	N/A

* 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 General Obligation Bonds & Notes	Percentage Actual Taxable Value of Property	Per Capita*
2009	\$ 23,851	0.55	182.63
2010	27,968	0.61	213.25
2011	43,785	0.93	333.04
2012	41,778	0.86	316.99
2013	38,939	0.74	293.26
2014	40,683	0.75	305.60
2015	35,108	0.65	263.11
2016	38,921	0.71	293.05
2017	32,480	0.57	244.86
2018	24,597	0.42	N/A

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

Source: County records

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BLACK HAWK COUNTY, IOWA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2018
(UNAUDITED)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
County Direct Debt	\$ 24,502,497	100.00%	\$ 24,502,497
City Debt:			
Cedar Falls	4,680,000	100.00	4,680,000
Dunkerton	907,000	100.00	907,000
Elk Run Heights	-	100.00	-
Evansdale	4,870,223	100.00	4,870,223
Gilbertville	1,615,000	100.00	1,615,000
Hudson	5,697,208	100.00	5,697,208
Janesville	-	17.75	-
Jesup	2,515,000	8.13	204,470
LaPorte City	2,715,000	100.00	2,715,000
Raymond	415,001	100.00	415,001
Waterloo	89,927,852	100.00	89,927,852
Subtotal, City Debt			111,031,754
School District Debt:			
Cedar Falls	30,955,000	100.00	30,955,000
Denver	7,135,000	21.28	1,518,328
Dike-New Hartford	2,282,000	5.18	118,208
Dunkerton	4,810,000	99.35	4,778,735
Gladbrook-Reinbeck	-	8.09	-
Hudson	243,072	100.00	243,072
Janesville	8,380,000	47.56	3,985,528
Jesup	1,580,000	29.70	469,260
Union (LaPorte City/Dysart)	-	42.13	-
Vinton-Shellsburg	6,925,000	0.04	2,770
Wapsie Valley	6,897,000	5.28	364,162
Waterloo	79,849,529	100.00	79,849,529
Waverly-Shellrock	11,531,000	0.12	13,837
Subtotal, School District Debt			122,298,428
College, Hawkeye Community College	8,430,000	58.52	4,933,236
Total Overlapping Debt			238,263,418
Total Direct and Overlapping Debt			\$ 262,765,915

Source: Cities and School Districts within Black Hawk County

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

BLACK HAWK COUNTY, IOWA
LEGAL DEBT MARGIN INFORMATION
AS OF JUNE 30, 2018
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	2009	2010	2011	2012
Debt Limit	\$ 217,618	\$ 228,340	\$ 234,802	\$ 243,568
Total Net Debt Applicable to Limit	24,018	28,173	43,815	41,790
Legal Debt Margin	<u>\$ 193,600</u>	<u>\$ 200,167</u>	<u>\$ 190,987</u>	<u>\$ 201,778</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.41%	14.07%	22.94%	20.71%

Source: County records

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed Value	\$ 9,268,313
Debt Limit (5% of Assessed Value)	<u>463,416</u>
Debt Applicable to Limit:	
General Obligation Bonds	24,080
General Obligation Capital Loan Notes	-
Amount Available for Repayment of Debt	<u>(3,584)</u>
Total Net Applicable to Limit	<u>20,496</u>
Legal Debt Margin	<u><u>\$ 442,920</u></u>

2013	2014	2015	2016	2017	2018
\$ 263,754	\$ 271,680	\$ 272,112	\$ 274,290	\$ 456,618	\$ 463,416
39,020	40,495	34,985	31,660	26,266	20,496
<u>\$ 224,734</u>	<u>\$ 231,185</u>	<u>\$ 237,127</u>	<u>\$ 242,630</u>	<u>\$ 430,352</u>	<u>\$ 442,920</u>
17.36%	17.52%	14.75%	13.05%	6.10%	4.63%

BLACK HAWK COUNTY, IOWA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(UNAUDITED)

Year	Population ¹	Personal Income (000s) ¹	Per Capita Personal Income ¹	School Enrollment ³	Unemployment Rate ²
2008	129,203	\$ 4,486,369	\$ 34,723	16,870	4.5
2009	130,595	4,489,556	34,378	16,905	6.1
2010	131,153	4,583,792	34,950	17,068	6.1
2011	131,470	4,885,300	37,159	17,225	6.0
2012	131,794	5,123,023	38,871	17,298	5.6
2013	132,781	5,115,634	38,527	18,062	5.3
2014	133,123	5,309,650	39,885	18,225	4.7
2015	133,435	5,430,851	40,700	18,361	4.8
2016	132,813	5,447,825	41,019	18,313	5.0
2017	132,648	5,595,992	42,187	17,782	3.9

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

² **Source:** Iowa Workforce Development website (June of Calendar Year)

³ **Source:** School districts in Black Hawk County

School enrollments are for the spring of year posted (i.e. 2016-17 would be listed under 2017)

**BLACK HAWK COUNTY, IOWA
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO
(UNAUDITED)**

Employer	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
John Deere	5,000	1	7.4%	5,300	1	7.1%
Tyson Fresh Meats (IBP Inc.)	2,900	2	4.28	2,600	3	3.48
Wheaton Franciscan Healthcare	2,883	3	4.26	3,018	2	4.03
Unity Point Health (Allen Hospital)	2,520	4	3.72	1,746	5	2.33
University of Northern Iowa	1,816	5	2.68	1,850	4	2.47
Hy-Vee	1,733	6	2.56	1,121	7	1.50
Waterloo Public Schools	1,604	7	2.37	1,439	6	1.92
Omega Cabinets	994	8	1.47	1,000	10	1.34
Bertch Cabinet Manufacturing Co.	925	9	1.37	1,025	9	1.37
Target Regional Distribution	840	10	1.24	-	-	-
Area 267 Education Agency	-	-	-	1,110	8	1.48
Total	<u>21,215</u>			<u>20,209</u>		
Total Employees in Black Hawk County	<u>67,700</u>			<u>74,800</u>		

Sources: Greater Cedar Valley Alliance and Iowa Workforce Development

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BLACK HAWK COUNTY, IOWA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Function / Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety and Legal Services:										
Sheriff	132.00	134.00	134.00	134.00	134.00	134.00	135.00	137.00	137.00	138.00
Attorney	28.80	29.80	29.80	30.80	30.80	30.80	31.10	31.38	31.38	30.88
Consolidated Comm Ctr	26.00	26.00	26.00	26.00	26.00	26.20	26.70	26.70	26.70	26.70
Physical Health and Social Services:										
Health Department	88.22	89.81	86.15	93.00	93.00	90.39	90.44	90.99	89.60	80.60
Community Services	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Youth Shelter*	10.50	11.29	12.84	13.30	10.60	11.50	-	-	-	-
Veteran Affairs	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03
Mental Health:										
County Social Services	8.20	8.20	7.20	7.20	8.20	8.20	8.20	8.20	10.20	10.20
Country View**	171.00	181.50	-	-	-	-	-	-	-	-
County Environment and Education,										
Conservation	27.26	26.85	26.29	27.29	26.63	26.44	26.59	26.28	25.68	25.91
Roads and Transportation, Engineer	43.80	43.90	43.90	44.30	44.30	44.30	44.30	44.30	43.40	42.69
Governmental Services to Residents:										
Treasurer	12.50	12.50	10.50	10.50	11.50	11.50	11.50	11.50	11.50	11.50
Recorder	10.00	10.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Auditor: Elections	3.40	3.40	3.60	3.50	3.30	3.30	4.00	3.32	3.60	3.60
Administration:										
Board Office	7.50	7.50	7.50	7.50	8.00	8.00	8.00	7.00	7.00	7.00
Auditor	11.00	11.00	11.00	11.00	11.00	11.00	10.00	10.00	10.00	10.00
Treasurer	10.60	10.50	9.00	8.50	7.50	7.50	7.50	7.50	7.50	7.50
Human Resources	4.00	4.00	3.00	3.00	3.10	3.10	2.10	3.00	3.00	3.00
Information Technology	7.00	7.00	6.00	6.00	6.00	6.00	7.00	5.00	4.00	4.00
Maintenance	6.00	7.00	7.00	7.00	7.00	7.00	7.00	7.50	7.50	8.00
Civil Service	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total	613.61	630.08	438.61	447.72	445.76	444.06	434.26	434.50	432.89	424.41

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

Source: Black Hawk County, Auditor's Office

* Youth Shelter closed at end of FY13

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

BLACK HAWK COUNTY, IOWA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	2009	2010	2011	2012	Fiscal 2013
Public Safety and Legal Services:					
Sheriff:					
# of Civil Papers Served	20,043	19,507	19,905	18,162	17,122
# of Arrests Made	3,384	4,449	4,337	4,130	4,107
# of Jail Bookings	9,157	9,558	9,153	9,244	9,040
# of Service Calls	14,463	14,583	14,047	15,328	13,769
Attorney, # of Felonies/Aggravated Fieldcases Filed	1,691	1,716	1,947	1,445	1,458
Physical Health and Social Services:					
Health Department:					
# of Success Street Visits ¹	3,968	4,031	3,427	3,302	3,277
# of Environmental Inspections ²	2,810	2,600	3,202	2,605	3,326
# of Home Care Aide Visits ³	15,801	15,122	13,305	10,692	9,969
# of Home Care Aide Clients	194	188	206	157	149
Community Services, # of People Seen	2,077	3,057	3,298	3,319	2,992
Veteran Affairs, # of New Clients per Year	305	309	258	277	440
County Environment and Education					
Conservation:					
Hartman Reserve Visitors	56,200	53,290	51,112	51,865	50,827
Campers	41,938	47,333	40,588	43,877	37,477
Lodge/Shelter Usage	21,269	27,671	26,137	28,761	25,139
Roads and Transportation:					
Engineer:					
# of Miles of Road Paved	17	24	9	22	20
# of Bridges/Culverts Repaired/Replaced	8	7	12	9	13
Governmental Services to Residents:					
Treasurer, Titles Issued	41,506	41,447	42,704	42,842	40,814
Recorder, Documents Recorded	25,841	24,771	24,554	24,859	27,396
Auditor: Elections:					
# of Active Voters	86,891	81,464	81,715	78,448	81,066
# of Inactive Voters	5,323	5,934	6,516	5,669	5,784
# of Absentee Ballots	23,999	947	15,844	1,501	31,944
Administration, Maintenance, Sq. Ft Maintained	444,393	444,393	444,393	458,633	458,633

Source: County records

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

* Information not available.

** Home Aide visits ended in FY17

¹ Source: SuccessEHS Electronic Health Records; Includes only encounters from the Success Street-West, Success Street-East, and Success Street-Carver locations.

² Source: USA Food Safety database; Includes food-related inspections completed within Black Hawk County and regionally as per contract with Iowa Department of Inspections and Appeals.

³ Source: SuccessEHS Electronic Health Records; Includes only encounters documented with "home care aide program" indicated as the location.

Year				
2014	2015	2016	2017	2018
16,126	*	11,591	12,730	12,475
4,176	*	3,471	3,664	3,658
8,685	*	7,423	7,074	7,199
13,758	*	8,357	8,189	7,925
1,268	2,243	2,532	*	4,261
3,093	3,114	759	881	933
3,351	2,534	2,233	*	3,162
8,818	8,549	9,146	6,622	**
149	99	93	78	**
2,992	3,102	2,365	2,823	5,693
312	256	455	684	407
51,539	52,836	52,942	44,332	10,119
44,607	44,281	47,196	39,760	42,294
34,000	25,917	25,107	26,199	26,753
5	12	7	8	12
10	13	6	5	12
37,311	38,332	38,613	38,269	38,134
23,340	21,639	22,713	23,266	21,628
81,700	79,927	84,698	81,529	81,037
7,094	5,568	5,333	6,018	7,205
1,464	28,134	10,787	29,653	3,266
458,633	458,633	458,633	451,740	451,740

BLACK HAWK COUNTY, IOWA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety and Legal Services:										
Sheriff										
# of Patrol Cars	19	19	21	21	21	19	19	19	19	19
Physical Health and Social Services:										
Health Department										
# of Vehicles	17	17	17	18	19	18	19	19	19	17
County Environment and Education:										
Conservation										
# of Acres Managed	8,325	8,325	8,387	8,613	8,776	8,763	8,797	8,885	8,900	9,000
Roads and Transportation:										
Engineer:										
# of Vehicles	75	74	76	76	78	75	75	76	77	78
# of Buildings	16	15	15	15	15	15	15	15	15	15
Administration:										
Maintenance										
# of Buildings Maintained	6	6	6	9	9	9	0	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.

SINGLE AUDIT SECTION

BLACK HAWK COUNTY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018

Federal Grantor Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Identifying Number	Federal Expenditures	Pass-through to Subrecipients
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	5887NU02	\$ 13,276	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5888NU02	43,914	-
Passed through the Iowa Department of Human Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	54,239	-
Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			111,429	-
U.S. Department of Housing and Urban Development				
Passed through the City of Waterloo				
Lead Based Paint Hazard Control Grant	14.900	IA-LHB-0639-17	8,125	-
U.S. Department of Justice				
Passed through the Governor's Office of Drug Control Policy:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15-JAG-197189	25,643	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0713 (JAG 11)	1,818	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0594 (JAG12)	12,891	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15-JAG-197189	35,274	-
Total Edward Byrne Memorial Justice Assistance Grant Program			75,626	-
Passed through the Iowa Department of Justice:				
Crime Victim Assistance	16.575	VA-18-26-VWC	31,003	-
Federal Violence Against Women Formula Grants	16.588	VW-18-24-CJ	32,315	-
Methamphetamine Drug Hot Spots Grant Program	16.710	16-CAMP-14	4,274	-
Passed through the Iowa Department of Public Health				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	N/A	2,058	-
U.S. Department of Transportation				
Passed through the Iowa Department of Transportation				
Highway Planning and Construction	20.205	BROS-C007(142)--8J-07	61,654	-
Passed through the Iowa Department of Public Safety				
Impaired Driving Countermeasures Grant	20.616	PAP 18-405d-M6OT Task 02-00-00	979	-
U.S. Environmental Protection Agency				
Passed through Iowa Department of Natural Resources				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	ESD7159CHende130007	18,575	-
U.S. Department of Health and Human Services:				
Passed through the Iowa Department of Public Health				
Hospital Preparedness and Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	5888BT01	407,476	267,824
Wise Woman	93.094	5888NB02WW	35,900	-
Implementation of a Food Safety Quality Management System	93.103	G-MP-1611-04344	18,750	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2018-TB04	1,575	-
Immunization Cooperative Agreements	93.268	5888I406	5,793	-

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BLACK HAWK COUNTY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018

Federal Grantor	Federal CFDA Number	Pass-through Grantor's Identifying Number	Federal Expenditures	Pass-through to Subrecipients
Pass-Through Grantor/Program Title				
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	SERV5888DH02	\$ 680	\$ -
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	5888MH03	1,364	-
Total Centers for Disease Control and Prevention Investigations and Technical Assistance			2,044	-
Prevention and Public Health Fund (Affordable Care Act) - Immunization Program	93.539	5888I406	33,726	-
1st Five HMDI	93.778	5888MHI02	1,500	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	5888NB02	38,500	-
HIV Care Formula Grants	93.917	5887AP03	69,541	-
HIV Care Formula Grants	93.917	5888AP03	58,957	-
Total HIV Care Formula Grants			128,498	-
HIV Prevention Activities-Health Department Based	93.940	5887AP03	10,000	-
HIV Prevention Activities-Health Department Based	93.940	5888AP03	4,998	-
Total HIV Prevention Activities-Health Department Based			14,998	-
Maternal and Child Health Federal Consolidated Program	93.994	5887MH03	11,758	-
Maternal and Child Health Federal Consolidated Program	93.994	5888MH03	78,631	-
Total Maternal and Child Health Federal Consolidated Program			90,389	-
Passed through the Iowa Department of Human Services:				
Human Services Administrative Reimbursements				
Medical Assistance Program	93.778	N/A	88,141	-
State Children's Insurance Program	93.767	N/A	401	-
Foster Care - Title IV-E	93.658	N/A	19,860	-
Refugee and Entrant Assistance	93.566	N/A	71	-
Adoption Assistance	93.659	N/A	6,370	-
Child Care Development Fund	93.596	N/A	14,711	-
Social Services Block Grant	93.667	N/A	16,191	-
U. S. Department of Homeland Security				
Passed through Iowa Homeland Security & Emergency Management:				
Disaster Grant-Public Assistance	97.036	013-000CB-00	103,391	-
Hazard Mitigation Grant Program	97.039	DR-4289-0017-01	71,419	-
Emergency Management Performance Grants	97.042	EMPG-17-PT-07	3,619	-
Emergency Management Performance Grants	97.042	EMPG-18-PT-07	39,000	-
Total Emergency Management Performance Grants			42,619	-
Total Expenditure of Federal Awards			\$ 1,488,361	\$ 267,824

BLACK HAWK COUNTY, IOWA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2018

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Black Hawk County under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements to Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Black Hawk County, it is not intended to and does not present the financial position, changes in financial position or cash flows of Black Hawk County.

Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

Black Hawk County has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

BLACK HAWK COUNTY, IOWA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2018

Subrecipients

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

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

Subrecipient	CFDA #	Pass-Through Amount
PHEP Grants:		
Bremer County Health Department	93.074	\$ 26,660
Fayette County Health Department (Palmer Community Health)		25,097
Grundy County Health Department		7,045
Buchanan County Health Department		26,604
Vets Memorial Hospital - Allamakee County		29,154
Winneshiek County Health Department		19,833
Howard County Public Health		16,901
Subtotal PHEP		<u>\$ 151,295</u>
HPP Grants:		
Sartori Memorial Hospital		\$ 8,606
Mercy Hospital of Franciscan Sisters - Oelwein		8,972
Veterans Memorial Hospital		13,883
Buchanan County Health Center		8,000
Unity Point - Allen Hospital		14,603
Community Memorial Hospital - Sumner Iowa		8,800
Grundy County Memorial Hospital		8,000
Waverly Health Center		17,911
Covenant Medical Center		8,000
Regional Health Services of Howard County		9,200
Winneshiek Medical Center		10,556
Subtotal HHP		<u>\$ 116,530</u>
Grand Total		<u><u>\$ 267,824</u></u>



**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**

Board of Supervisors
Black Hawk County, Iowa
Waterloo, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America 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, the business-type activities, each major fund, and the aggregate remaining fund information of Black Hawk County (the County), as of and for the year ended June 30, 2018, 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 3, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County'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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described as items 2018-001 and 2018-002 in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies.

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the County'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*.

Black Hawk County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Black Hawk County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 result 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.

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CliftonLarsonAllen LLP

Cedar Rapids, Iowa
December 3, 2018

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Supervisors
Black Hawk County, Iowa
Waterloo, Iowa

Report on Compliance for Each Major Federal Program

We have audited Black Hawk County's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2018. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2018-003. Our opinion on each major federal program is not modified with respect to this matter.

Black Hawk County's Response to Finding

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 the Uniform Guidance, 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.

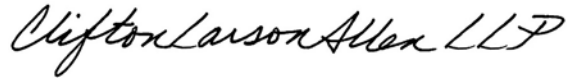
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-003 that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Board of Supervisors
Black Hawk County, Iowa

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Cedar Rapids, Iowa
December 3, 2018

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**COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? X yes _____ none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? X yes _____ none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) X yes _____ no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.917	HIV Care Formula Grants
97.039	Hazard Mitigation Grant
93.074	Hospital Preparedness and Public Health Emergency Preparedness Aligned Cooperative Agreements

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ yes X no

**COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2018**

SECTION II – FINANCIAL STATEMENT FINDINGS

2018-001: Limited Segregation of Duties

Type of Finding: Significant Deficiencies in Internal Control over Financial Reporting

Criteria: Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

Condition/Context: County Personnel IT user rights have not been reviewed in recent years.

Effect: The lack of adequate segregation of duties can result in incorrect financial information, failure to detect misstatements or misappropriations, and lack of adherence to the County's procedures.

Cause: Lack of review by management to ensure appropriate access for all users.

Repeat Finding: No

Recommendation: The County should review user access rights on an annual basis and as changes in employment occur. Access should be restricted to avoid inadequate segregation of duties and prevent incompatible access rights. Access to add/modify vendors and pay rates should be limited to the least number possible while still maintaining operating effectiveness. Other users could then be assigned read or view only rights. Users could then view and work with data without having access to modify, add or delete transactions.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION:

Contact Person: Susan Deaton, CPA, Finance Director

Corrective Action Planned: A corrective action plan is in place.

Anticipated Completion Date: June 30, 2019

**COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2018**

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

2018-002: Cash Reconciliations

Type of Finding: Significant Deficiencies in Internal Control over Financial Reporting

Criteria: Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction. Monthly reconciliations should be reviewed and compared to supporting documentation.

Condition/Context: Monthly cash and investment reconciliations are being performed, but there is no documentation that an independent review is being performed to ensure accuracy of such reconciliations.

Effect: The design of the internal control over cash and investments could adversely affect the ability to initiate, authorize, record, process, summarize and report financial data consistent with the assertion of management in the financial statements. This could include the lack of the ability to prevent or detect fraud or misappropriation of assets in a timely manner.

Cause: Lack of documentation of review by management.

Repeat Finding: No

Recommendation: Monthly cash and investment reconciliations should be documented as reviewed by a person independent of the person who prepared the reconciliations.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION:

Contact Person: Susan Deaton, CPA, Finance Director

Corrective Action Planned: A corrective action plan is in place.

Anticipated Completion Date: June 30, 2019

**COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2018**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2018-003

Federal Agency: U.S. Department of Health and Human Services

Federal Program Title: HIV Care Formula Grants

CFDA Number: 93.917

Pass-Through Agency: Iowa Department of Public Health

Pass-Through Number: 5887AP03, 5888AP03

Award Period: January 1, 2017 – December 31, 2017; January 1, 2018 – December 31, 2018

Type of Finding: Significant Deficiency in Internal Control over Compliance and Compliance

Criteria: The grant agreement specifies County shall complete and submit a monthly claim within 45 days of the month of expenditures.

Condition/Context: The County's current controls, processes, and procedures does not allow for proper cash management. For three of five monthly claims tested, the claim was not submitted within the timeframe specified within the grant agreement.

Questioned Costs: None.

Effect: The County is not in compliance with Uniform Grant Guidance – Cash management.

Cause: Limited number of personnel available to assist in grant administration.

Recommendation: We recommend County Management establish internal controls, processes, and procedures over the cash management to ensure reimbursement requests are submitted timely.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION:

Contact Person: Susan Deaton, CPA, Finance Director

Corrective Action Planned: A corrective action plan is in place.

Anticipated Completion Date: June 30, 2019

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2018

SECTION IV – OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING

- IV-A-18 Certified Budget** – Disbursements during the year ended June 30, 2018 did not exceed the amended amounts budgeted.
- IV-B-18 Questionable Expenditures** – We noted no expenditures for parties, banquets, or other entertainment for employees during the year ended June 30, 2018 that we believe may constitute unlawful expenditures from public funds as defined in an Attorney General's opinion dated April 25, 1979.
- IV-C-18 Travel Expenditures** – No expenditures of County money for travel expenses of spouses of County officials or employees were noted for the year ended June 30, 2018.
- IV-D-18 Business Transactions** – There were no business transactions between the County and County officials and/or employees during the year ended June 30, 2018.
- IV-E-18 Bond Coverage** – Surety bond coverage of County officials and employees is in accordance with statutory provisions.
- IV-F-18 Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-G-18 Deposits and Investments** – No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- IV-H-18 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-18 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 County operations and, consequently, is not included in disbursements during the year ended June 30, 2018 did not exceed the amount budgeted.