

Comprehensive Annual Financial Report



Fiscal Year Ended June 30, 2009

Illinois Community College District 503

Quad-Cities Campus
Moline, Illinois

East Campus
Galva, Illinois





Illinois Community College District #503

**6600 34th Avenue
Moline, Illinois 61265
www.bhc.edu**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the
Fiscal Year Ended June 30, 2009**

**Prepared by:
Finance Department
Leslie T. Anderson, Interim Vice President for Finance**

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October 14, 2009

To the Citizens of Black Hawk College:

The Comprehensive Annual Financial Report of Black Hawk College, Community College District No. 503, for the fiscal year ended June 30, 2009, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and operations results of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission, vision, and goals have been included. In addition, this letter of transmittal should be read in conjunction with the management's discussion and analysis which immediately follows the independent auditor's report and focuses on current activities, accounting changes and currently known facts.

The Comprehensive Annual Financial Report is presented in five sections: introductory, financial, statistical, special reports, and management information. The introductory section includes this transmittal letter, a list of principal officials and the College's organizational chart. The financial section includes the report of our independent public accountants, management's discussion and analysis, the basic financial statements, and notes to the financial statements. The statistical section includes selected unaudited financial and demographic information, generally presented on a multi-year basis. The special reports section includes the Uniform Financial Statements, grants and enrollment audits required by the Illinois Community College Board (ICCB) together with the related auditor's reports, and the Schedule of Expenditures of Federal Awards and the related notes together with the related auditor's reports. The management information section contains financial information by fund and budget to actual information utilized by the Board of Trustees and College management.

The College maintains its accounts and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) as set forth by Governmental and Financial Accounting Standards Boards (GASB and FASB) and the Illinois Community College Board (ICCB). The financial records of the District are maintained on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal obligation to pay. The notes to the financial statements expand and explain the financial statements and the accounting principles applied. The financial statements have been audited by our independent auditors, Lindgren, Callihan, VanOsdol & Co., Ltd. Their report is included as part of this financial presentation.

Mission, Vision, and Goals

The mission of Black Hawk College is to provide the environment and resources for individuals to become lifelong learners.

The vision of the College is to position Black Hawk College as the preferred choice for education and training through total accessibility, quality instructional programs, student-centered services, and strategic alliances. The following goals have been established to aid in the process of accomplishing both the mission and vision of the College:

- Provide the best atmosphere for successful **academic student outcomes**.
- Provide the best atmosphere for continued **career learning**.
- Provide the local and global community with **continuing education and personal and professional development**.
- Operate within the framework of our identified institutional **core values**: Appreciation of diversity, Caring and Compassion, Fairness, Honesty, Integrity, Respect, and Responsibility.
- Provide leadership in **community and economic development** through training, partnerships, and services.

Economic Condition and Outlook

Black Hawk College was established in 1946 and was granted official accreditation by the North Central Association of Colleges and Secondary Schools in March of 1951. Today, Community College District No. 503 is comprised of portions of nine Illinois counties which include: Rock Island, Henry, Mercer, Whiteside, Henderson, Knox, Bureau, Stark, and Marshall.

Black Hawk operates two primary campuses as well as other instructional centers throughout the District and serves a population in excess of 230,000. The College's Quad-Cities Campus is located on 149 wooded acres in Moline, Illinois while the College's East Campus is located on a 102-acre site five miles south of Kewanee, Illinois.

The average Fall semester head count is 6,330 from fiscal year 2005 to fiscal year 2009. The College continues to experience a decline in total credit hours, which includes both restricted and unrestricted credit hours. The decline in total credit hours from fiscal year 2008 to fiscal year 2009 was 2.86%.

According to the 2000 Census, nearly 50% of workers employed within the district are employed in manufacturing, retail trade, or educational, health and social services industries. The District's principal employers are presented in the statistical section of this report. The Quad Cities area is considered a diverse business region and the long-term economic outlook for the region and the College is viewed as favorable.

Major Initiatives

The 2007-2009 Strategic Plan focuses on three main strategic priorities: Connecting with the Learner, Connecting with the Community, and Connecting Internally. This plan has been extended through 2010. The following objectives have been developed in order to accomplish these strategic priorities:

- Student Success
- Student Satisfaction
- Student Access
- Employment Opportunities
- Partnership agreements
- Workforce Development
- Fiscal Planning
- Recognition and Innovation of faculty and staff
- Collaboration between faculty and staff
- Communication

In addition to these strategic objectives, the College has also undertaken several major operational initiatives. These initiatives include:

- Achieving re-accreditation in 2013
- Increasing employee development opportunities
- Developing an institutional facilities master plan
- Balancing the budget
- Refreshing and enhancing both the information technology and instructional facilities of the College

The College also continues to review its course offerings and implement new programs that meet the above mentioned strategic priorities and better serve the District. For example, the College recently increased faculty levels in the Nursing department as we continue to see an increase in the need for these programs in the community and a strong demand from the student population. Furthermore, the College recently implemented a fourth option in the Engineering Technology program that focuses on emerging energy sources such as wind and geothermal. Finally, the College continues to develop and implement additional online courses each semester to help meet the demand for alternative delivery of these courses as well.

Local Economy

Black Hawk College has three primary sources of Operating Funds revenue: Tuition and Fees, State Funding, and Property Taxes.

Tuition and fee revenues account for approximately 40% of the overall revenue received. The College continues to see declines in total credit hours, which includes restricted and unrestricted hours, for both Baccalaureate and ABE/Adult Secondary categories. However, from fiscal year 2008 to fiscal year 2009 the College experienced increases in total credit hours for the Technical Occupational and Health Occupational categories. These increases are expected to continue into future years as the demand for health professionals increases further.

State funding, which accounts for approximately 25% of the overall revenue received, continues to be problematic for the College as the level of state funding continues to decline. It is anticipated that funding levels will continue to decline in future years; however, it is likely that the rate of decline will diminish. The average ICCB credit hour reimbursement rate has continually declined since FY2005. These declines have prompted the College to raise tuition and fee rates as well as cut spending on certain programs.

Property taxes, which accounts for approximately 30% of the overall revenue received, are levied each year for all taxable real property in the District on the basis of the equalized assessed property values (EAV). Assessed values are established by each of the nine respective counties within the district. The subsequent property taxes are billed and collected by each county. Property tax revenue continues to hold relatively stable as equalized assessed values in the District have been increasing steadily over the past several years.

Financial Planning

The College has taken several steps to offset the negative impact of inadequate state funding and declining enrollment. These steps include:

- Cost containment and reduction of departmental budgets
- Greater focus on alternative sources of revenue
- Tuition and fee increases
- Review and redesign of key business processes and technology to improve efficiency
- Completion of an organizational restructuring plan
- Implementation of new programs to strengthen enrollment
- More aggressive curriculum and outreach development

In addition, the College has begun utilizing an annual Financial Plan, presented to the Board of Trustees each January, to ensure focus and attention is given to critical areas in a more efficient manner. This financial planning process is coordinated with the budget preparation process. One outcome of the recent financial planning process was the implementation of a strategy for issuing funding bonds to fund technology and other capital needs every three years. Technology has continued to be an ongoing priority for the College and instructional departments as we proactively strive to improve and keep the College current with the ever changing infrastructure, instructional delivery systems, and training needs related to technology. The College will also be using these bond proceeds to update instructional equipment and facilities throughout the District.

Internal Controls

Management of the College is responsible for establishing and maintaining effective internal controls to ensure compliance with requirements of laws, regulations, contracts and grants. Internal controls are designed to limit the College's exposure to risks, to safeguard the College's assets from theft or misuse, and to provide adequate documentation for the preparation of the financial statements in conformity with generally accepted accounting principles as well as accounting standards mandated by the ICCB. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of the control should not exceed the expected benefits and estimates and judgments by management are required for the valuation of the costs and benefits.

Budgetary Controls

The College maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the College's Board of Trustees. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the budgeted amount) is established at the fund level. The College maintains an encumbrance accounting system as one technique to accomplish budgetary control. Encumbered amounts lapse at year-end.

Cash Management Policies and Practice

For the purpose of overall investment of excess funds, the College is governed by the Illinois Public Community College Act (Chapter 110, Act 805/3-47). The fiduciary responsibility for said investments is entrusted to the College's Board of Trustees.

In keeping with Board policy, all investments of excess funds are made in a prudent, conservative and secure manner in accordance with the guidelines detailed in Board Policy 4.55, Investment of College Funds. The Treasurer of the College, or designee, must review the cash balances on a daily basis to determine if funds are available for investment. If funds are available, they will be invested according to the following procedure:

1. The various forms of investment will be reviewed to determine the highest yield subject to the provisions of Board policy.
2. The current portfolio will be evaluated for diversification needs and a decision made on the investment(s) to be purchased.
3. If Certificates of Deposit or Time Deposits are to be used, the College will solicit telephone quotes from all interested in-district financial institutions and will invest such funds at the highest rate of return.
4. The College will invest in instruments such as Money Market Accounts, Illinois Public Treasurer's Investment Pool (IPTIP), and Illinois School District Liquid Asset Fund (ISDLAF) to maintain an adequate degree of liquidity.
5. Monthly investment schedules will be provided to the Board.
6. The College will invest funds consistent with all procedures and restrictions included herein using the "prudent man rule" as a guiding principle as well.
7. The Treasurer, or designee, shall have no real or perceived conflict of interest with any financial institution the College is currently using or may utilize in the future. All placements of investments shall be done in an open, fair manner.

Risk Management

The College is self-insured for its health insurance claims. The claims are administered by an external third party administrator. In addition, the College maintains stop loss coverage of \$125,000 specific and \$4,848,330 aggregate with a major insurance carrier for medical and dental claims that exceed these thresholds. The College also maintains adequate reserves to cover potential losses and the reserves are reviewed regularly to determine if they are appropriate.

Other Information

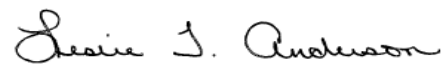
- Independent audit State statutes require an annual audit by independent certified public accountants. The accounting firm of Lindgren, Callihan, VanOsdol & Co., Ltd. was selected by the College to perform the fiscal year 2009 audit. The auditor's report on the financial statements and schedules is unqualified and is included in the financial section of this report.
- Acknowledgements We wish to thank the members of the Board of Trustees for their interest and support in conducting the financial operations of the District to the degree of excellence necessary for continuance of operation of the District in a responsible manner.

The timely preparation of the Comprehensive Annual Financial Report was made possible by the continued, dedicated service of Black Hawk College's Accounting Services staff and others connected with the annual audit process. Our sincere appreciation goes out to each individual making contributions in the preparation of this report.

Respectfully submitted,



Dr. R. Gene Gardner
Interim President



Leslie T. Anderson
Interim Vice President for Finance



Illinois Community College District No. 503

Board of Trustees



Evelyn L. Phillips
Orion
Vice Chair



Steven J. Ballard
Moline
Chair



Sonia R. Berg
Moline
Secretary



John T. Ahern
Silvis



Kate P. Longley
Aledo
Student Trustee



Diana K. Shreck
Kewanee



Donna M. Frye
Moline



Mike O'Brien
Coal Valley

Executive Administration



Dr. R. Gene Gardner
Interim President



Dr. Rose Campbell
Executive Vice President
and Vice President for
Instruction/ITS



Dr. Richard Vallandingham
Vice President
for Student Services







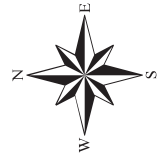
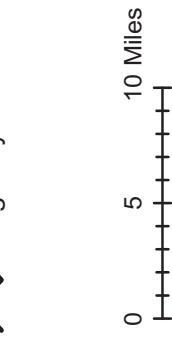
Chanda Dowell
Vice President
for East Campus

Black Hawk College District

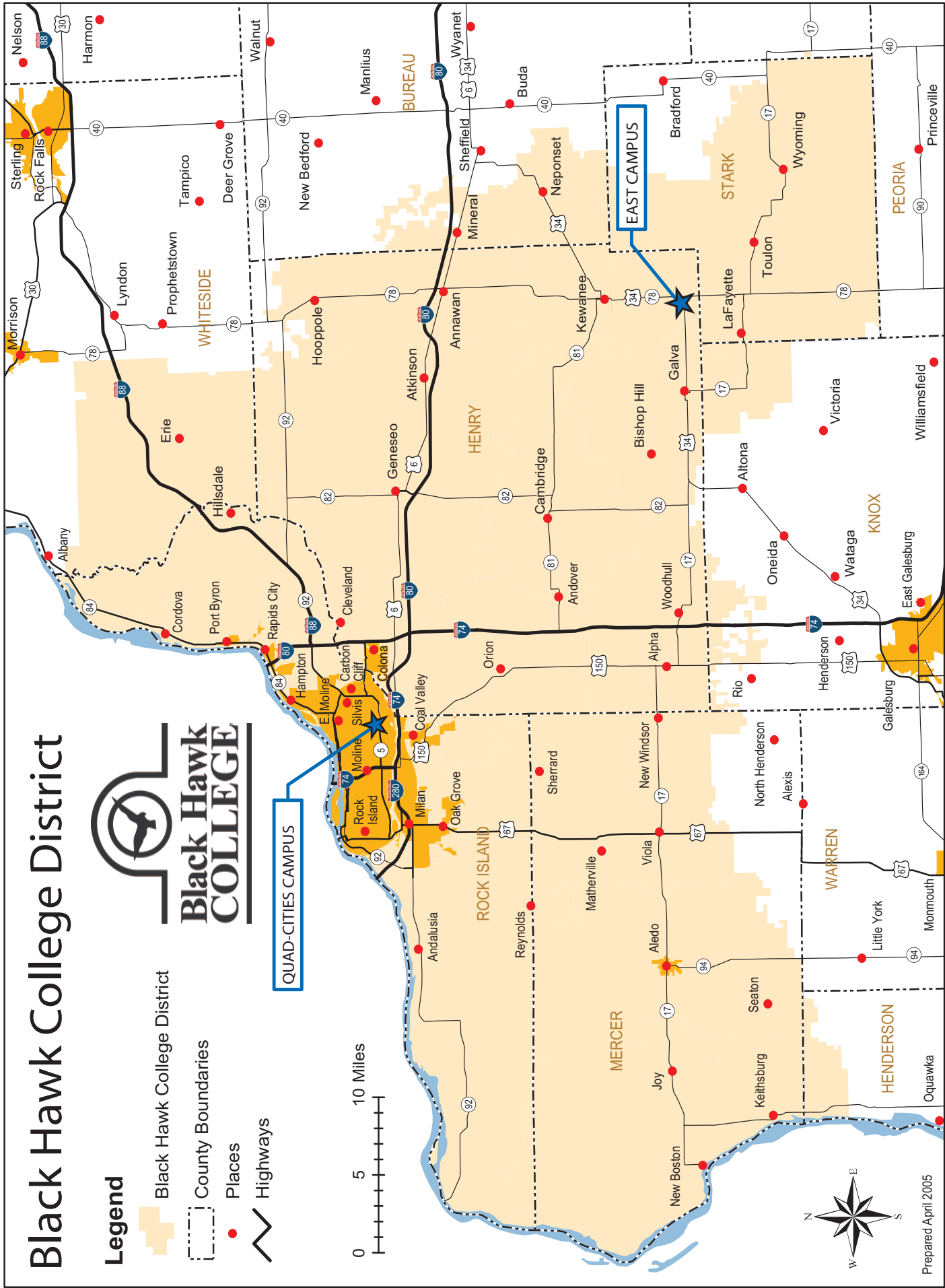


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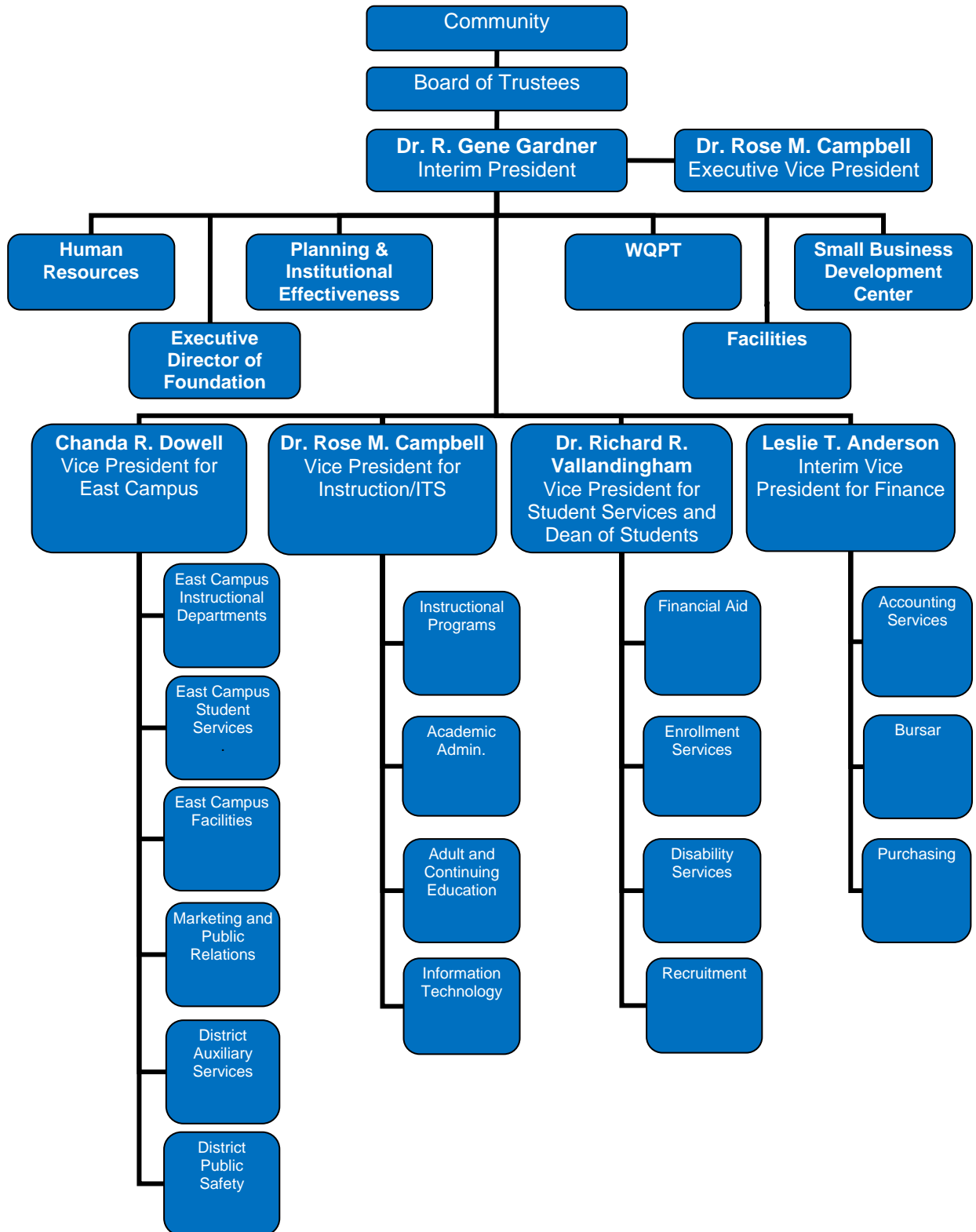
-  Black Hawk College District
-  County Boundaries
-  Places
-  Highways



Prepared April 2005



Organization Chart



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Financial Section

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Independent Auditor's Report

To the Board of Trustees
 Black Hawk College
 Illinois Community College District #503
 Moline, Illinois

We have audited the accompanying financial statements of Black Hawk College, Illinois Community College District #503 (College) and its discretely presented component units as of and for the year ended June 30, 2009, as listed in the table of contents. These basic financial statements are the responsibility of the College's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Black Hawk College, Illinois Community College District #503 and its discretely presented component units as of June 30, 2009, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2009 on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis on pages 15 through 25 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The accompanying schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, the ICCB Supplemental Information, the ICCB Uniform Financial Statements, the ICCB State Grants Financial Compliance Section, and the Supplemental Information, as listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for that portion marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Sidgen, Callahan, Van Dordt & Co., Ltd.

Freeport, Illinois
September 21, 2009

Management's Discussion and Analysis

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Introduction

This section of Black Hawk College's (College) Comprehensive Annual Financial Report presents Management's Discussion and Analysis of the College's financial activity during the fiscal years ended June 30, 2009 and June 30, 2008. Since this Management's Discussion and Analysis is designed to focus on current activities, resulting change, and currently known facts, please read it in conjunction with the College's basic financial statements and the footnotes. Responsibility for the completeness and fairness of this information rests with the College.

Overview of the Basic Financial Statements

The basic financial statements focus on the College as a whole versus traditional presentation by fund types. The College's financial statements are designed to emulate corporate presentation models where by all of the College's activities are consolidated into one total.

The purpose of the **Statement of Net Assets** is to present the bottom line results of the College. This statement combines and consolidates current financial resources with capital assets. It presents assets, liabilities and net assets at the end of the fiscal year. The Statement of Net Assets requires the classification of assets and liabilities into current and non-current categories. The difference between total assets and total liabilities is reflected in the net assets section which reflects net assets in three broad categories: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are one indicator of the current financial condition of the College, while the change in net assets is one indicator of whether the overall financial condition of the College has improved or deteriorated during the year.

The **Statement of Revenues, Expenses, and Changes in Net Assets** focuses on both the gross costs and the net costs of the College's activities, which are supported mainly by local property taxes, tuition, and state revenues. It presents the revenues, expenses and transfer activities that occurred during the fiscal year. The Statement of Revenues, Expenses, and Changes in Net Assets requires the classification of revenues and expenses as operating and non-operating. Property taxes and state funding are reported as non-operating revenues, for example.

The **Statement of Cash Flows** presents the inflow and outflow of cash collected and disbursed by the College for the fiscal year. It separates the sources and uses of funds by the major categories of operating, capital and related financing, non-capital financing and investing activities. This statement emphasizes the College's dependence on state and local sources by separating them from operating cash flows.

Financial Highlights

For the year ended June 30, 2009, the College recorded total operating revenues of \$12,009,810 and total operating expenses of \$44,998,669. The difference produced an operating loss of \$32,988,859. Net non-operating revenue of \$39,483,390 offsets this loss and results in an overall increase in net assets of \$6,494,531.

Non-operating revenue included local property taxes of \$17,816,536, state grants and contracts of \$11,653,779, federal grants and local contracts of \$7,050,847, and other net miscellaneous revenue of \$2,962,228.

Operating revenue accounted for 23% of the College's total revenue, while non-operating revenues accounted for the other 77% of the College's total revenue. Operating revenue consisted of tuition and fees, net of financial aid allowances, totaling \$6,563,186, auxiliary enterprise revenues totaling \$3,024,705, and other miscellaneous revenue of \$2,421,919. The payment made by the state, on behalf of the College, to the State University Retirement System (SURS) was \$2,415,018 of the other miscellaneous revenue total. The comparable contribution by the state to SURS for the fiscal year ended June 30, 2008 was \$1,954,642.

Long-Term Debt

The College did not issue additional long-term debt during the current fiscal year. The unused legal debt capacity of the College is currently \$83,540,198, which represents 2.875% of the assessed valuation of the College's district less the \$12,210,000 in outstanding debt. See Notes to the Financial Statements for further information.

Economic Factors

Like many other colleges and universities, Black Hawk College continues to face economic challenges with regard to decreasing funding levels. Moreover, while the College is beginning to realize increases in enrollment, declining enrollments had been consistent over the previous five fiscal years. In addition, the financial position of the State of Illinois currently lacks stability and strength. However, recent changes in the State's political landscape have given government supported entities renewed optimism.

Unemployment rates, both locally and nationally, have increased over the previous year. Our local economy has suffered from several recent business closures as well as various layoffs. While this has resulted in increased enrollments, the lack of adequate state funding and support for programs such as Adult Education and the Illinois Monetary Assistance Program (MAP) may pose additional challenges in the upcoming year. As a community college, Black Hawk is well positioned to serve displaced workers seeking to enhance existing skills or develop additional skills necessary to re-enter the workforce due to the relatively short-term nature of many programs offered.

Comparative Net Assets – Fiscal Years 2009 and 2008

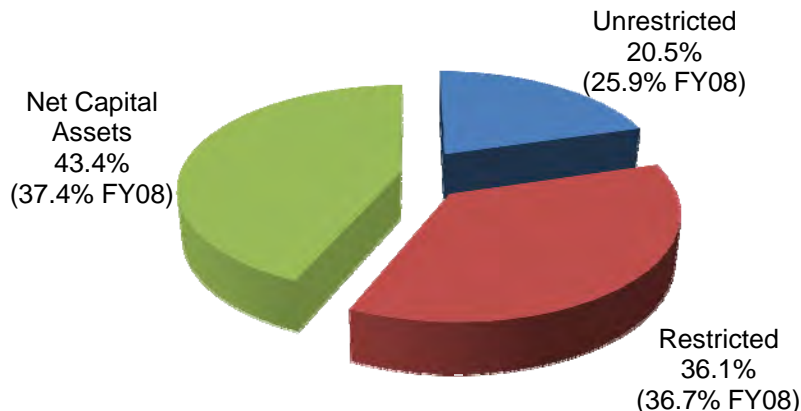
	2009	2008	Increase (Decrease)	Percent Change
Current Assets	\$43,739,223	\$40,765,048	\$ 2,974,175	7.3%
Non-Current Assets	30,102,182	29,808,768	293,414	1.0
Total Assets	\$73,841,405	\$70,573,816	\$3,267,589	4.6%
Current Liabilities	\$ 8,645,216	\$ 7,226,431	\$ 1,418,785	19.6%
Non-Current Liabilities	9,254,184	13,899,911	(4,645,727)	(33.4)
Total Liabilities	\$17,899,400	\$21,126,342	\$(3,226,942)	15.3%
Net Assets				
Investment in Capital Assets, Net	\$24,287,182	\$22,704,208	\$ 1,582,974	7.0%
Restricted	20,212,636	18,116,477	2,096,159	11.6
Unrestricted	11,442,187	8,626,789	2,815,398	32.6
Total Net Assets	\$55,942,005	\$49,447,474	\$ 6,494,531	13.1%

The College had net assets at the beginning of the year totaling \$49,447,474. The net increase in net assets of \$6,494,531 brought the total of net assets at the end of the year to \$55,942,005.

Notable changes in fiscal year 2009 include the significant increase in Current Assets as a result of increased receivables for both Property Taxes and State Grants and Contracts. As of June 30, 2009 the College had a \$4,152,507 receivable associated with State Grants due to the State of Illinois' cash flow situation and subsequent inability to remit payments in a timely manner. Additionally, Non-Current Liabilities decreased significantly as a result of debt payments and the reduction of outstanding debt.

This schedule is prepared from the College's Statement of Net Assets, which is presented on a full accrual basis of accounting whereby assets costing \$5,000 or greater are capitalized and depreciated.

Net Assets - Fiscal Year 2009



Revenues, Expenses & Changes in Net Assets
For the years ending June 30,

	2009	2008	Increase (Decrease)	Percent Change
Operating Revenue:				
Tuition and Fees	\$ 6,563,186	\$ 6,830,918	\$ (267,732)	(3.9)%
Auxiliary	3,024,705	3,456,655	(431,950)	(12.5)
Other	2,421,919	1,958,645	463,274	23.7
Total Operating Revenue	<u>\$ 12,009,810</u>	<u>\$ 12,246,218</u>	<u>\$ (236,408)</u>	<u>(1.9)%</u>
Less: Operating Expenses	44,998,669	45,514,497	(515,828)	(1.1)
Operating Income (Loss)	<u>\$(32,988,859)</u>	<u>\$(33,268,279)</u>	<u>279,420</u>	<u>(0.1)%</u>
Non-operating Revenue:				
State Grants and Contracts	\$ 11,653,779	\$ 14,154,600	\$(2,500,821)	(17.7)%
Federal Grants & Contracts	7,050,847	7,499,337	(448,490)	(6.0)
Property Taxes	17,816,536	16,212,834	1,603,702	9.9
Other Income	2,962,228	1,909,153	1,053,075	55.2
Total Non-operating Revenue:	<u>\$ 39,483,390</u>	<u>\$ 39,775,924</u>	<u>\$ (292,534)</u>	<u>(0.1)%</u>
Increase in Net Assets	6,494,531	6,507,645	(13,114)	(0.2)
Net Assets, Beginning of Year	49,447,474	42,939,829	6,507,645	15.2
Net Assets, End of Year	<u>\$ 55,942,005</u>	<u>\$ 49,447,474</u>	<u>\$ 6,494,531</u>	<u>13.1%</u>

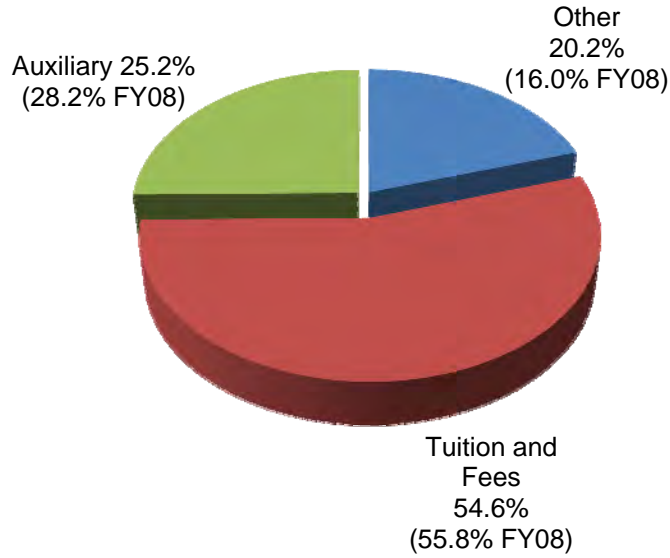
Operating revenue and expense for fiscal year 2009 were slightly lower than fiscal year 2008.

An decrease in tuition and fees of \$267,732, or 3.9%, and auxiliary revenue of \$431,950, or 12.5%, from fiscal year 2008 was accompanied by an increase in the SURS contribution provided by the state as the fiscal year 2009 amount was \$460,376 greater than the fiscal year 2008 amount. As explained in Note 4 in the Notes to Financial Statements, this SURS contribution is shown as an operating revenue and an operating expense by the College.

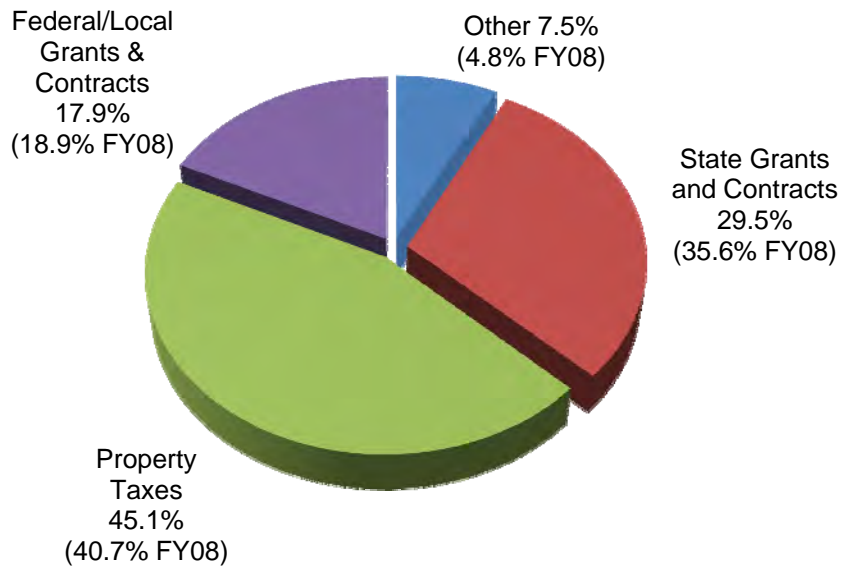
The decrease in tuition and fees and auxiliary revenue is the result of a change in financial reporting methodology for Summer course revenue and expenditures. For financial reporting purposes, Summer tuition and fees have previously been recorded in the fiscal year in which the course was held. For state reporting purposes, all Summer credit hours have previously been reported in one Summer term at the beginning of the fiscal year. In an effort to consistently report financial results and credit hours, financial reports now reflect all Summer revenue at the beginning of the fiscal year as has been the case with credit hours in previous years.

Non-operating revenue decreased in total by \$292,534. An ICCB change in financial reporting methodology for Corporate Personal Property Replacement Tax (CPPRT) resulted in the reclassification of these amounts from State Grants and Other Contracts to Other Non-Operating Revenue Income in FY09. The total amount reclassified in FY09 is \$1,365,164. Property Taxes revenue increased \$1,603,702, or 9.9%, as a result of a 3.1% increase in Equalized Assessed Valuations (EAV) within the district as well as an increase in the bond and interest levy needed to cover principal and interest payments associated with outstanding bonds.

Operating Revenues - Fiscal Year 2009



Non-Operating Revenues - Fiscal Year 2009



Comparison of Operating Expenses Fiscal Years 2009 and 2008

	2009	2008	Increase (Decrease)	Percent Change
Operating Expenses:				
Instruction	\$13,071,503	\$13,417,138	\$ (345,635)	2.6%
Academic Support	4,344,918	4,214,199	130,719	3.1
Student Services	3,022,823	3,151,038	(128,215)	(4.1)
Public Service / Continuing Ed.	2,327,188	2,603,870	(276,682)	(10.6)
Operations of physical facilities	4,454,574	4,202,026	252,548	6.0
Institutional Support	6,843,449	7,147,272	(303,823)	(4.3)
Financial Aid	3,456,874	3,798,739	(341,865)	(9.0)
Auxiliary	3,265,960	3,567,023	(301,063)	(8.4)
Loss on disposal of equipment	7,409	5,097	2,312	45.4
SURS Contribution provided by State	2,415,018	1,954,642	460,376	23.6
Depreciation	1,788,953	1,453,453	335,500	23.1
Total Operating Expenses:	\$44,998,669	\$45,514,497	\$ (515,828)	(1.1)%

Operating expenses for fiscal year 2009 decreased slightly from fiscal year 2008. The decrease amounted to \$515,828, or 1.1%, over fiscal year 2008.

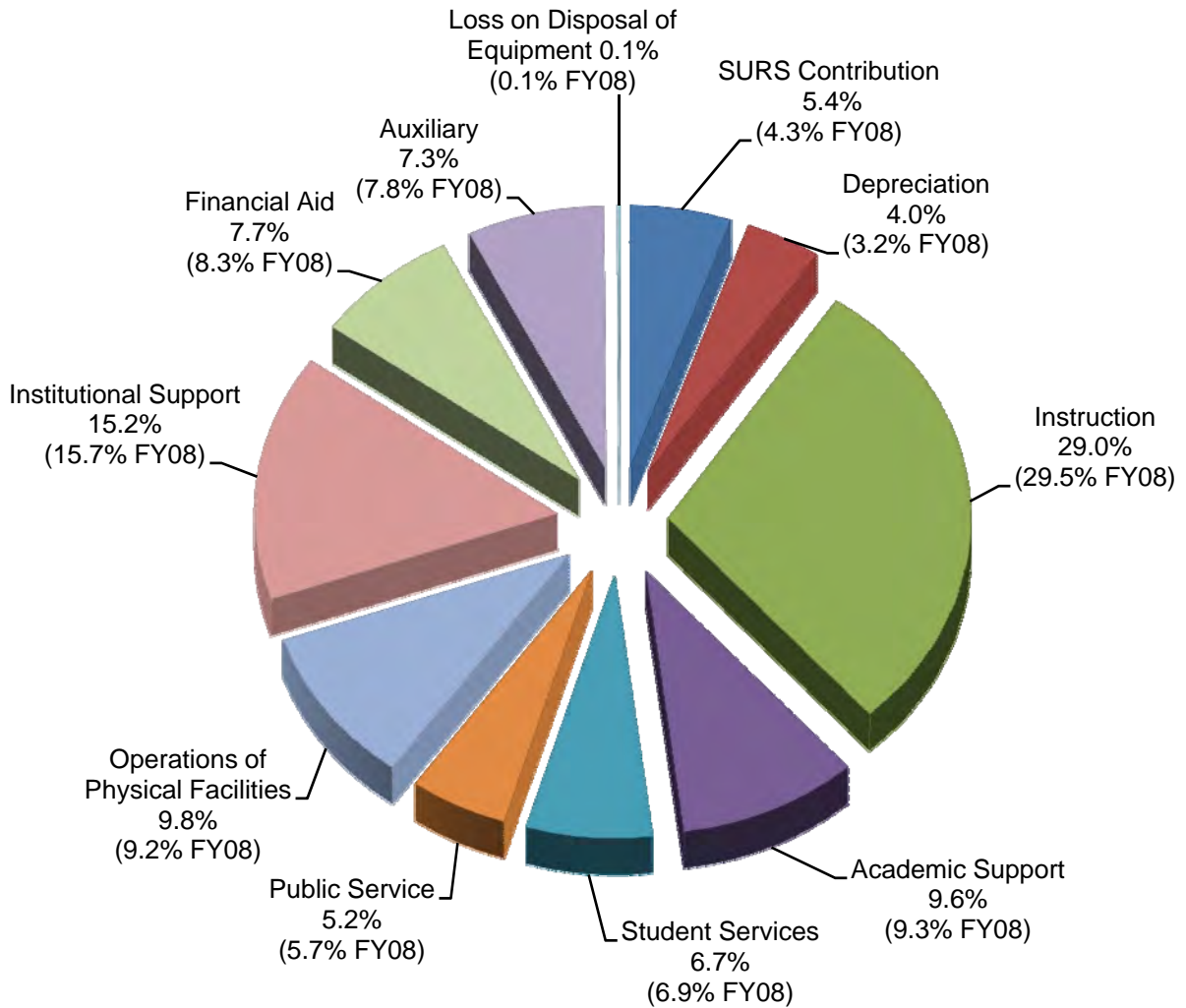
Total operating expenditures for Instruction and Public Service/Continuing Education decreased by \$622,317 as a result of the change in financial reporting methodology for Summer term revenue and expenses. As indicated previously, this change was made to consistently report financial results and credit hours to ICCB. Financial Aid expenses decreased \$341,865 primarily as a result of a \$330,061 decrease in MAP awards. In addition, Auxiliary expenses decreased \$301,063 as a result of lower sales in the bookstore and subsequently lower expenses associated with books and supplies.

Academic Support and Operations of physical facilities expenses increased by \$383,267 in fiscal year 2009. Academic Support expenses increased as a result of additional software licensing and maintenance expenses covered by restricted technology fees collected. These increases were offset by a decrease in operating expenditures for Institutional Support. The decrease of \$303,823 in Institutional Support is primarily due to a decrease in fiscal year 2009 health insurance costs as the College continues to realize reduced costs in this category.

In addition, a substantial increase in the SURS contribution provided by the state occurred as the fiscal year 2009 amount was \$460,376 greater than the fiscal year 2008 amount. As explained in Note 4 in the Notes to Financial Statements, this SURS contribution is shown as both an operating revenue and an operating expense by the College.

The following graphic illustration shows the operating expenses by program for fiscal year 2009 by percentage of the total with the comparable percentage for fiscal year 2008 in parenthesis. For both years, the largest percentage of College money was spent on Instruction.

Operating Expenses - Fiscal Year 2009



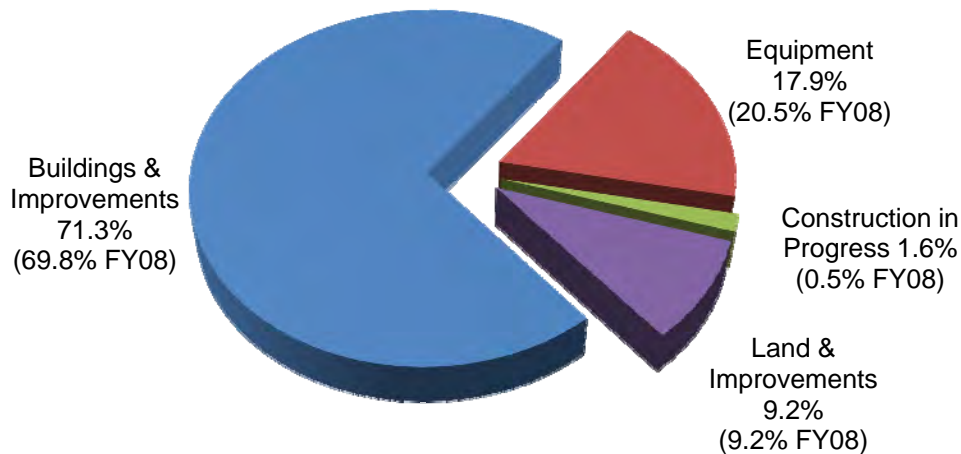
Comparison of Net Capital Assets Fiscal Years 2009 and 2008

Capital Assets	2009	2008	Increase (Decrease)	Percent Change
Land and Improvements	\$ 4,725,955	\$ 4,724,056	\$ 1,899	0.0%
Building and Improvements	36,537,982	35,696,631	841,351	2.4
Equipment	9,161,995	10,500,340	(1,338,345)	(12.7)
Construction In Progress	807,365	241,129	566,236	234.8
Total Capital Assets	\$51,233,297	\$51,162,156	\$ 71,141	0.1%
Less Accumulated Depreciation;	21,131,115	21,353,388	(222,273)	(1.0)
Net Capital Assets	\$30,102,182	\$29,808,768	\$ 293,414	1.0%

As of June 30, 2009, the College has recorded \$51,233,297 invested in capital assets, \$21,131,115 in accumulated depreciation and \$30,102,182 in net capital assets.

Net Capital assets increased \$293,414, or 1.0%, due to the completion of several remodeling / improvement projects completed in fiscal year 2009. The current bonding process has allowed the College to invest in additional technology and facility improvements. Additionally, Protection, Health and Safety projects completed for replacement of roads and electrical upgrades have been completed or are currently underway. See Notes to Financial Statements for further information.

Capital Assets - Fiscal Year 2009



Requests for Information

This financial report is designed to provide the reader with a general overview of Black Hawk College's finances and to show Black Hawk College's accountability for the revenue it receives. If you have questions about this report or need additional information, please contact:

Leslie T. Anderson
Interim Vice President for Finance
6600 34th Avenue
Moline, IL 61265

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Basic Financial Statements

Black Hawk College
Illinois Community College District #503

Statement of Net Assets
June 30, 2009

	Primary	Component Units		
	Government	Black Hawk College Foundation	Black Hawk East College Foundation	Greater Quad Cities Tele-communications
Assets				
Current Assets:				
Cash and cash equivalents	\$ 25,438,164	\$ 58,158	\$ 181,898	\$ 489,019
Investments	-	1,202,611	1,089,661	517,891
Receivables, net of allowance for uncollectibles of \$65,557:				
Property taxes	11,791,457	-	-	-
Federal government claims	496,325	-	-	-
State of Illinois claims	4,693,163	-	-	-
Student tuition and fees	20,307	-	-	-
Other	541,445	5,235	21,086	73,526
Inventory	429,364	-	-	-
Prepaid expenses	328,998	-	-	-
Total current assets	43,739,223	1,266,004	1,292,645	1,080,436
Noncurrent Assets:				
Capital assets:				
Land	760,862	-	-	-
Construction in process	807,365	-	-	-
Building, improvements and equipment, net of \$21,131,115 and \$523,565, respectively	28,533,955	-	1,538,709	-
Total capital assets, net of depreciation	30,102,182	-	1,538,709	-
Total noncurrent assets	30,102,182	-	1,538,709	-
Total assets	73,841,405	1,266,004	2,831,354	1,080,436
Liabilities				
Current Liabilities:				
Accounts payable	795,225	3,672	44,569	57,515
Accrued expenditures:				
Payroll	849,515	-	-	-
Early retirement	116,556	-	-	-
Accrued vacation	120,000	-	-	-
Other	101,918	-	-	-
Deferred revenues:				
Student tuition and fees	1,334,226	-	-	-
Other	229,633	-	-	85,716
Notes and bonds due in less than one year	5,065,000	-	26,214	-
Other liabilities	33,143	-	-	-
Total current liabilities	8,645,216	3,672	70,783	143,231
Noncurrent Liabilities:				
Early retirement	1,342,202	-	-	-
Accrued vacation	766,982	-	-	-
Notes and bonds payable in more than one year	7,145,000	-	904,060	-
Total noncurrent liabilities	9,254,184	-	904,060	-
Total liabilities	17,899,400	3,672	974,843	143,231
Net Assets				
Investment in capital assets, net of related debt	24,287,182	-	-	-
Restricted for audit	122,132	-	-	-
Restricted for liability, protection and settlement	1,227,502	-	-	-
Restricted for working cash	10,194,190	-	-	-
Restricted for bond & interest	2,702,182	-	-	-
Restricted for operations and maintenance	5,829,566	-	-	-
Restricted for grants and scholarships	137,064	1,017,847	649,275	-
Unrestricted	11,442,187	244,485	1,207,236	937,205
Total net assets	\$ 55,942,005	\$ 1,262,332	\$ 1,856,511	\$ 937,205

See Notes to Financial Statements.

Black Hawk College
Illinois Community College District #503

Statement of Revenues, Expenses, and Changes in Net Assets
Year Ended June 30, 2009

	Primary	Component Units		
	Government	Black Hawk	Black Hawk	Greater Quad
	Black Hawk	College	East College	Cities Tele-
	College	Foundation	Foundation	communications
Operating Revenues:				
Student tuition and fees, net of scholarship allowances	\$ 6,563,186	\$ -	\$ -	\$ -
Sales, service and rental of facilities and equipment	3,024,705	-	-	-
SURS contribution provided by state	2,415,018	-	-	-
Other operating revenue	6,901	-	-	802,723
Total operating revenues	12,009,810	-	-	802,723
Operating expenses:				
Instruction	13,071,503	-	-	-
Academic support	4,344,918	-	-	-
Student services	3,022,823	-	-	-
Public service	2,327,188	-	-	675,548
Auxiliary services	3,265,960	-	-	-
Institutional support	6,843,449	158,166	156,760	271,055
Scholarships, student grants and waivers	3,456,874	50,587	78,950	-
SURS contribution provided by state	2,415,018	-	-	-
Operation of physical facilities	4,454,574	-	-	-
Loss on disposal of equipment	7,409	-	-	-
Depreciation and amortization	1,788,953	-	59,176	-
Total operating expenses	44,998,669	208,753	294,886	946,603
Operating (loss)	(32,988,859)	(208,753)	(294,886)	(143,880)
Non-operating revenues (expenses):				
Property taxes	17,816,536	-	-	-
Personal property replacement taxes	1,365,164	-	-	-
State government sources	11,653,779	-	-	-
Federal government sources	7,050,847	-	-	-
Investment earnings	927,444	(295,123)	(270,233)	31,575
Other sources	1,441,102	178,629	347,209	122,102
Interest expense	(771,482)	-	(69,508)	-
Total non-operating revenues (expenses)	39,483,390	(116,494)	7,468	153,677
Change in net assets	6,494,531	(325,247)	(287,418)	9,797
Net assets:				
Beginning	49,447,474	1,587,579	2,143,929	927,408
Ending	\$ 55,942,005	\$ 1,262,332	\$ 1,856,511	\$ 937,205

See Notes to Financial Statements.

Black Hawk College
Illinois Community College District #503

Statement of Cash Flows
Year Ended June 30, 2009

	Primary Government
	Black Hawk College
Cash Flows from Operating Activities:	
Tuition and fees	\$ 7,327,993
Payments to employees	(19,845,124)
Payments to suppliers	(21,832,430)
Sales, service, and rental of facilities and equipment	3,168,955
Other receipts (payments), net	6,901
Net cash provided by (used in) operating activities	<u>(31,173,705)</u>
Cash Flows from Non-Capital Financing Activities:	
State and federal grants and contracts	16,424,955
Personal property replacement taxes	1,365,164
Property taxes	16,707,676
Net cash provided by non-capital financing activities	<u>34,497,795</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of capital assets	(2,089,776)
Principal paid on debt	(3,194,560)
Interest paid on debt	(771,482)
Net cash provided by (used in) capital and related financing activities	<u>(6,055,818)</u>
Cash Flows from Investing Activities, Interest	<u>927,444</u>
Net increase (decrease) in cash	(1,804,284)
Cash and cash equivalents:	
Beginning	27,242,448
Ending	<u>\$ 25,438,164</u>
Reconciliation of Operating Loss to Net Cash (Used in) Operating Activities:	
Operating loss	<u>\$ (32,988,859)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	1,788,953
Loss on disposal of equipment	7,409
Changes in assets and liabilities:	
(Increase) decrease in receivables	228,582
(Increase) decrease in inventory	(9,015)
(Increase) decrease in prepaid expenses	(278,933)
Increase (decrease) in accounts payable	408,752
Increase (decrease) in accrued expenditures	(1,003,834)
Increase (decrease) in deferred revenue	680,475
Increase (decrease) in other liabilities	(7,235)
Total adjustments	<u>1,815,154</u>
Net cash provided by (used in) operating activities	<u>\$ (31,173,705)</u>
Noncash, Capital and Related Financing Activities:	
SURS contribution paid by state	\$ 2,415,018

See Notes to Financial Statements.

**Black Hawk College
Illinois Community College District #503**

**Statement of Fiduciary Net Assets
June 30, 2009**

	<u>Agency Funds</u>	<u>Voluntary Employees' Benefit Association (VEBA) Health Benefit Plan</u>
Assets		
Cash	\$ 12,538	\$ 2,080,051
Liabilities		
Claims payable	-	681,950
Due to others	12,538	-
Total liabilities	<u>12,538</u>	<u>681,950</u>
Net Assets, unrestricted	<u>\$ -</u>	<u>\$ 1,398,101</u>

**Statement of Changes in Fiduciary Net Assets
Year Ended June 30, 2009**

Additions:	
Employer paid premiums	\$ 4,168,000
Employee paid premiums	536,510
Investment earnings	71,191
Total additions	<u>\$ 4,775,701</u>
Deductions:	
Health and dental claims	4,464,299
Administrative	413,301
Total deductions	<u>\$ 4,877,600</u>
Change in net assets	(101,899)
Net assets:	
Beginning	1,500,000
Ending	<u>\$ 1,398,101</u>

See Notes to Financial Statements.

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**Black Hawk College
Illinois Community College District #503**

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies

Organization:

Black Hawk College, Illinois Community College District #503 (College) is an Illinois Community College operating under the mandates and guidelines of the Illinois Board of Higher Education and the Illinois Community College Board (ICCB). The College offers a wide range of educational opportunities, including liberal studies, business training, continuing education, and community service programs. The College was organized to provide an excellent, affordable alternative in higher education with campus locations in Moline and Galva, Illinois and numerous outreach sites.

Significant Accounting Policies:

Financial Reporting Entity: The College is governed by a seven-member Board of Trustees. Board members are elected through general elections to a six-year term.

During the year ended June 30, 2004, the College implemented Governmental Accounting Standards Board (GASB) Statement Number 39, *Determining Whether Certain Organizations are Component Units*. This Statement amends GASB Statement No. 14, *The Financial Reporting Entity* to provide additional guidance to determine whether certain organizations for which the College is not financially accountable should be reported as component units based on the nature and significance of their relationship with the College.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component units, the Black Hawk College Foundation, the Black Hawk East College Foundation, and the Greater Quad Cities Telecommunications Corporation (GQCTC).

The two Foundations are legally separate, tax-exempt component units of the College. The Foundations act primarily as fund-raising organizations to supplement the resources that are available to the College in support of its programs. The 17-member boards of the Foundations are self-perpetuating and consist of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundations, the majority of resources, or income thereon, that the Foundations hold and invest are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundations can only be used by, or for the benefit of, the College, the Foundations are considered component units of the College.

During the year ended June 30, 2009, the Black Hawk College Foundation and the Black Hawk East Foundation distributed \$50,587 and \$78,950 respectively, to the College for both restricted and unrestricted purposes.

The Foundations are private-not-for-profit organizations that report their financial results under Financial Accounting Standard Board (FASB) Statements. Most significant to the Foundations' operations and reporting model are FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made*, and FASB Statement No. 117, *Financial Reporting for Not-for-Profit-Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundations' financial information in the College's financial reporting entity for these differences.

**Black Hawk College
Illinois Community College District #503**

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies (Continued)

Significant Accounting Policies (Continued):

Financial statements for the Black Hawk College Foundation can be obtained by calling the Foundation at 309-796-5302. Financial statements for the Black Hawk East College Foundation can be obtained by calling the Foundation at 309-852-5671.

GQCTC is a legally separate, tax-exempt component unit of the College. GQCTC is an organization which provides oversight and support to Black Hawk College WQPT-TV (WQPT-TV), a department of Black Hawk College. GQCTC solicits funds in the name of and with the approval of WQPT-TV and the College. WQPT has a dual board structure. Governance is provided by the Black Hawk College Board of Trustees, as licensee. WQPT's General Manager reports directly to the College President who in turn reports to the Board of Trustees. Governance is also provided by the GQCTC, an independent 501(c)3 corporation with a 12-member board of directors. Ten board members are selected from the bi-state community based upon interest to serve and ability to further the station's mission. One member represents the College Board of Trustees and the twelfth member, serving as GQCTC secretary, is WQPT's General Manager. All board members serve voluntarily and without compensation. Officer elections are held annually. Board members may serve two consecutive three-year terms. Although the College does not control the timing or amount of receipts from GQCTC, the majority of resources or income thereon, that GQCTC holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by GQCTC can only be used by, or for the benefit of, the College, GQCTC is considered a component unit of the College.

During the year ended June 30, 2009, GQCTC raised and expended \$956,400 and \$946,603, respectively. Financial statements for GQCTC can be obtained by calling GQCTC at 309-796-5052.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation: For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-College transactions have been eliminated. Non-exchange transactions, in which the College receives value without directly giving equal value in return, includes property taxes; federal, state, and local grants; state appropriations; and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenues from grants, state appropriations, and other contributions are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when the use is first permitted, matching requirements, in which the College must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

Notes to Financial Statements

Note 1. Organization and Significant Accounting Policies (Continued)

The College has a fiduciary fund type. Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The College has the following fiduciary fund type:

Pension (and other employee benefit) trust fund – is the fund type for the College’s health benefit plan and is accounted for in essentially the same manner as the business-type activities, using the same measurement focus and basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer made a formal commitment to provide the contributions. Claims payable are recognized when due and payable in accordance with the terms of the health plan. The fund accounts for the assets of the Voluntary Employees’ Beneficiary Association (VEBA). The VEBA was established under Section 501(C)(9) of the Internal Revenue Code. The trust provides for payment of health (medical, dental, and vision) claims and health plan administrative and other directly related costs.

Classification of Revenues: Operating revenue include activities that have the characteristics of exchange transactions, such as student tuition and fees and sales and services of auxiliary enterprises, net of scholarship discounts and allowances. Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as 1) local property taxes, 2) state appropriations, 3) most federal, state and local grants and contracts, and federal appropriations, and 4) gifts and contributions.

Net Assets: Net assets represent the difference between assets and liabilities. “Net assets invested in capital assets, net of related debt”, consists of capital assets, net of accumulated depreciation, reduced by any outstanding balances of any borrowings, used for the acquisition, construction or improvement of those assets. Significant unspent proceeds are reported as restricted. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the College first applies restricted resources.

Use of estimates: The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property taxes: Property taxes are recognized as a receivable at the time they are levied and the current taxes receivable represent the 2008 levy. Property tax revenue recorded on the financial statements relates to the 2008 levy. Property taxes are levied each year on all taxable real property in the College District. Property taxes are certified on or before the last Tuesday in December and are attached as an enforceable lien on the property as of the preceding January 1. These taxes become due and collectible in 2009 and are collected by the county collectors in the College District who, in turn, remit to the College District its respective share. An allowance is provided for uncollectible taxes. Property taxes that are not budgeted for current year operations are shown as deferred revenue.

Student Tuition and Fees: Student tuition and fees include all such items assessed against students for educational and service purposes.

**Black Hawk College
Illinois Community College District #503**

Notes to Financial Statements

Note 1. Organization and Significant Accounting Policies (Continued)

College Bookstores Inventory: Inventories of the College bookstores are stated at the lower of cost (first-in, first-out) or market (net realizable value).

Compensated Absences: Vacation leave is accrued as a liability as it is earned. Sick leave benefits are not payable upon retirement or termination.

Capital Assets: Capital assets are defined by the College as assets with an initial, individual cost of more than \$5,000 and an initial useful life of one year or greater. Assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives for each capital asset type are as follows:

	<u>Years</u>
Buildings and improvements	50
Land and improvements	50
Equipment	4 - 10

The College's collection of works of art, library books, and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved, and subject to College policy that requires proceeds from the sale of these items to be used to acquire other collection items.

Investments: Investments are stated at fair value.

Tax Status: The College is a not-for-profit institution organized and existing under the laws of the State of Illinois and has nontaxable status under the Internal Revenue Code.

Cash and Cash Equivalents: For purposes of reporting cash flows, the College considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounting Pronouncements: The College is applying all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as following all Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**Black Hawk College
Illinois Community College District #503**

Notes to Financial Statements

Note 2. Cash and Investments

Under provision of the College's investment policy, the College may invest in any type of security allowed by law as set out in Illinois Compiled Statutes. A summary of allowable securities follows:

- Bonds, notes, certificates of indebtedness, treasury bills, or other securities, which are guaranteed by the full faith and credit of the United States of America.
- Bonds, notes debentures, or other similar obligations of the United States of America or its agencies.
- Interest-bearing savings account, interest-bearing certificates of deposit, or interest-bearing time deposits, or other investments constituting direct obligations of any bank as defined by the Illinois Banking Act and only those insured by the Federal Deposit Insurance Corporation (FDIC).
- Short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000.
- Short-term discount obligations of the Federal National Mortgage Association or in shares or other forms of security legally issuable by savings and loan associations incorporated under the laws of the State of Illinois or any other state or under the laws of the United States and only in those savings and loan associations insured by the FDIC.
- Money market mutual funds whose portfolios consist of government securities or agreements to repurchase such obligations.
- Illinois School District Liquid Asset Fund.
- Illinois State Funds Money Market Fund.
- Funds managed, operated, and administered by a bank provided that the public agency has an undivided interest in the assets of the fund.
- Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986.
- Dividends-bearing share accounts, share certificate accounts of a credit union with its principal office located in Illinois and insured by applicable law.
- Funds managed, operated, and administered by a bank.

**Black Hawk College
Illinois Community College District #503**

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

At June 30, 2009, the College's cash and cash equivalents balances are as follows:

Depository accounts, checking and certificates of deposit	\$25,426,764
Petty cash	<u>11,400</u>
Total cash and cash equivalents	25,438,164
 Fiduciary funds	 <u>2,092,589</u>
Total cash and cash equivalents	<u>\$27,530,753</u>
 Less: Petty cash	 <u>11,400</u>
Total carrying amount of deposits	<u>\$27,519,353</u>

As of June 30, 2009, the carrying amount of the College's deposits totaled \$27,519,353, with a bank balance of \$28,078,002. Of the \$28,078,002 bank balance, \$28,078,002 was covered by federal depository insurance or collateral held by the College's agent in the College's name. The College has no foreign currency risk for deposits at year end.

**Black Hawk College
Illinois Community College District #503**

Notes to Financial Statements

Note 3. Changes in Capital Assets

A summary of changes in capital assets for the year ended June 30, 2009, is as follows:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Capital assets not being depreciated:				
Land	\$ 760,862	\$ -	\$ -	\$ 760,862
Construction in process	241,129	768,615	(202,379)	807,365
Total capital assets not being depreciated	1,001,991	768,615	(202,379)	1,568,227
Capital assets being depreciated:				
Buildings and improvements	35,696,631	841,351	-	36,537,982
Land improvements	3,963,194	1,899	-	3,965,093
Equipment	10,500,340	680,290	(2,018,635)	9,161,995
Total capital assets being depreciated	50,160,165	1,523,540	(2,018,635)	49,665,070
Less accumulated depreciation for:				
Buildings and improvements	12,945,320	718,822	-	13,664,142
Land improvements	412,230	76,672	-	488,902
Equipment	7,995,838	993,459	(2,011,226)	6,978,071
Total accumulated depreciation	21,353,388	1,788,953	(2,011,226)	21,131,115
Total capital assets being depreciated, net	28,806,777	(265,413)	(7,409)	28,533,955
Total capital assets, net	\$29,808,768	\$503,202	\$(209,788)	\$30,102,182

Note 4. Retirement Plan

Plan Description:

Black Hawk College contributes to the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of the state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40, of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org, or writing to SURS, 1901 Fox Drive, Champaign, IL 61820 or by calling 1-800-275-7877.

**Black Hawk College
Illinois Community College District #503**

Notes to Financial Statements

Note 4. Retirement Plan (Continued)

Funding Policy:

Plan members are required to contribute 8.0% of their annual covered salary, and substantially all employer contributions are made by the State of Illinois on behalf of the individual employers at an actuarially determined rate. The current rate is 18.61% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly. The employer contributions to SURS for the years ended June 30, 2009, 2008, and 2007 were \$157,039, \$187,084, and \$148,397, respectively, equal to the required contributions for each year. The employer contributions made by the State of Illinois on behalf of the College to SURS were \$2,415,018, \$1,954,642, and \$1,486,613 for the years ended June 30, 2009, 2008, and 2007, respectively. These amounts are included as both revenue and expense of the College.

Note 5. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2009, are as follows:

	Balance July 1, 2008	Additions	Repayments	Balance June 30, 2009	Due Within One Year
Capital leases payable	\$ 24,560	\$ -	\$ (24,560)	\$ -	\$ -
Bonds payable	15,380,000	-	(3,170,000)	12,210,000	5,065,000
Accrued vacation	925,441	79,127	(117,586)	886,982	120,000
Early retirement	1,930,508	-	(471,750)	1,458,758	116,556
	<u>\$18,260,509</u>	<u>\$79,127</u>	<u>\$(3,783,896)</u>	<u>\$14,555,740</u>	<u>\$5,301,556</u>

Capital Leases Payable: Capital lease obligations represent various vehicles and computer equipment with equal annual payments and fixed interest rates ranging from 5.85% to 6.9%. The final maturity date was June 3, 2009. The obligations were secured by the gross equipment leased of \$105,630.

**Black Hawk College
Illinois Community College District #503**

Notes to Financial Statements

Note 5. Long-Term Liabilities (Continued)

Operating Leases: The College has various operating leases to cover equipment and facilities. Of the \$609,208 in total operating leases, \$445,168 covers leases for WQPT-TV. WQPT-TV leases space for broadcasting operations and two communication towers under separate operating leases. Minimum lease and rental commitments are \$2,400 per month through February 2023, \$2,799 per month through January 2010 and \$1,230 per month through August 2011, respectively. The college also leases space at the Illinois Employment & Training Center for \$8,202 per month through February 2011. Lease expense for the year ended June 30, 2009 was \$172,564.

The annual requirements for operating leases as of June 30, 2009, are as follows:

Year ending June 30:	
2010	\$161,572
2011	109,176
2012	31,260
2013	28,800
2014	28,800
2015 - 2019	144,000
2020 - 2023	<u>105,600</u>
Total operating leases	<u>\$609,208</u>

General Obligation Community College Bonds, Series 2004: On November 10, 2004 the College issued \$5,300,000 in General Obligation Bonds to refund \$5,300,000 in short-term debt certificates. The debt certificates were issued and received by the College on July 14, 2004. The purpose of issuing these debt certificates was to use the proceeds to expand and renovate facilities throughout the College and to expand and upgrade the College's technology infrastructure and acquire and implement additional software to assist in the College's service and effectiveness. Principal and interest payments on the General Obligation Bonds are to be paid annually on December 1 with the final payment on December 1, 2009. Interest only payments are due June 1 of each year beginning June 1, 2006. Interest rates range from 2.0% to 4.0% over the life of the bonds.

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2009, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2010	<u>\$1,315,000</u>	<u>\$24,656</u>	<u>\$1,339,656</u>

General Obligation Community College Bonds, Series 2006: On November 9, 2006 the College issued \$4,800,000 in General Obligation Bonds to refund \$4,800,000 in short-term debt certificates. The debt certificates were issued and received by the College on July 14, 2006. The purpose of issuing these debt certificates was to temporarily increase funding levels throughout the College. Principal and interest payments on the General Obligation Bonds are to be paid annually on December 1 with the final payment on December 1, 2009. Interest only payments are due June 1 of each year beginning June 1, 2008. Interest rates range from 2.0% to 4.0% over the life of the bonds.

**Black Hawk College
Illinois Community College District #503**

Notes to Financial Statements

Note 5. Long-Term Liabilities (Continued)

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2009, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30: 2010	<u>\$2,500,000</u>	<u>\$89,375</u>	<u>\$2,589,375</u>

General Obligation Community College Bonds, Series 2008: On January 29, 2008 the College issued \$8,600,000 in General Obligation Bonds. \$4,100,000 of the amount will be used to increase the Working Cash Fund Balance. The remaining \$4,500,000 will be used for various Operation and Maintenance Projects at the College, which includes a new Community Education Center in Kewanee. Principal and interest payments on the General Obligation Bonds are to be paid annually on December 1 with the final payment on December 1, 2011. Interest only payments are due June 1 of each year. Interest rates range from 3.5% to 4.0% over the life of the bonds.

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2009, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30: 2010	\$1,250,000	\$310,985	\$1,560,985
2011	4,145,000	202,845	4,347,845
2012	<u>3,000,000</u>	<u>60,000</u>	<u>3,060,000</u>
Total	<u>\$8,395,000</u>	<u>\$573,830</u>	<u>\$8,968,830</u>

The College is subject to a debt limitation of 2.875% of its assessed valuation of \$3,330,441,678. As of June 30, 2009 the College had \$83,540,198 of remaining legal debt margin.

Note 6. Early Retirement and Voluntary Separation Plans

The College has offered a number of voluntary separation and early retirement incentive plans (plans) covering individuals of specified employee groups who met stated age and service requirements. The plans generally provided benefits at the time of employee separation based upon combinations of employee age, years of continuous service, and salary. In addition, the plans provide health, vision, and dental insurance; certain of the plans also offer life insurance benefits. The length of coverage varies from five years following the date of separation, up to the life of the separated participant. Some plans require retiree co-payment. Currently 73 participants are covered under the various voluntary separation and early retirement plans. Costs related to these plans are funded on a pay-as-you-go basis. The assumptions used in calculating the liability were a decreasing health care trend rate of 6.5% to 4.0%. The recorded liability for these plans is \$1,458,758 as of June 30, 2009.

**Black Hawk College
Illinois Community College District #503**

Notes to Financial Statements

Note 7. Risk Management and Insurance

The College is exposed to various risks of loss related to tort, theft, damage to or the destruction of assets, errors and omissions, injuries to employees, and natural disasters. Those risks are covered by the purchase of commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Beginning October 2000, the College began self insuring for employee medical, dental, and vision coverage and then established the Voluntary Employees' Beneficiary Association (VEBA) on July 1, 2002. Self insurance is, in effect, up to an aggregate stop/loss of approximately \$5,600,000 with a \$125,000 per covered person stop/loss amount. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop/loss amount. All claim handling procedures are performed by an independent claims administrator.

Note 8. Commitments

The College has received a number of federal and state grants for specific purposes which are subject to review and audit by grantor agencies. Such audits may result in requests for reimbursement to granting agencies for expenditures disallowed under the terms of the grants. Based upon prior experience, the College management believes that such disallowances, if any, will not be material.

Note 9. Liability, Protection, & Settlement Fund Expenditures

Black Hawk College had the following Liability, Protection, & Settlement Fund expenditures for the year ended June 30, 2009:

Security & safety related salaries and benefits	\$ 691,931
Risk management & loss prevention	185,642
Insurance	879,810
Legal services	53,624
Security and safety related	<u>96,871</u>
Total Liability, Protection & Settlement Fund expenditures	<u>\$1,907,878</u>

Note 10. Current and Pending Accounting Pronouncements

New Accounting Standards:

Codification of Accounting and Reporting Guidance Contained in the AICPA Statements on Auditing Standards and The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments were issued and effective during the fiscal year ending June 30, 2009. Management adopted these new standards and has determined that they do not have a material impact on the financial statements.

Accounting and Financial Reporting for Pollution Remediation Obligations was issued and became effective during the fiscal year ending June 30, 2009. The pronouncement establishes accounting and financial reporting standards for pollution (including contamination) remediation obligations. Management adopted this new standard and has determined that it does not have a material impact on the financial statements.

Notes to Financial Statements

Note 10. Current and Pending Accounting Pronouncements (Continued)

Pending Accounting Standards:

Land and Other Real Estate Held as Investments by Endowments is effective for the fiscal year ending June 30, 2010. The pronouncement establishes accounting and reporting standards for those entities that hold land as an investment in an Endowment.

Accounting and Financial Reporting for Intangible Assets is effective for the fiscal year ending June 30, 2011. The pronouncement establishes accounting and reporting standards for those entities with intangible assets (such as patents, trademarks, internally developed software).

Accounting and Financial Reporting for Derivative Instruments is effective for the fiscal year ending June 30, 2011. The pronouncement establishes definitions of derivative instruments and establishes accounting, reporting and disclosure requirements for those entities involved with such instruments.

Fund Balance Reporting and Governmental Fund Type Definitions is effective for the fiscal year ending June 30, 2012. The pronouncement significantly changes the reporting and disclosure of "fund balance" information in the financial statements.

Management has not completed its assessment of these pending standards as to the effect, if any, they may have on the financial statements.

Statistical Section (Unaudited)

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**Black Hawk College
Illinois Community College District #503**

Statistical Section

This section of the College's comprehensive annual financial report presents detailed statistical information as a context for understanding information in the financial statements, note disclosures, and required supplementary information in relation to the overall financial health of the institution.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the College's most significant local revenue sources, tuition and fees and property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.

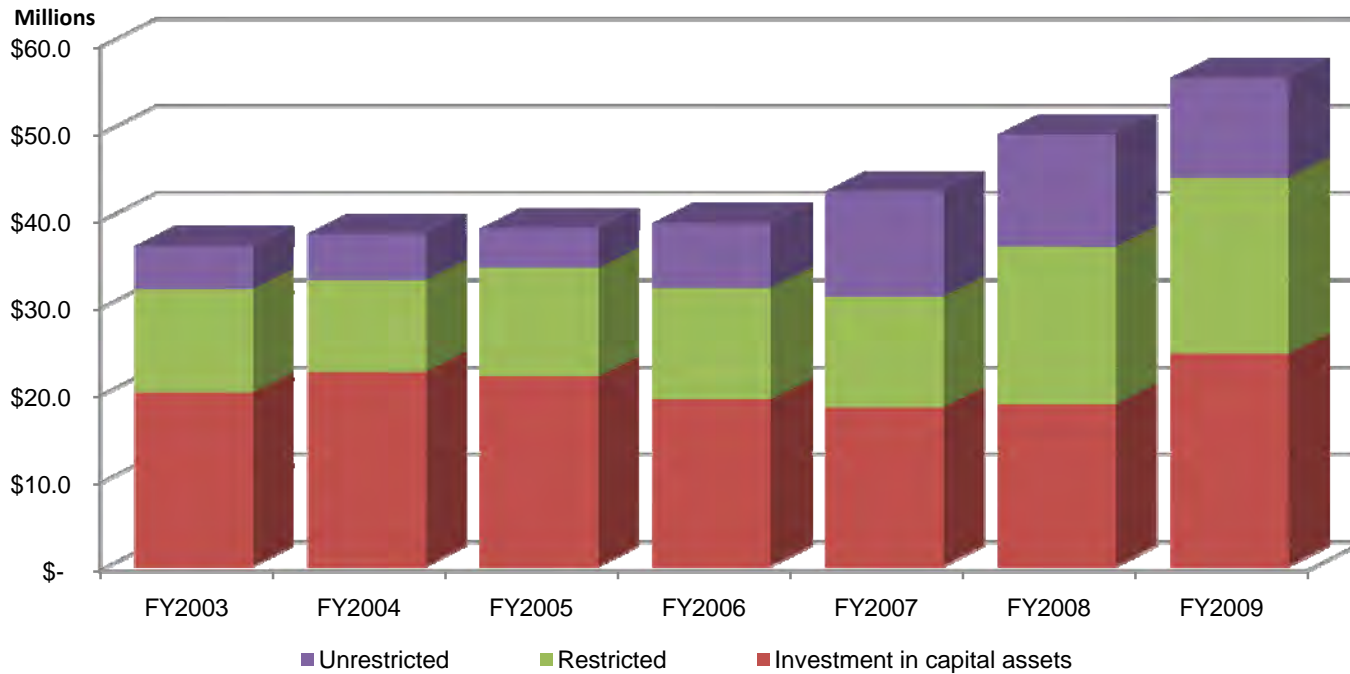
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Note: *The College implemented GASB Statement 35 in 2003; schedules presenting government-wide information include information beginning in that year.*

Black Hawk College
Illinois Community College District No. 503

Schedule of Net Assets by Component
FY2003 through FY2009

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Investment in capital assets, net of related debt	\$ 19,869,807	\$ 22,247,545	\$ 21,663,203	\$ 19,064,372	\$ 18,158,170	\$ 18,504,208	\$ 24,287,182
Restricted	11,885,335	10,521,353	12,468,851	12,776,417	12,698,405	18,116,477	20,212,636
Unrestricted	4,929,472	5,314,174	4,547,818	7,482,628	12,083,254	12,826,789	11,442,187
Total net assets	\$ 36,684,614	\$ 38,083,072	\$ 38,679,872	\$ 39,323,417	\$ 42,939,829	\$ 49,447,474	\$ 55,942,005



Note: GASB 35 implemented in FY2003. Data presented is from that point forward for comparative purposes.

Source: College audited financial statements.

Black Hawk College
Illinois Community College District No. 503

Schedule of Changes in Net Assets
FY2003 through FY2009

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
Operating Revenues:							
Student tuition and fees, net of allowance	\$ 4,746,980	\$ 4,926,478	\$ 5,836,757	\$ 6,473,972	\$ 6,589,369	\$ 6,830,918	\$ 6,563,186
Sales, service, and rental of facilities	3,343,748	3,304,371	3,462,532	3,410,705	3,422,932	3,456,655	3,024,705
Tuition Chargeback	43,005	65,881	43,451	39,822	38,421	(1,702)	-
SURS contribution provided by state	1,783,758	11,448,455	1,739,529	1,021,967	1,486,613	1,954,642	2,415,018
Other operating revenue	5,245	7,500	4,760	7,638	28,532	5,705	6,901
Total operating revenue	<u>9,922,736</u>	<u>19,752,685</u>	<u>11,087,029</u>	<u>10,954,104</u>	<u>11,565,867</u>	<u>12,246,218</u>	<u>12,009,810</u>
Operating expenses:							
Instruction	12,108,507	12,436,718	12,904,624	12,881,139	13,002,230	13,417,138	13,071,503
Academic support	3,323,628	3,427,233	3,414,267	3,477,715	3,829,341	4,214,199	4,344,918
Student services	3,609,389	3,149,025	3,233,551	3,418,731	3,174,670	3,151,038	3,022,823
Public service	4,183,386	3,125,843	3,018,143	3,025,891	2,776,572	2,603,870	2,327,188
Auxiliary services	3,522,521	3,521,670	3,907,782	3,715,320	3,480,656	3,567,023	3,265,960
Institutional support	6,732,660	7,292,833	7,285,564	8,373,692	9,172,580	7,147,272	6,843,449
Scholarships, student grants and waivers	4,511,437	4,157,168	4,238,687	3,908,098	3,863,985	3,798,739	3,456,874
SURS contribution provided by state	1,783,758	11,448,455	1,739,529	1,021,967	1,486,613	1,954,642	2,415,018
Operation of physical facilities	3,306,069	3,800,309	3,951,142	3,572,762	3,463,281	4,202,026	4,454,574
Loss on disposal of equipment	63,067	21,632	41,307	3,516	33,979	5,097	7,409
Depreciation	1,187,279	1,202,194	1,289,155	1,361,306	1,385,121	1,453,453	1,788,953
Total operating expenses	<u>44,331,701</u>	<u>53,583,080</u>	<u>45,023,751</u>	<u>44,760,137</u>	<u>45,669,028</u>	<u>45,514,497</u>	<u>44,998,669</u>
Operating (loss)	<u>(34,408,965)</u>	<u>(33,830,395)</u>	<u>(33,936,722)</u>	<u>(33,806,033)</u>	<u>(34,103,161)</u>	<u>(33,268,279)</u>	<u>(32,988,859)</u>
Non-operating revenues (expense)							
Property taxes	10,110,571	10,721,008	11,403,125	12,280,184	14,151,090	16,212,834	17,816,536
Personal property taxes	-	-	-	-	-	-	1,365,164
State government sources	16,667,736	14,756,792	13,876,740	13,523,521	14,370,178	14,154,600	11,653,779
Federal government sources	7,572,422	7,908,014	7,661,777	7,090,387	6,922,766	7,499,337	7,050,847
Investment earnings	566,729	441,356	556,738	710,851	1,076,367	893,351	927,444
Other sources	2,047,401	1,392,612	1,185,602	1,101,164	1,681,982	1,652,625	1,441,102
Interest expense	(4,050)	(3,796)	(150,460)	(256,529)	(482,810)	(636,823)	(771,482)
Total non-operating revenues (expenses)	<u>36,960,809</u>	<u>35,215,986</u>	<u>34,533,522</u>	<u>34,449,578</u>	<u>37,719,573</u>	<u>39,775,924</u>	<u>39,483,390</u>
Income before contributions	<u>2,551,844</u>	<u>1,385,591</u>	<u>596,800</u>	<u>643,545</u>	<u>3,616,412</u>	<u>6,507,645</u>	<u>6,494,531</u>
Capital contributions - facilities donation	360,000	-	-	-	-	-	-
Change in net assets	<u>2,911,844</u>	<u>1,385,591</u>	<u>596,800</u>	<u>643,545</u>	<u>3,616,412</u>	<u>6,507,645</u>	<u>6,494,531</u>
Net assets:							
Beginning	33,772,770	36,697,481	38,083,072	38,679,872	39,323,417	42,939,829	49,447,474
Ending	<u>\$ 36,684,614</u>	<u>\$ 38,083,072</u>	<u>\$ 38,679,872</u>	<u>\$ 39,323,417</u>	<u>\$ 42,939,829</u>	<u>\$ 49,447,474</u>	<u>\$ 55,942,005</u>

Notes:

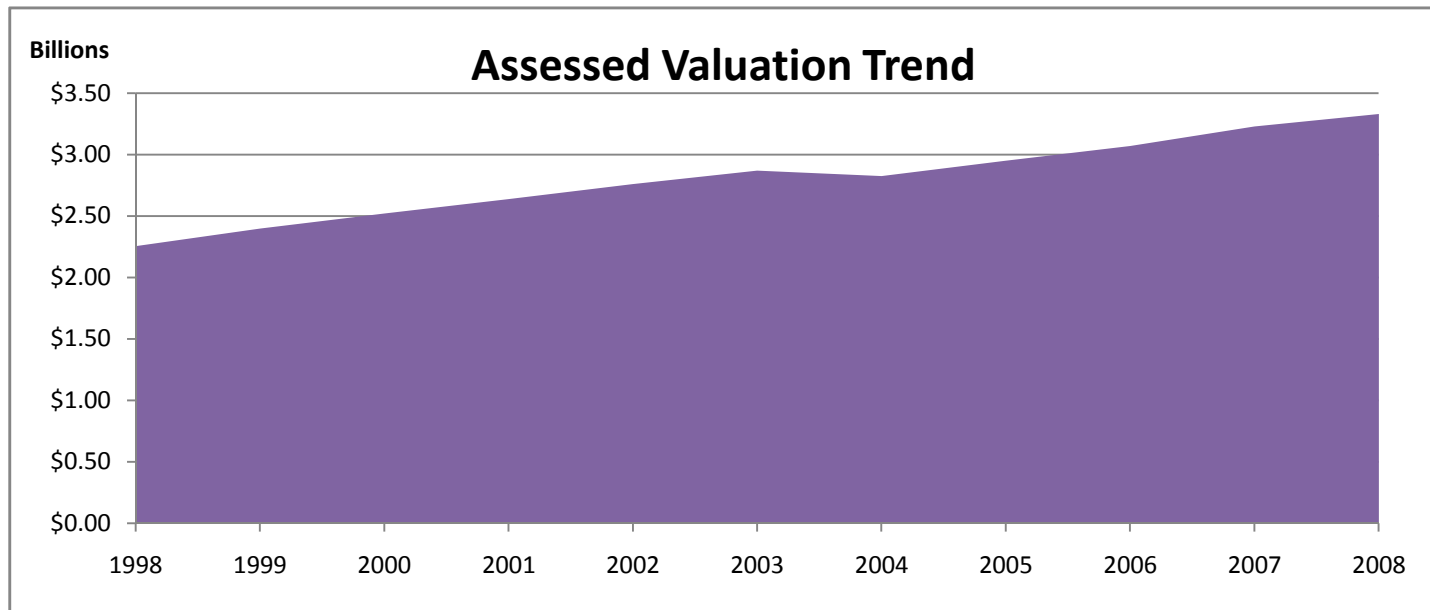
1. FY2003 beginning net assets restated to comply with GASB 35
2. FY2004 beginning net assets restated
3. For consistency and comparability purposes the information presented above limited to fiscal years in which GASB 35 was applied.
4. ICCB reporting requirement for Corporate Personal Property Replacement Tax (CPPRT) resulted in Personal property taxes being reported separately beginning in FY09.

Source: Black Hawk College Audited Financial Statements

Black Hawk College
Illinois Community College District No. 503

Assessed and Estimated Actual Value of Taxable Property (Unaudited)
 Tax Levy Years 1998 through 2008

Levy year	Assessed Valuation	Estimated Actual Value
1998	\$ 2,256,883,720	\$ 6,771,328,293
1999	2,399,528,915	7,199,306,676
2000	2,520,355,598	7,561,822,976
2001	2,638,073,392	7,915,011,677
2002	2,761,970,857	8,286,741,245
2003	2,870,452,838	8,612,219,736
2004	2,826,046,435	8,478,987,204
2005	2,951,380,890	8,855,028,173
2006	3,071,201,593	9,214,526,232
2007	3,229,766,461	9,690,268,410
2008	3,330,441,678	9,992,324,266



Notes:

1. Assessed value is computed by various county's clerks offices and is equal to approximately one-third of the estimated actual value.
2. The tax levy for 2008 is the most current information available

Black Hawk College
Illinois Community College District No. 503

Property Tax Extensions and Collections (Unaudited)
 FY1999 through FY2009

Levy Year	Fiscal Year	Assessed Valuation	Tax Rate	Taxes Extended	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
					Amount	Percent of Extension		Amount	Percent of Extension
1999	2000	2,399,528,915	0.3407	8,175,195	2,702,109	33%	5,442,766	8,144,875	100%
2000	2001	2,520,355,598	0.3381	8,521,323	2,884,750	34%	5,605,057	8,489,807	100%
2001	2002	2,638,073,392	0.3663	9,663,262	3,156,505	33%	6,469,016	9,625,521	100%
2002	2003	2,761,970,857	0.3671	10,139,195	1,925,971	19%	8,191,425	10,117,396	100%
2003	2004	2,870,452,838	0.3740	10,735,493	3,328,077	31%	7,447,042	10,775,119	100%
2004	2005	2,826,046,435	0.4021	11,352,291	3,828,809	34%	7,563,578	11,392,387	100%
2005	2006	2,951,380,890	0.4145	12,233,474	4,143,408	34%	8,087,207	12,230,615	100%
2006	2007	3,071,201,593	0.4579	14,063,032	4,678,917	33%	9,365,085	14,044,002	100%
2007	2008	3,229,766,461	0.5016	16,200,510	5,464,473	34%	10,681,197	16,145,670	100%
2008	2009	3,330,441,678	0.5356	17,837,845	5,980,833	34%	-	5,980,833	34%

Notes:

1. Property taxes which are measurable and available are recognized as revenue. Property taxes which are measurable but not available are deferred and recognized as revenue as they become available.
2. The tax levy for 2008 is the most current information available.
3. The tax rates reported for the College are blended rates based on the total taxes and the total assessed valuations for all counties combined.
4. The tax rate fluctuates from year to year primarily due to the debt service requirements for General Obligation bonds.
5. Due to differences in the computational methods followed by the nine counties, portions of each of which are within the District's boundaries, there may be slight differences between the final levy amounts extended by the counties and those used for financial statement purposes.

Sources: Bureau, Henderson, Henry, Knox, Marshall, Mercer, Rock Island, Stark, and Whiteside County Clerk's Office

52 **Black Hawk College**
Illinois Community College District No. 503

Representative Tax Rates (Unaudited)
 Tax Years 1999 through 2008

Taxing Districts	Tax Year 1999	Tax Year 2000	Tax Year 2001	Tax Year 2002	Tax Year 2003	Tax Year 2004	Tax Year 2005	Tax Year 2006	Tax Year 2007	Tax Year 2008
Black Hawk College No. 503	\$ 0.3407	\$ 0.3381	\$ 0.3663	\$ 0.3671	\$ 0.3740	\$ 0.4021	\$ 0.4145	\$ 0.4579	\$ 0.5016	\$ 0.5356
Rock Island County	0.7100	0.7410	0.8000	0.7850	0.7746	0.8040	0.7976	0.7956	0.7890	0.8480
South Moline Township	0.0806	0.0690	0.0370	0.0690	0.0656	0.0692	0.0700	0.1412	0.1416	0.1432
Road & Bridge - South Moline Township	0.0156	0.0131	0.0068	0.0054	0.0050	0.0052	0.0054	0.0058	0.0061	0.0064
Road & Bridge - City of Moline	0.0098	0.0083	0.0042	0.0040	0.0042	0.0044	0.0044	0.0042	0.0041	0.0042
South Moline Township Cemetery	0.0018	0.0014	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002
City of Moline	1.9372	1.8864	1.9004	1.8930	1.8988	1.9116	1.9594	1.9646	2.0062	1.9966
School District No. 40	5.3318	5.2996	5.3090	5.2536	5.2612	5.1108	5.1508	5.1152	5.0586	5.0188
Metropolitan Airport Authority	0.0418	0.0396	0.0672	0.0630	0.0714	0.0750	0.0718	0.0726	0.0716	0.0734
Metropolitan Transit Authority	0.1354	0.1348	0.1332	0.1322	0.1448	0.1646	0.1652	0.1754	0.1742	0.1768
Total	\$ 8.6047	\$ 8.5313	\$ 8.6243	\$ 8.5725	\$ 8.5998	\$ 8.5471	\$ 8.6393	\$ 8.7327	\$ 8.7532	\$ 8.8032

Note: The above table is a representative tax rate for a District property owner in Rock Island County living in the City of Moline. (Per \$100 Equalized Assessed Valuation)
 Source: Rock Island County Clerk's Office

Taxing Districts	Tax Year 1999	Tax Year 2000	Tax Year 2001	Tax Year 2002	Tax Year 2003	Tax Year 2004	Tax Year 2005	Tax Year 2006	Tax Year 2007	Tax Year 2008
Black Hawk College No. 503	\$ 0.3407	\$ 0.3381	\$ 0.3663	\$ 0.3671	\$ 0.3740	\$ 0.4021	\$ 0.4181	\$ 0.4578	\$ 0.5023	\$ 0.5356
Henry County	0.7149	0.7627	0.7950	0.8291	0.8869	0.9280	0.9439	0.9026	0.9069	0.8945
Kewanee Township	0.1249	0.1226	0.1187	0.1154	0.1769	0.2054	0.2113	0.1978	0.1756	0.1721
Kewanee Township Road District	0.2027	0.2004	0.2251	0.2217	0.2222	0.2227	0.2207	0.2188	0.2084	0.2179
City of Kewanee	2.5388	2.4737	2.2860	2.2501	2.3196	2.5402	2.5760	2.1251	2.7294	2.3552
Kewanee Park District	1.0251	0.9955	0.9445	0.9654	0.9993	1.1338	1.0752	1.1009	1.0474	1.0881
Kewanee Library District	0.4992	0.5437	0.4678	0.5511	0.5834	0.6336	0.6395	0.6362	0.6862	0.6965
Kewanee Airport	0.0189	0.0177	0.0158	0.0137	0.0136	0.0163	0.0145	0.0139	0.0128	0.0127
Unity School District No. 229	4.2734	4.0714	4.0127	3.9368	4.0955	4.3047	4.2700	4.4177	4.4650	4.5351
Total	\$ 9.7386	\$ 9.5258	\$ 9.2319	\$ 9.2504	\$ 9.6714	\$ 10.3868	\$ 10.3692	\$ 10.0708	\$ 10.7340	\$ 10.5077

Note: The above table is a representative tax rate for a District property owner in Henry County living in the City of Kewanee. (Per \$100 Equalized Assessed Valuation)
 Source: Henry County Clerk's Office

Black Hawk College
Illinois Community College District No. 503

Principal Taxpayers (Unaudited)
 Most recent Year and Six Years Ago

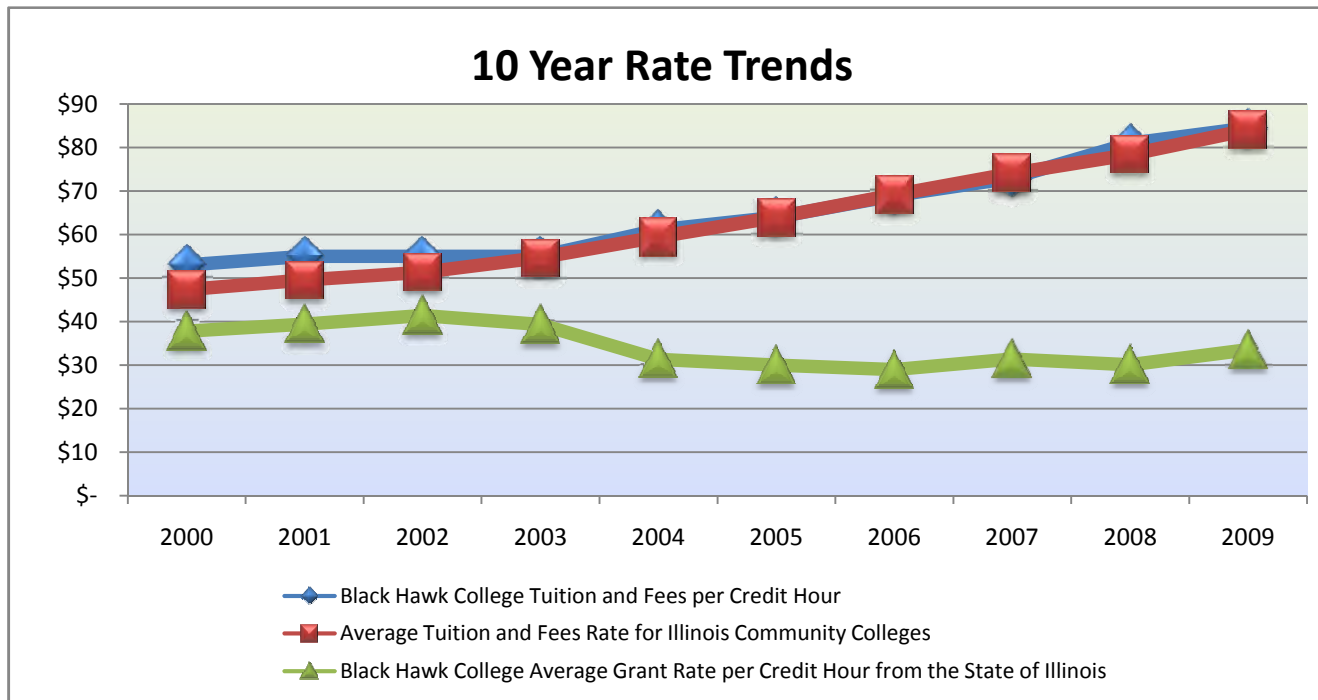
2003				2008			
Taxpayer	Equalized Assessed Valuation	Rank	Percent of District's EAV	Taxpayer	Equalized Assessed Valuation	Rank	Percent of District's EAV
Commonwealth Edison	\$ 76,107,947	1	2.65%	Commonwealth Edison	\$ 100,000,000	1	3.00%
Deere and Company	38,140,142	2	1.33%	Deere and Company	35,388,873	2	1.06%
SDG Macerich Properties	18,281,760	3	0.64%	SDG Macerich Properties	19,664,700	3	0.59%
J. I. Case	5,704,594	4	0.20%	Patriot Renewable Fuels LLC	17,998,452	4	0.54%
Minnesota Mining & Manufacturing	5,213,237	5	0.18%	Modern Woodmen of America	9,356,202	5	0.28%
Pioneer Hi-Bred	5,148,559	6	0.18%	Pioneer Hi-Bred	5,683,219	6	0.17%
Thoms-Proestler Company	4,816,290	7	0.17%	Thoms-Proestler Company	5,424,278	7	0.16%
Barjan Products LLC	4,425,893	8	0.15%	Cordova Energy	4,564,373	8	0.14%
Cordova Energy	4,331,206	9	0.15%	Geneva Management	4,420,000	9	0.13%
Tyson Foods	4,130,478	10	0.14%	Tyson Foods	4,289,610	10	0.13%
	<u>\$ 170,430,584</u>		<u>5.94%</u>		<u>\$ 210,975,207</u>		<u>6.35%</u>

Source: Office of the County Clerk for Rock Island, Henry, Knox, Whiteside, Bureau, Mercer, Henderson, Stark, and Marshall

Black Hawk College Illinois Community College District No. 503

Mandatory Tuition and Fees (Unaudited)
FY2000 through FY2009

Fiscal Year	Black Hawk College Tuition and Fees per Credit Hour	Average Tuition and Fees Rate for Illinois Community Colleges	Black Hawk College Average Grant Rate per Credit Hour from the State of Illinois	Black Hawk College Total Unrestricted and Restricted Credit Hours
2000	53.00	47.31	37.81	145,420
2001	55.00	49.53	39.44	141,054
2002	55.00	51.32	41.40	145,370
2003	55.00	54.64	39.31	144,077
2004	61.00	59.45	31.33	144,359
2005	64.00	63.92	29.94	144,087
2006	69.00	69.11	28.94	140,900
2007	73.00	74.04	31.36	132,392
2008	81.00	78.36	30.08	128,450
2009	84.50	84.04	33.48	124,771



Source: College records and ICCB Tuition and Fee data.

Black Hawk College
Illinois Community College District No. 503

Ratio of Outstanding Debt by Type (Unaudited)
 FY2000 through FY2009

Fiscal Year	General Obligation Bonds	Installment Contracts	Total Outstanding Debt	Estimated Actual Taxable Property Value	Percentage of Actual Value	Total Outstanding Debt Per Capita
2000	-	294,699	294,699	7,199,306,676	0.004%	1.12
2001	-	215,323	215,323	7,561,822,976	0.003%	0.82
2002	-	131,193	131,193	7,915,011,677	0.002%	0.50
2003	-	45,000	45,000	8,286,741,245	0.001%	0.17
2004	-	89,538	89,538	8,612,219,736	0.001%	0.34
2005	5,300,000	143,375	5,443,375	8,478,987,204	0.064%	20.63
2006	4,800,000	103,393	4,903,393	8,855,028,173	0.055%	18.59
2007	8,600,000	60,995	8,660,995	9,214,526,232	0.094%	32.83
2008	15,380,000	24,560	15,404,560	9,690,268,410	0.159%	58.39
2009	12,210,000	-	12,210,000	9,992,324,266	0.122%	46.28

Notes:

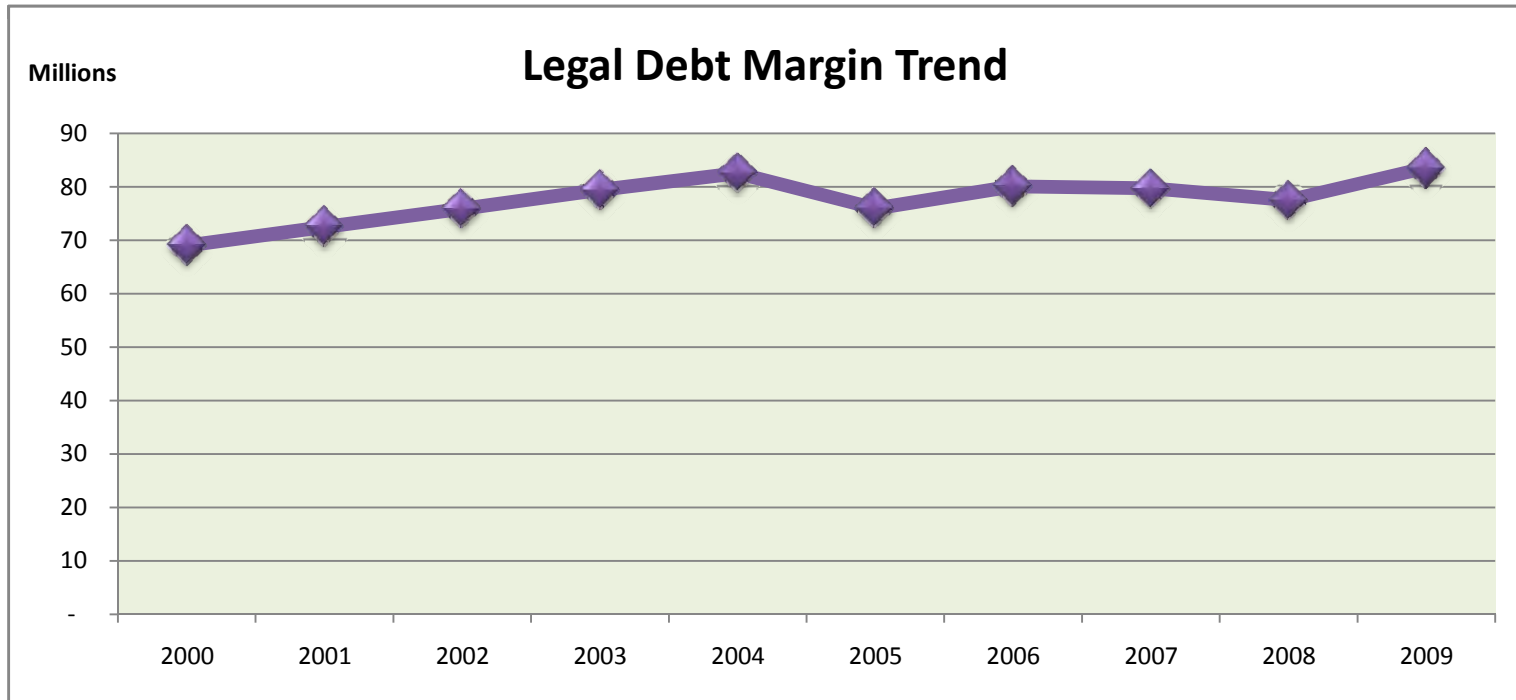
1. Details of the College's outstanding debt can be found in the notes to the financial statements.
2. Total Outstanding Debt Per Capita is calculated by using the 2000 U.S. Census population for each of the nine counties, included either in part or whole, in the district adjusted by the percentage of each counties population located within the district.
3. Estimated Actual Taxable Property Value is based on property located within the district only.

Sources: College Records, County Clerk Offices, and the 2000 U.S. Census

Black Hawk College
Illinois Community College District No. 503

Computation of Legal Debt Margin (Unaudited)
 FY2000 through FY2009

<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>Debt Limit: 2.875% of Assessed Value</u>	<u>Less applicable Debt: General Obligation Bonds</u>	<u>Legal Debt Margin</u>
2000	2,399,528,915	68,986,456	-	68,986,456
2001	2,520,355,598	72,460,223	-	72,460,223
2002	2,638,073,392	75,844,610	-	75,844,610
2003	2,761,970,857	79,406,662	-	79,406,662
2004	2,870,452,838	82,525,519	-	82,525,519
2005	2,826,046,435	81,248,835	5,300,000	75,948,835
2006	2,951,380,890	84,852,201	4,800,000	80,052,201
2007	3,071,201,593	88,297,046	8,600,000	79,697,046
2008	3,229,766,461	92,855,786	15,380,000	77,475,786
2009	3,330,441,678	95,750,198	12,210,000	83,540,198



Sources: Bureau, Henderson, Henry, Knox, Marshall, Mercer, Rock Island, Stark and Whiteside County Clerk's Office and College records

Black Hawk College
Illinois Community College District No. 503

Schedule of Bond Coverage (Unaudited)
 Last Ten Fiscal Years

General Obligation Bonds

Fiscal Year	Property Taxes Collected	Interest Earned	Net Revenue Available for Debt Service	2004 Bonds		2006 Bonds		2008 Bonds		Total	Coverage Ratio
				Principal	Interest	Principal	Interest	Principal	Interest		
2000	-	-	-	-	-	-	-	-	-	-	N/A
2001	-	-	-	-	-	-	-	-	-	-	N/A
2002	-	-	-	-	-	-	-	-	-	-	N/A
2003	-	-	-	-	-	-	-	-	-	-	N/A
2004	-	-	-	-	-	-	-	-	-	-	N/A
2005	732,435	284	732,719	-	111,000	-	-	-	-	111,000	660.11%
2006	1,150,348	9,695	1,160,043	500,000	147,645	-	-	-	-	647,645	179.12%
2007	1,800,339	18,863	1,819,202	1,000,000	157,513	-	319,333	-	-	1,476,846	123.18%
2008	3,214,755	31,313	3,246,068	1,220,000	115,539	600,000	323,597	-	144,337	2,403,473	135.06%
2009	4,707,582	40,115	4,747,697	1,265,000	70,395	1,700,000	228,689	205,000	341,700	3,810,784	124.59%

Note: The General Obligation Bonds are repaid from property taxes collected and interest earned accounted for in the Bond and Interest Fund.

Source: College records

Black Hawk College
Illinois Community College District No. 503

Direct and Overlapping General Obligation Bonded Debt (Unaudited)
 Henry and Rock Island Counties Only
 (Which represents 89.5% of the Equalized Assessed Value of the District)

Issuing Taxing Districts	Amount of Outstanding Bonds	Applicable to District	
		Estimated Percentage	Amount
Henry County	\$ -	99.530%	\$ -
Rock Island County	8,750,000	100.000%	8,750,000
Metropolitan Airport Authority	-	100.000%	-
Annawan Township	-	100.000%	-
Atkinson Township	-	100.000%	-
Village of Cambridge	-	100.000%	-
Village of Carbon Cliff	0	100.000%	-
Village of Coal Valley	0	100.000%	-
City of Colona	-	100.000%	-
Village of Cordova	-	100.000%	-
City of East Moline	1,190,000	100.000%	1,190,000
City of Galva	0	100.000%	-
City of Geneseo	-	100.000%	-
Village of Hampton	-	100.000%	-
City of Kewanee	872,887	100.000%	872,887
City of Moline	88,525,000	100.000%	88,525,000
City of Rock Island	36,588,333	100.000%	36,588,333
City of Silvis	2,960,000	100.000%	2,960,000
Carbon Cliff Special Service Area #3	290,000	100.000%	290,000
Moline Special Service Area #3	515,000	100.000%	515,000
Silvis Special Service Area #1	1,745,000	100.000%	1,745,000
Coal Valley Fire District	660,000	100.000%	660,000
(Hammond) Henry Hospital District	-	100.000%	-
Illini Hospital (Ambulance) District	-	100.000%	-
Kewanee Library District	355,000	100.000%	355,000
Geneseo Park District	400,000	100.000%	400,000
Kewanee Park District	505,000	100.000%	505,000
Community Unit School District #1	2,230,000	100.000%	2,230,000
School District #29	396,000	100.000%	396,000

**Black Hawk College
Illinois Community College District No. 503**

Direct and Overlapping General Obligation Bonded Debt (Unaudited) (Continued)
Henry and Rock Island Counties Only
(Which represents 89.5% of the Equalized Assessed Value of the District)

Issuing Taxing Districts	Amount of Outstanding Bonds	Applicable to District	
		Estimated Percentage	Amount
High School District #30	1,905,000	100.000%	1,905,000
School District #34	250,000	100.000%	250,000
School District #36	1,595,000	100.000%	1,595,000
School District #37	5,726,420 ⁵	100.000%	5,726,420
Community Unit School District #40	5,850,000	100.000%	5,850,000
School District #41	40,960,000	100.000%	40,960,000
Community Unit School District #100 (Riverdale)	565,000	100.000%	565,000
Community Unit School District #100 (Stark)	8,344,000	100.000%	8,344,000
School District #190	1,185,000	100.000%	1,185,000
Community Unit School District #200	4,772,407 ⁵	30.038%	1,433,536
Community Unit School District #203	455,000	4.753%	21,626
Community Unit School District #223	5,837,975 ⁵	100.000%	5,837,975
Community Unit School District #224	445,000	91.853%	408,746
Community Unit School District #225	2,655,000	92.205%	2,448,043
Community Unit School District #227	4,654 ⁶	100.000%	4,654
Community Unit School District #228	9,865,000	99.999%	9,864,901
Community Unit School District #229	1,495,000 ⁶	100.000%	1,495,000
Community Unit School District #230	550,000	97.470%	536,085
Community Unit School District #300	1,650,000	98.236%	1,620,894
Total Overlapping General Obligation Bonded Debt			\$ 236,034,100

Notes:

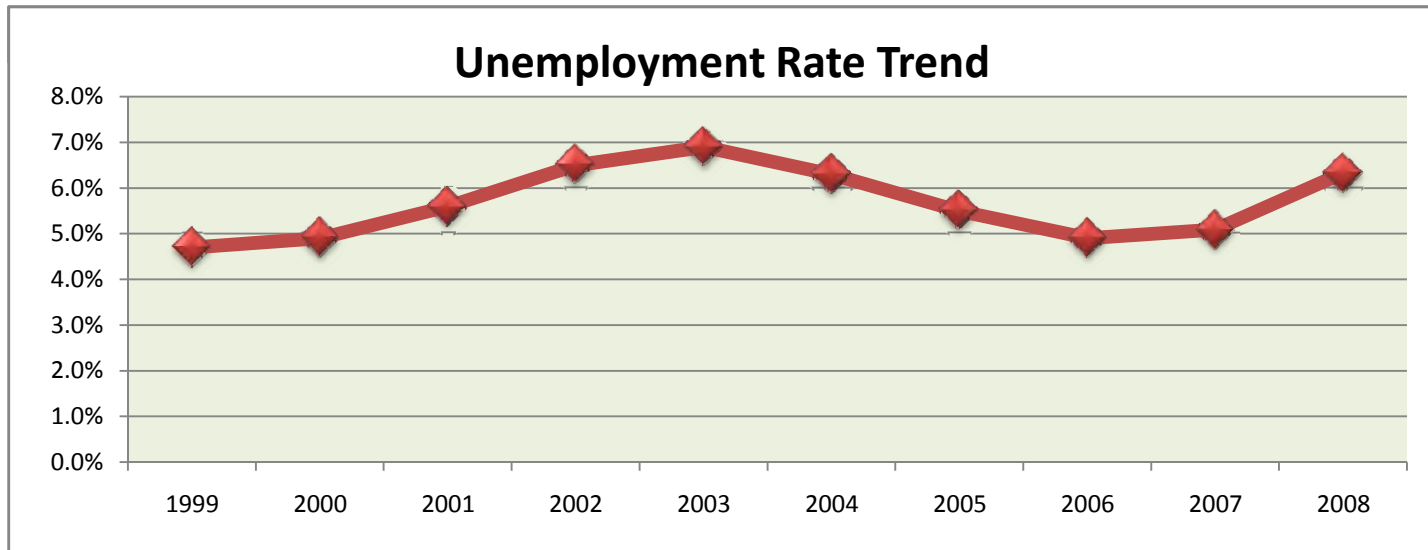
1. Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds that are expected to be paid from sources other than general taxation.
2. Includes Public Building Commission debt applicable to the County and secured by lease rentals payable from ad valorem taxes levied on all taxable property within the County.
3. Excludes lease agreements and installment contracts.
4. Includes self-supporting bonds that are expected to be abated annually.
5. Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.
6. Includes principal amounts of an outstanding loan with the Illinois Environmental Protection Agency.
7. Information presented is as of September 2009.

Sources: Offices of the County Clerks of Henry and Rock Island Counties, Illinois

Black Hawk College
Illinois Community College District No. 503

Demographic and Economic Statistics (Unaudited)
 Calendar Years 1999 through 2008

Year	Population	Personal Income (Thousands)	Per Capita Personal Income	Average Unemployment Rate
1999	397,000	9,584,700	23,532	4.7%
2000	396,068	10,072,538	24,867	4.9%
2001	395,159	10,102,968	25,303	5.6%
2002	393,798	10,158,211	25,178	6.5%
2003	392,315	10,619,685	26,525	6.9%
2004	391,549	11,089,571	28,129	6.3%
2005	391,171	11,130,144	27,773	5.5%
2006	389,768	11,652,337	29,127	4.9%
2007	386,191	12,620,479	31,890	5.1%
2008	385,161	N/A	N/A	6.3%



Notes:

1. Population reported above is the total population for all nine counties
2. Per Capita Personal income is average of nine counties
3. N/A = Information Not Available at time of report

Sources: U.S. Department of Commerce Bureau of Economic Analysis
 Average unemployment rate from Illinois Department of Employment Security

Black Hawk College
Illinois Community College District No. 503

Principal Employers (Unaudited)
 Current Year and Six Years Ago

Rock Island County					
2003			2008		
Employer	Product/Service	Employees	Employer	Product/Service	Employees
Deere & Co.	Construction and agricultural equipment	6,200	Rock Island Arsenal	Defense Manufacturing	6,500+
Rock Island Arsenal	Defense Manufacturing	6,000	Deere & Co.	Construction and agricultural equipment	5,000+
Trinity Regional Health System	Health care system	3,600	Tyson Fresh Meats	Meat packing	2,400+
Case Corporation	Agriculture & Industrial equipment	2,500	Trinity Medical Center	Health care services	2,000+
John Deere Harvester Works	Construction and agricultural equipment	2,300	Moline Public School District #40	Education	600+
John Deere Seeding Group	Planting equipment	1,000	Export Packaging (XPAC)	Supply chain management and logistics	550+
Community Unit School District #40	Moline school district	1,000	TPC (Thoms Proestler Co.)	Wholesale food distribution	450+
MidAmerican Energy Co.	Utility/Energy delivery	990	Kone, Inc.	Escalator and elevator production	450+
Export Packaging (XPAC)	Supply chain management and logistics	975	Augustana College	Higher Education	400+
US Army Corps of Engineers	National Security	950	Casino Rock Island	Gambling	400+

City of Kewanee					
2003			2008		
Employer	Product/Service	Employees	Employer	Product/Service	Employees
Great Dane Trailers	Manufactures semi-truck trailers	500	Great Dane Trailers	Manufactures semi-truck trailers	550+
Kewanee Hospital	Hospital	400	Kewanee Hospital	Hospital	450+
Excelled Sheepskin & Leather Coat Co.	Manufactures leather products	200	Bomag Americas	Soil and asphalt compactors	250+
Compaction America	Manufactures self-propelled compactors	150	Wal-Mart	Retail	200+
Kewanee Corp.	Manufactures metal doors & frames	100	Boss Manufacturing	Manufactures protective products	150+

Sources: Illinois Department of Commerce and Economic Opportunity
 2004 Harris Illinois Business Service Directory and 2004 Harris Illinois Industrial Directory

Black Hawk College
Illinois Community College District No. 503

Faculty and Staff Headcount (Unaudited)
 FY2000 through FY2009

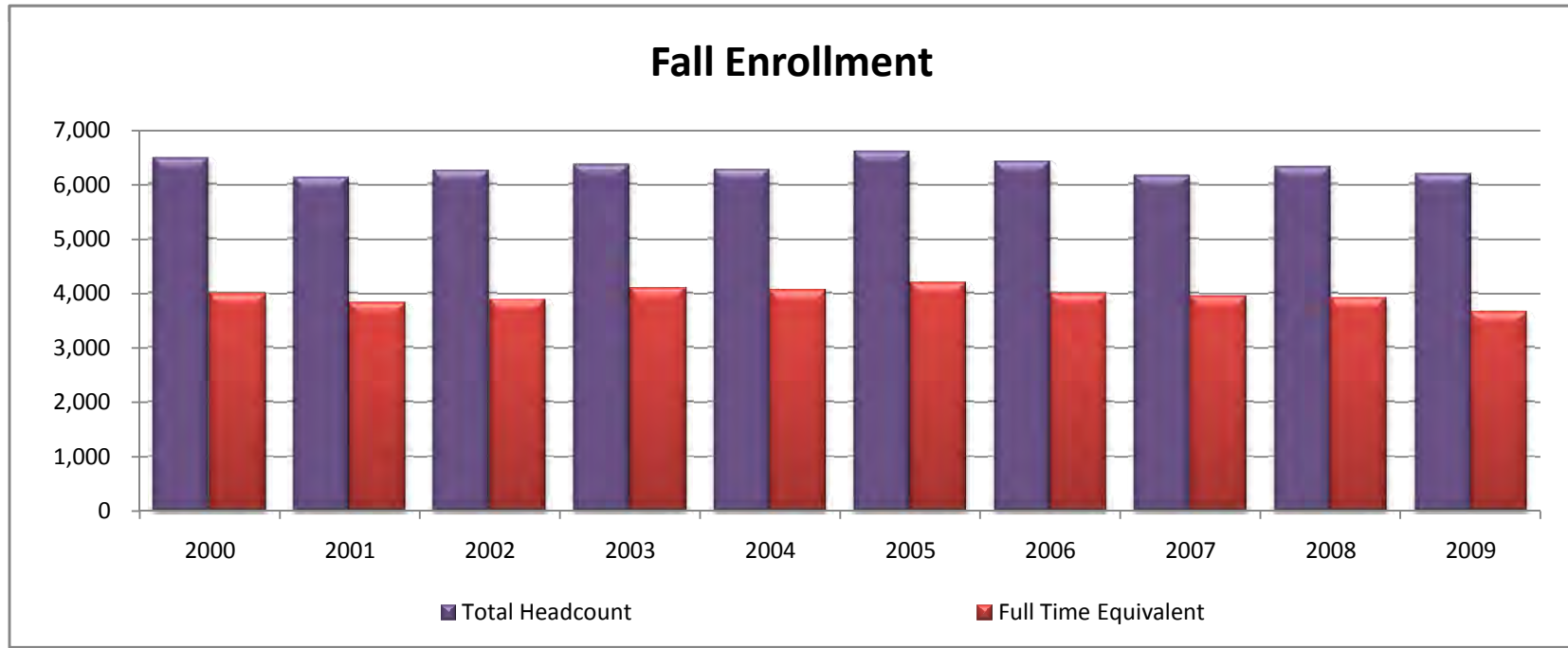
	Fiscal Year 2000	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009
Faculty										
Full-time	142	139	139	140	138	137	134	138	140	140
Part-time	226	192	208	204	211	227	220	215	186	217
Administrators										
Full-time	11	8	9	9	9	10	9	8	6	8
Part-time	0	0	0	0	0	0	0	0	1	0
Professional Staff										
Full-time	127	146	150	156	145	139	149	151	157	138
Part-time	0	3	2	2	2	0	2	2	2	8
Classified Staff										
Full-time	117	103	101	96	104	105	88	87	84	80
Part-time	133	118	102	112	100	97	98	86	80	127
Total Employees										
Full-time	397	396	399	401	396	391	380	384	387	366
Part-time	359	313	312	318	313	324	320	303	269	352
	<u>756</u>	<u>709</u>	<u>711</u>	<u>719</u>	<u>709</u>	<u>715</u>	<u>700</u>	<u>687</u>	<u>656</u>	<u>718</u>

Source: ICCB Salary Survey C1 Report

Black Hawk College
Illinois Community College District No. 503

Student Enrollment Demographic Statistics (Unaudited)
 FY2000 through FY2009

Fiscal Year	Fall Enrollment		Gender		Attendance		Enrollment Status				Age
	Full Time Equivalent	Total Headcount	Male	Female	Full Time	Part Time	Continuing Student	New Student	Transfer Student	Readmit Student	Average Age
2000	3,980	6,473	2,630	3,843	2,908	3,565	3,494	1,867	85	1,027	27.7
2001	3,810	6,118	2,518	3,600	2,765	3,353	3,411	1,645	60	1,002	27.3
2002	3,880	6,248	2,509	3,739	2,878	3,370	3,441	1,672	37	1,098	27.4
2003	4,081	6,350	2,531	3,819	3,069	3,281	3,531	1,680	26	1,113	26.6
2004	4,044	6,266	2,509	3,757	3,092	3,174	3,578	1,479	125	1,084	26.4
2005	4,175	6,600	2,544	4,056	3,138	3,462	3,610	1,511	323	1,155	27.4
2006	3,975	6,407	2,511	3,896	2,940	3,467	3,505	1,467	327	1,108	27.3
2007	3,932	6,151	2,386	3,765	2,953	3,198	3,297	1,286	295	1,273	26.9
2008	3,905	6,311	2,539	3,772	2,884	3,427	3,288	1,458	334	1,231	26.6
2009	3,651	6,179	2,461	3,718	2,622	3,557	3,157	1,387	306	1,329	27.5

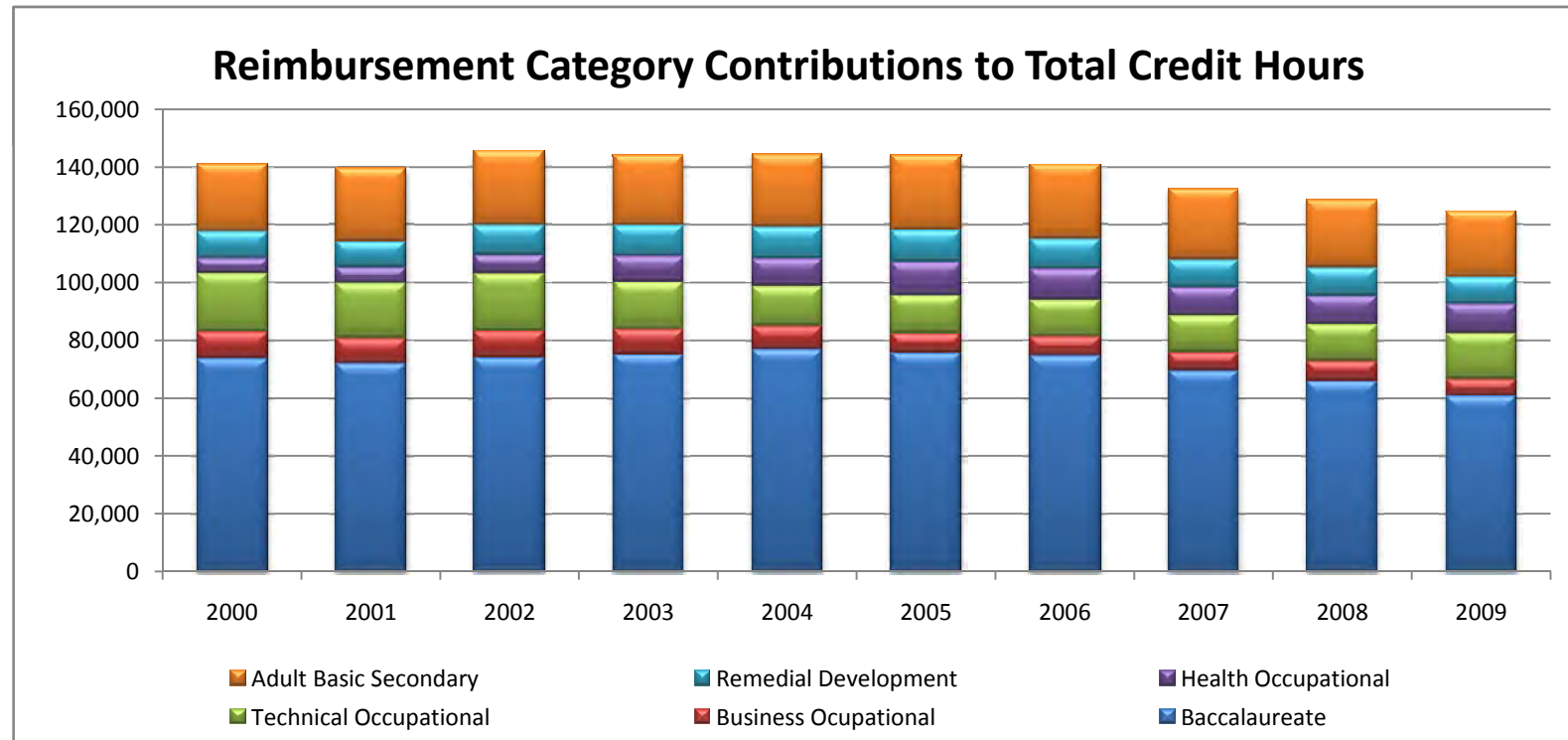


Source: ICCB E1 Report

Black Hawk College
Illinois Community College District No. 503

Credit Hours Eligible for Funding by Illinois Community College Board Reimbursement Categories (Unaudited)
 FY2000 through FY2009

Category	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	% Change 2000 vs. 2009
Baccalaureate	73,768.8	71,848.6	73,818.7	75,102.3	76,770.2	75,552.4	74,557.5	69,337.3	65,866.3	60,658.2	-17.77%
Business Occupational	9,076.3	8,673.4	9,353.1	8,648.8	8,215.0	6,757.8	6,536.8	6,368.6	6,976.0	5,756.6	-36.58%
Technical Occupational	20,198.8	18,995.7	19,948.5	16,524.3	13,792.1	13,310.7	12,766.0	12,550.4	12,516.8	15,920.1	-21.18%
Health Occupational	5,224.0	5,429.1	6,273.5	8,683.7	9,574.8	11,326.3	10,540.9	9,888.6	10,025.6	10,119.6	93.71%
Remedial Development	9,220.0	9,111.8	10,274.0	10,779.0	10,906.0	10,935.0	10,305.0	9,587.0	9,670.0	9,218.0	-0.02%
Adult Basic Secondary	23,566.1	25,352.1	25,701.7	24,338.9	25,100.5	26,205.1	26,193.7	24,660.5	23,395.0	23,098.0	-1.99%
Total	141,054.0	139,410.7	145,369.5	144,077.0	144,358.6	144,087.3	140,899.9	132,392.4	128,449.7	124,770.5	-11.54%



Note: Total credit hours includes both restricted and unrestricted credit hours.

Source: College Audited Financial Statements

Black Hawk College
Illinois Community College District No. 503

Schedule of Capital Assets - Instructional Facilities Information (Unaudited)
 FY2000 through FY2009

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Buildings - Permanent	17	17	17	17	17	18	18	18	19	19
Total Acres	263.0	267.8	267.8	267.8	267.8	267.8	267.8	267.8	271.9	271.9
Net Assignable Square Feet:										
Classrooms and general use	39,670	69,728	72,983	72,883	69,068	75,921	76,868	76,251	74,977	77,279
Laboratory	67,248	83,616	90,156	65,897	89,396	85,299	83,439	97,016	130,723	128,771
Office	39,183	63,151	59,175	60,074	59,130	60,466	61,044	60,553	61,034	61,152
Study	32,757	29,132	26,216	22,530	24,480	24,864	24,864	24,307	24,491	24,107
Special Use (Athletics, PE)	56,239	89,586	56,040	84,539	64,297	65,833	66,073	45,448	45,448	45,448
General Use (Theater)	37,321	40,361	39,022	37,901	37,346	37,652	37,305	36,882	36,138	37,682
Support functions	27,848	24,190	32,619	33,569	32,420	32,444	32,035	31,274	29,874	32,395
Total	<u>300,266</u>	<u>399,764</u>	<u>376,211</u>	<u>377,393</u>	<u>376,137</u>	<u>382,479</u>	<u>381,628</u>	<u>371,731</u>	<u>402,685</u>	<u>406,834</u>
Parking capacity:										
On campus parking spots	1,826	1,826	1,826	1,826	1,826	1,826	1,826	1,826	1,920	1,920
Acres	19	20	20	20	20	20	20	20	21	21

Source: Illinois Community College Board (ICCB) Data and Characteristics book, Tables V-1 and V-4

**Black Hawk College
Community College District No. 503**

Miscellaneous Statistics (Unaudited)
June 30, 2009

Year Founded 1946

District Data

Population (approximation) 230,000

Communities served include:

Aledo	Cordova	LaFayette	Reynolds
Alpha	East Moline	Matherville	Rock Island
Andalusia	Erie	Milan	Seaton
Andover	Galva	Mineral	Sherrard
Annawan	Geneseo	Moline	Silvis
Atkinson	Hampton	Neponset	Toulon
Bishop Hill	Hillsdale	New Boston	Viola
Cambridge	Hoophole	New Windsor	Woodhull
Carbon Cliff	Joy	Orion	Wyoming
Coal Valley	Keithsburg	Port Byron	
Colona	Kewanee	Rapids City	

Accreditation

The Higher Learning Commission
(Formerly North Central Association of Colleges and Schools)
Next accreditation visit

2013

Degree and Certificates Awarded in Fiscal Year 2009

Associate in Arts	187
Associate in Science	42
Associate in Liberal Studies	3
Associate in Applied Science	150
Certificates	137

Source: College records

ICCB Supplemental Information

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**Black Hawk College
Illinois Community College District #503**

Equalized Assessed Valuations and Tax Collections

	Tax Levy Year		
	2008	2007	2006
Equalized assessed valuations:			
Bureau County	\$ 19,094,274	\$ 17,628,542	\$ 16,918,621
Henderson County	1,788,629	1,698,174	1,591,177
Henry County	721,211,551	695,623,326	656,536,725
Knox County	9,582,246	9,122,842	8,684,903
Marshall County	80,629	70,150	46,296
Mercer County	205,279,925	196,770,241	185,434,646
Rock Island County	2,248,655,323	2,190,307,542	2,088,112,573
Stark County	76,924,179	72,073,858	69,196,271
Whiteside County	47,824,922	46,471,786	44,680,381
	<u>\$ 3,330,441,678</u>	<u>\$ 3,229,766,461</u>	<u>\$ 3,071,201,593</u>
Tax rates (per \$100 of assessed valuation):			
Education Fund	0.1200	0.1200	0.1200
Operations and Maintenance Fund	0.0700	0.0700	0.0700
Bond and Interest Fund	0.1648	0.1226	0.0796
Liability, Protection, and Settlement Fund	0.0666	0.0746	0.0706
Audit Fund	0.0026	0.0026	0.0022
Operations and Maintenance, restricted	0.0500	0.0500	0.0492
Equity	0.0616	0.0618	0.0663
	<u>0.5356</u>	<u>0.5016</u>	<u>0.4579</u>
Tax extensions:			
Education Fund	\$ 5,289,009	\$ 5,133,198	\$ 5,030,968
Operations and Maintenance Fund	3,090,383	2,999,355	2,840,523
Bond and Interest Fund	5,488,568	3,959,694	2,444,676
Liability, Protection, and Settlement Fund	2,218,074	2,409,406	2,168,268
Audit Fund	86,591	83,974	67,566
Operations and Maintenance, restricted	1,665,221	1,614,883	1,511,031
	<u>\$ 17,837,846</u>	<u>\$ 16,200,510</u>	<u>\$ 14,063,032</u>
Less tax collections (cumulative through June 30, 2009):			
Education Fund	\$ 1,773,346	\$ 5,115,821	\$ 5,182,639
Operations and Maintenance Fund	1,036,171	2,989,202	2,660,846
Bond and Interest Fund	1,840,256	3,946,290	2,448,220
Liability, Protection, and Settlement Fund	743,696	2,401,250	2,171,411
Audit Fund	29,033	83,689	67,664
Operations and Maintenance, restricted	558,330	1,609,417	1,513,222
	<u>\$ 5,980,832</u>	<u>\$ 16,145,669</u>	<u>\$ 14,044,002</u>
Tax extensions:			
Tax receivable	\$ 11,857,014	\$ -	\$ -
Written off	-	-	-
Allowance for uncollectible taxes	(65,557)	-	-
	<u>\$ 11,791,457</u>	<u>\$ -</u>	<u>\$ -</u>
Taxes receivable:			
Education Fund	3,496,224	\$ -	\$ -
Operations and Maintenance Fund	2,042,854	-	-
Bond and Interest Fund	3,628,141	-	-
Liability, Protection, and Settlement Fund	1,466,227	-	-
Audit Fund	57,241	-	-
Operations and Maintenance, restricted	1,100,770	-	-
	<u>\$ 11,791,457</u>	<u>\$ -</u>	<u>\$ -</u>
Percentage of extensions collected	<u>33.53%</u>	<u>99.66%</u>	<u>99.86%</u>

**Black Hawk College
Illinois Community College District #503**

Schedule of Legal Debt Margin

Legal Debt Margin

Assessed valuation, 2008 levy	<u>\$ 3,330,441,678</u>
Debt limit, 2.875% of assessed valuation	\$ 95,750,198
Bonded indebtedness	<u>(12,210,000)</u>
Legal debt margin	<u><u>\$ 83,540,198</u></u>

**Black Hawk College
Illinois Community College District #503**

Certification of Chargeback Reimbursement for Fiscal Year 2010 (Unaudited)

**All Fiscal Year 2009 Noncapital Audited Operating
Expenditures from the Following Funds**

1	Education Fund	\$ 26,120,826
2	Operations and Maintenance Fund	3,591,812
3	Operations and Maintenance Fund - restricted	-
4	Bond and Interest Fund	3,810,784
5	Public Building Commission Rental Fund	-
6	Restricted Purposes Fund	11,943,073
7	Audit Fund	60,420
8	Liability, Protection, and Settlement Fund	1,907,878
9	Auxiliary Enterprises Fund (Subsidy Only)	-
		<hr/>
10	Total noncapital expenditures	\$ 47,434,793
11	Depreciation on capital outlay expenditures (equipment, buildings and fixed equipment paid) from sources other than state and federal funds	<hr/> 1,062,211
12	Total costs included (line 10 plus line 11)	48,497,004
13	Total certified semester credit hours for FY 2009	<hr/> 124,770.50
14	Per capital cost (line 12 divided by line 13)	388.69
15	All fiscal year 2009 state and federal operating grants for noncapital expenditures, except ICCB grants	<hr/> 9,374,306
16	Fiscal year 2009 state and federal grants per semester credit hour (line 15 divided by line 13)	<hr/> 75.13
17	District's average ICCB grant rate (excluding equalization grants) for fiscal year 2010	<hr/> 30.59
18	District's student tuition and fee rate per semester credit hour for fiscal year 2010	<hr/> 89.50
19	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17 and 18)	<hr/> <hr/> \$ 193.47

Approved: *R. Gene Gardner*
Chief Executive Officer

Date: *Sept. 15, 2009*

Approved: *Jessie L. Anderson*
Chief Financial Officer

Date: *9/15/09*

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ICCB Uniform Financial Statements

The Uniform Financial Statements are required by the Illinois Community College Board for the purpose of providing consistent audited data for every community college district. Regardless of the basis of accounting used for a College's balance sheet and statement of revenues and expenditures, the Uniform Financial Statements are completed using the modified accrual basis of accounting prescribed by the NCGA Statement No. 1 and related interpretations.

The Uniform Financial Statements include the following:

- No. 1 – All Funds Summary
- No. 2 – Summary of Fixed Assets and Debt
- No. 3 – Operating Fund Revenues and Expenditures
- No. 4 – Restricted Purposes Fund Revenues and Expenditures
- No. 5 – Expenditures by Activity – Current Funds

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 1 - All Funds Summary
Year ended June 30, 2009

	Education Fund	Operation and Maintenance Fund	Bond & Interest Fund
Fund balance (deficit), beginning	\$ 5,724,047	\$ (313,596)	\$ 1,765,269
Revenues:			
Local tax revenue	5,221,182	3,039,078	4,707,582
Corporate Personal Property Replacement tax	1,228,648	136,516	-
ICCB grants	7,818,410	650,808	-
All other state revenue	1,947	-	-
Federal revenue	35,345	-	-
Student tuition and fees	12,024,189	86,552	-
All other revenue	881,460	93,077	40,115
Total revenues	27,211,181	4,006,031	4,747,697
Expenditures:			
Instruction	12,493,716	-	-
Academic support	3,096,199	-	-
Student services	2,157,344	-	-
Public service	583,035	-	-
Auxiliary services	-	-	-
Operations and maintenance	-	3,591,812	-
Institutional support	4,984,074	-	3,810,784
Scholarships, student grants and waivers	2,806,458	-	-
Total expenditures	26,120,826	3,591,812	3,810,784
Net transfers	1,782,941	-	-
Fund balance (deficit), end of year	\$ 8,597,343	\$ 100,623	\$ 2,702,182

Operations and Maintenance - Restricted	Auxiliary Enterprises Fund	Restricted Purpose Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
\$ 7,093,683	\$ (132,271)	\$ 2,026,420	\$ 11,413,980	\$ 97,557	\$ 829,358	\$ 28,504,447
1,634,464	-	-	-	84,995	2,306,022	16,993,323
-	-	6,901	-	-	-	1,372,065
-	-	823,810	-	-	-	9,293,028
-	-	2,358,804	-	-	-	2,360,751
-	-	7,015,502	-	-	-	7,050,847
-	223,563	393,211	-	-	-	12,727,515
229,845	3,031,912	1,431,747	406,004	-	-	6,114,160
1,864,309	3,255,475	12,029,975	406,004	84,995	2,306,022	55,911,689
-	-	679,463	-	-	-	13,173,179
-	-	1,324,553	-	-	-	4,420,752
-	-	865,479	-	-	-	3,022,823
-	-	1,771,236	-	-	-	2,354,271
-	3,197,627	106,328	-	-	-	3,303,955
1,618,640	-	35,571	-	-	717,806	5,963,829
1,509,786	-	41,611	-	60,420	1,190,072	11,596,747
-	-	7,312,149	-	-	-	10,118,607
3,128,426	3,197,627	12,136,390	-	60,420	1,907,878	53,954,163
-	-	(1,782,941)	-	-	-	-
\$ 5,829,566	\$ (74,423)	\$ 137,064	\$ 11,819,984	\$ 122,132	\$ 1,227,502	\$ 30,461,973

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Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 2 - Summary of Fixed Assets and Debt
Year ended June 30, 2009

	Fixed Asset/Debt July 1, 2008	Additions	Deletions	Fixed Asset/Debt June 30, 2009
Fixed Assets:				
Land	\$ 4,724,056	\$ 1,899	\$ -	\$ 4,725,955
Building and improvements	35,696,631	841,351	-	36,537,982
Equipment	10,500,340	680,290	(2,018,635)	9,161,995
Other	241,129	768,615	(202,379)	807,365
	<u>51,162,156</u>	<u>2,292,155</u>	<u>(2,221,014)</u>	<u>51,233,297</u>
Accumulated depreciation	(21,353,388)	(1,788,953)	2,011,226	(21,131,115)
Total fixed assets	<u>\$ 29,808,768</u>	<u>\$ 503,202</u>	<u>\$ (209,788)</u>	<u>\$ 30,102,182</u>
 Fixed Debt:				
Other fixed liabilities	\$ 24,560	\$ -	\$ (24,560)	\$ -
Bonds payable	15,380,000	-	(3,170,000)	12,210,000
Total fixed debt	<u>\$ 15,404,560</u>	<u>\$ -</u>	<u>\$ (3,194,560)</u>	<u>\$ 12,210,000</u>

**Black Hawk College
Illinois Community College District #503**

**Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures
Year ended June 30, 2009**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenue by source:			
Local government:			
Local taxes	\$ 5,221,182	\$ 3,039,078	\$ 8,260,260
Corporate personal property replacement tax	1,228,648	136,516	1,365,164
Chargeback revenue	-	-	-
	<u>6,449,830</u>	<u>3,175,594</u>	<u>9,625,424</u>
State government:			
ICCB credit hour grants	3,416,740	650,808	4,067,548
ICCB equalization grants	4,232,498	-	4,232,498
ICCB - Career and Technical Education	169,172	-	169,172
Other state revenue	1,947	-	1,947
	<u>7,820,357</u>	<u>650,808</u>	<u>8,471,165</u>
Federal government:			
Department of Education	32,312	-	32,312
Department of Health and Human Services	-	-	-
Other	3,033	-	3,033
	<u>35,345</u>	<u>-</u>	<u>35,345</u>
Student tuition and fees:			
Tuition	10,916,392	-	10,916,392
Fees	1,107,797	86,552	1,194,349
	<u>12,024,189</u>	<u>86,552</u>	<u>12,110,741</u>
Other sources:			
Sales and service fees	538,596	7,357	545,953
Facilities revenue	46,743	58,825	105,568
Investment revenue	240,985	-	240,985
Other	55,136	26,895	82,031
	<u>881,460</u>	<u>93,077</u>	<u>974,537</u>
Total revenues	27,211,181	4,006,031	31,217,212
Less nonoperating item, tuition chargeback revenue	-	-	-
Adjusted revenues	<u>\$ 27,211,181</u>	<u>\$ 4,006,031</u>	<u>\$ 31,217,212</u>

**Black Hawk College
Illinois Community College District #503**

**Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures (Continued)
Year ended June 30, 2009**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures by program:			
Instruction	\$ 12,493,716	\$ -	\$ 12,493,716
Academic support	3,096,199	-	3,096,199
Student services	2,157,344	-	2,157,344
Public service	583,035	-	583,035
Operations and maintenance	-	3,591,812	3,591,812
Institutional support	4,984,074	-	4,984,074
Scholarships, student grants and waivers	2,806,458	-	2,806,458
Total expenditures	<u>26,120,826</u>	<u>3,591,812</u>	<u>29,712,638</u>
Less nonoperating item,			
tuition chargeback	14,823	-	14,823
Transfers, net	(1,782,941)	-	(1,782,941)
Adjusted expenditures	<u>\$ 24,323,062</u>	<u>\$ 3,591,812</u>	<u>\$ 27,914,874</u>
By object:			
Salaries	\$ 17,799,450	\$ 1,376,363	\$ 19,175,813
Employee benefits	2,815,480	433,203	3,248,683
Contractual services	1,057,766	266,521	1,324,287
General materials and supplies	1,244,604	280,833	1,525,437
Conference and meeting expenses	204,784	6,449	211,233
Fixed charges	47,739	132,781	180,520
Utilities	38,528	1,095,582	1,134,110
Capital outlay	-	-	-
Other	2,912,475	80	2,912,555
Total expenditures	<u>26,120,826</u>	<u>3,591,812</u>	<u>29,712,638</u>
Less nonoperating item,			
tuition chargeback	14,823	-	14,823
Transfers, net	(1,782,941)	-	(1,782,941)
Adjusted expenditures	<u>\$ 24,323,062</u>	<u>\$ 3,591,812</u>	<u>\$ 27,914,874</u>

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 4 - Restricted Purposes Fund Revenues and Expenditures
Year ended June 30, 2009

Revenues by source:	
Local government	\$ 6,901
State government:	
ICCB:	
Workforce Development Component	72,406
Adult Education and Family Literacy	644,567
Early School Leaver	79,346
State Program Improvement	22,331
Tech Prep Support	5,160
Illinois State Board of Education:	
Truancy and Alternative Education	249,328
Grow Your Own Grant	500
Growing Agricultural Science Teachers	37,543
Other	7,823
Illinois Department of Labor	
Illinois Secretary of State:	
Literacy is for Everyone	65,000
Family Literacy Connections - Kewanee	35,000
Family Literacy Connections - Moline	35,000
Family Literacy Connections - East Moline	35,000
Workplace Skills - Trinity	3,330
State Comptroller's Office, Public Broadcasting Grant	153,537
Illinois Board of Higher Education - Nursing School Improvement, Mentoring Online.	46,626
Illinois Department of Commerce and Economic Opportunity:	
Digital Divide	54,984
Sustainability	12,000
Illinois Student Assistance Center	1,596,487
Other	26,646
Total state government	3,182,614
Federal government:	
Department of Education	
Student Aid Programs:	
Federal Work Study (FWS)	129,472
Pell Grant	5,050,909
Academic Competitiveness	61,000
Supplemental Educational Opportunity Grant (SEOG)	128,439
Carl D. Perkins Vocational and Applied Technology Program	463,879
Special Student Services	322,049
Adult Education and Family Literacy, Federal Basic Program	294,211
Adult Education English Language/Civics	45,187
Other Department of Education	-
Department of Labor	
EARN and TEAM	80,127
Innovate Now	-
Joined by a River/Logistics	138,213
Welding Program	-
Local Food/Ag Incubator	15,650

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 4 - Restricted Purposes Fund Revenues and Expenditures (Continued)
Year ended June 30, 2009

Revenues by source (Continued):

Federal government (Continued):

Department of Defense	66,763
Small Business Administration	148,769
National Science Foundation	42,025
Veteran's Administration	28,809
Total federal government	<u>7,015,502</u>

Other sources:

Investment income	10,495
Gifts from donors for scholarships	344,333
Corporation for Public Broadcasting	671,404
Student Fees	393,211
Other	405,515
Total other	<u>1,824,958</u>
Total Restricted Purposes Fund Revenues	<u><u>\$ 12,029,975</u></u>

Expenditures by program:

Instruction	\$ 679,463
Academic support	1,324,553
Student services	865,479
Public service/continuing education	1,771,236
Auxiliary services	106,328
Operations and maintenance	35,571
Institutional support	41,611
Scholarships, student grants and waivers	7,312,149
Total expenditures by program	<u><u>\$ 12,136,390</u></u>

Expenditures by object:

Salaries	\$ 2,349,765
Employee benefits	647,872
Contractual services	869,754
General materials and supplies	528,079
Conference and meeting expenses	116,401
Fixed charges	68,449
Utilities	3,230
Capital outlay	193,317
Other	7,359,523
Total expenditures by object	<u><u>\$ 12,136,390</u></u>

**Black Hawk College
Illinois Community College District #503**

**Uniform Financial Statement No. 5 - Expenditures by Activity - Current Funds
Year ended June 30, 2009**

Instruction	\$ 13,173,179
Academic support:	
Library center	572,109
Instructional materials center	65,163
Educational materials center	2,755
Academic computing support	857,095
Academic administration and planning	2,716,746
Other	206,884
Total academic support	<u>4,420,752</u>
Student services:	
Admissions and records	346,722
Counseling and career guidance	853,318
Financial aid administration	593,069
Social and cultural development	203,101
Other	1,026,613
Total student services	<u>3,022,823</u>
Public service/continuing education:	
Community education	371,450
Customized training (instructional)	521,491
Community services	534,685
Other	926,645
Total public service/continuing education	<u>2,354,271</u>
Auxiliary services	<u>3,303,955</u>
Operations and maintenance of plant:	
Maintenance	795,862
Custodial services	996,248
Grounds	418,474
Campus security	717,806
Utilities	1,109,142
Administration	307,657
Total operations and maintenance	<u>4,345,189</u>
Institutional support:	
Executive office	916,009
Fiscal operations	1,040,485
Community relations	860,939
Administrative support services	872,343
Board of Trustees	38,600
General institution	1,145,832
Administrative data processing	149,279
Other	1,252,690
Total institutional support	<u>6,276,177</u>
Scholarships, student grants and waivers	<u>10,118,607</u>
Total current funds expenditures	<u>\$ 47,014,953</u>

**Black Hawk College
Illinois Community College District #503**

**Reconciliation of the Combining Balance Sheet to the Uniform Financial Statements
Year ended June 30, 2009**

Fund Balances - Uniform Financial Statements	\$ 30,461,973
Capital assets in the Investment in Plant Fund	30,102,182
Long-term debt in the General Long Term Debt Fund	<u>(12,210,000)</u>
Fund Balances - All Fund Types	<u><u>\$ 48,354,155</u></u>

**Reconciliation of the Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Uniform Financial Statements
Year ended June 30, 2009**

Change in Fund Balances - Uniform Financial Statements	\$ 1,957,526
Additions to buildings and equipment	2,089,776
Depreciation and loss of disposal of assets	<u>(1,796,362)</u>
Net Effect	<u>293,414</u>
Payment on long-term debt	3,194,560
Issuance of long-term debt	-
Net Effect	<u>3,194,560</u>
SURS revenue provided by state	2,415,018
SURS expenditure provided by state	<u>(2,415,018)</u>
Net Effect	<u>-</u>
Change in Fund Balances - All Fund Types	<u><u>\$ 5,445,500</u></u>

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ICCB State Grants Financial Compliance Section

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**Independent Auditor's Report
On Workforce Development, Adult Education
and Family Literacy, ICCB State Program
Improvement, Early School Leaver Program,
and ICCB CTE Innovation Grants**

To the Board of Trustees
Black Hawk College
Illinois Community College District #503
Moline, Illinois

We have audited the balance sheets of the Workforce Development, Adult Education and Family Literacy, ICCB State Program Improvement, Early School Leaver Program, and ICCB CTE Innovation Grants of Black Hawk College, Illinois Community College District #503 as of June 30, 2009, and the related statements of revenues, expenditures, and changes in fund balance for the year then ended. These financial statements are the responsibility of Black Hawk College management. Our responsibility is to express an opinion 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 guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our audit also included a review of compliance with the provisions of laws, regulations, contracts, and grants between Black Hawk College and the State of Illinois and Illinois Community College Board. We believe that our audit provides a reasonable basis for our opinion.

With respect to the compliance tests performed, the results of those procedures disclosed no material instances of noncompliance with the provisions of the agreements.

In our opinion, such financial statements referred to above present fairly, in all material respects, the financial position of the Workforce Development, Adult Education and Family Literacy, ICCB State Program Improvement, Early School Leaver Program, and ICCB CTE Innovation Grants of Black Hawk College, Illinois Community College District #503 as of June 30, 2009, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United State of America.

Lindgren, Callihan, Van Osdol & Co., Ltd.

Freeport, Illinois
September 21, 2009

**Black Hawk College
Illinois Community College District #503**

**Workforce Development Grant Program
Balance Sheet
June 30, 2009**

Assets	<u>\$ -</u>
Liabilities	<u>\$ -</u>
Fund balance	<u>\$ -</u>

**Workforce Development Grant Program
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2009**

	Business & Industry
Revenues, state sources	<u>\$ 72,406</u>
Expenditures:	
Salaries	55,500
Employee benefits	16,906
Advertising	-
Total expenditures	<u>72,406</u>
Excess of revenue over (under) expenditures	<u>-</u>
Fund balance:	
Beginning, July 1, 2008	-
Ending, June 30, 2009	<u>\$ -</u>

See Note to Financial Statements - Grant Programs

**Black Hawk College
Illinois Community College District #503**

**Workforce Development Grant Program
ICCB Compliance Statement
Year Ended June 30, 2009**

	General	Operation of Workforce Development Office	Total
Expenditures:			
Salaries, benefits, advertising	\$ 72,406	\$ -	\$ 72,406

See Note to Financial Statements - Grant Programs

Black Hawk College
Illinois Community College District #503

Adult Education and Family Literacy Grant Program
Balance Sheet
June 30, 2009

	State Basic	Public Aid	Performance	Total
Assets				
Cash	\$ (52,399)	\$ (27,260)	\$ (41,115)	\$ (120,774)
Receivable from ICCB	66,729	42,577	42,715	152,021
Total assets	<u>\$ 14,330</u>	<u>\$ 15,317</u>	<u>\$ 1,600</u>	<u>\$ 31,247</u>
Liabilities				
Accounts payable	\$ 180	\$ 2,399	\$ -	\$ 2,579
Accrued salaries	8,810	3,284	1,599	13,693
Due to other funds	5,340	9,634	1	14,975
Total liabilities	<u>\$ 14,330</u>	<u>\$ 15,317</u>	<u>\$ 1,600</u>	<u>\$ 31,247</u>
Fund balance				
Reserved for encumbrances	-	-	-	-
Total fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Adult Education and Family Literacy Grant Program
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2009

	State Basic	Public Aid	Performance	Total
Revenues, state sources	<u>\$ 289,158</u>	<u>\$ 170,308</u>	<u>\$ 185,101</u>	<u>\$ 644,567</u>
Expenditures:				
Current year's grant:				
Instruction	176,880	77,908	-	254,788
Social work services	-	-	-	-
Guidance services	38,053	44,190	12,267	94,510
Assessment and testing	3,538	7,472	1,930	12,940
Transportation	-	846	7,054	7,900
Literacy services	-	-	-	-
Improvement of Instructional Services	3,393	993	-	4,386
General administration	25,593	9,597	2,890	38,080
Workforce coordination	-	-	-	-
Data and information services	37,090	19,845	160,959	217,894
Operation of plant services	4,611	9,457	1	14,069
Payment of prior year encumbrances:				
Instruction	-	-	-	-
Total expenditures	<u>289,158</u>	<u>170,308</u>	<u>185,101</u>	<u>644,567</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:				
Beginning, July 1, 2008				-
Ending, June 30, 2009				<u>\$ -</u>

See Note to Financial Statements - Grant Programs.

**Black Hawk College
Illinois Community College District #503**

**ICCB Compliance Statement for the State Adult Education and Family Literacy Restricted Funds
Expenditure Amounts and Percentages for ICCB Grant Funds Only
Year Ended June 30, 2009**

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	176,880	61.17%
General Administration (9% Maximum Allowed)	25,593	8.85%

State Public Assistance	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	77,908	45.75%
General Administration (9% Maximum Allowed)	9,597	5.64%

**Black Hawk College
Illinois Community College District #503**

**ICCB State Program Improvement
Balance Sheet
June 30, 2009**

Assets, cash	<u>\$ 6,595</u>
Liabilities, accounts payable	\$ 52
Fund balance - Encumbered	6,543
	<u>\$ 6,595</u>

**ICCB State Program Improvement
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2009**

Revenues, state sources	<u>\$ 22,331</u>
Expenditures:	
Materials, supplies, and travel	1,967
Equipment	13,821
Payment of prior year encumbrance, supplies	10,205
Total expenditures	<u>25,993</u>
Revenues over (under) expenditures	(3,662)
Fund balance:	
Beginning, July 1, 2008	10,205
Ending, June 30, 2009	<u>\$ 6,543</u>

See Note to Financial Statements - Grant Programs

**Black Hawk College
Illinois Community College District #503**

**ICCB CTE Innovation Grant
Balance Sheet
June 30, 2009**

Assets, cash	
Cash	\$ (3,332)
Receivable from ICCB	5,160
Total assets	<u>\$ 1,828</u>
 Liabilities	
Accounts payable	\$ 693
Due to other funds	1,135
Total liabilities	<u>1,828</u>
 Fund balance	 <u><u>\$ -</u></u>

**ICCB CTE Innovation Grant
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2009**

Revenues, state sources	<u>\$ 5,160</u>
Expenditures:	
Salaries	375
Benefits	7
Contractual Services	1,109
Materials and supplies	738
Travel	2,931
Total expenditures	<u>5,160</u>
Revenues over (under) expenditures	-
Fund balance:	
Beginning, July 1, 2008	-
Ending, June 30, 2009	<u><u>\$ -</u></u>

See Note to Financial Statements - Grant Programs

**Black Hawk College
Illinois Community College District #503**

**Early School Leaver Program
Balance Sheet
June 30, 2009**

Assets	
Cash	\$ 5,477
Receivable	180
Total assets	<u>\$ 5,657</u>
Liabilities, accounts payable	
Accounts Payable	\$ 1,493
Accrued Salaries	283
Total liabilities	<u>\$ 1,776</u>
Fund balance	
Encumbered	-
	<u>\$ 3,881</u>

**Early School Leaver Program
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2009**

Revenues, state sources	<u>\$ 79,346</u>
Expenditures:	
Salaries	50,442
Benefits	17,068
Contractual Services	1,695
Supplies and Materials	1,208
Travel	557
Student tuition and fees	4,495
Total expenditures	<u>75,465</u>
Revenues over (under) expenditures	3,881
Fund balance:	
Beginning, July 1, 2008	-
Ending, June 30, 2009	<u>\$ 3,881</u>

See Note to Financial Statements - Grant Programs

**Black Hawk College
Illinois Community College District #503**

Note to Financial Statements -Grant Programs

Note 1. Summary of Significant Accounting Policies

General:

The accompanying statements include only those transactions resulting from the Workforce Development, Adult Education and Family Literacy, ICCB State Program Improvement, Early School Leaver Program, and ICCB CTE Innovation Grants. The transactions for the grants have been accounted for in the Restricted Purposes Fund.

Basis of Accounting:

The statements have been prepared on the modified accrual basis of accounting as defined in the Illinois Community College Board's *Fiscal Management Manual*. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2009. Funds obligated for goods and services prior to June 30, but for which the goods and services are received prior to August 31, are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the Illinois Community College Board by October 15, 2009.

Capital Assets:

Capital asset purchases are recorded as capital outlay expenditures and are not capitalized.

Encumbrances:

Payments of prior year's encumbrances for good received prior to August 31, are reflected as expenditures during the current fiscal year.

**Black Hawk College
Illinois Community College District #503**

Background Information on State Grant Activity

Unrestricted Grants

Base Operating Grants: General operating funds provided to colleges upon credit enrollment with a small portion of the allocation based upon gross square footage of space at the College.

Small College Grants: Funds provided to colleges with full-time equivalent enrollments of less than 2,500 students. Intended to help small colleges pay for some of the “fixed costs” of operating a smaller institution.

Equalization Grants: Grants provided to institutions with less than the statewide average local tax dollars available per full-time equivalent student.

Restricted Grants/Special Initiatives

Workforce Development Grant - Business/Industry Services – Provides funding for a business/industry center at every college to provide a variety of employment training and business services outside of the classroom.

Career and Technical Education – Program Improvement and Innovation Grants – Grant funding recognizes that keeping career and technical programs current and reflective of the highest quality practices in the workplace is necessary to prepare students to be successful in their chosen careers and to provide employers with the well-trained workforce they require. The grant funds are dedicated to enhancing instruction and academic support activities to strengthen and improve career and technical programs and services.

Early School Leaver - Provides funding for high school dropouts between the ages of 16 and 21 who want to complete the secondary level of education and participate in work-site learning experiences related to career choices. Only those youth who demonstrate a willingness to meet both goals and who are able to benefit from such a program are selected.

**Black Hawk College
Illinois Community College District #503**

Background Information on State Grant Activity

Statewide Initiatives

Special Incentive Grants: A new request to provide flexible funding for unique initiatives needed in the community college system. The grants will be awarded on a Request for Proposal basis and will focus on higher education priorities such as accessibility, affordability, productivity, partnerships, quality, and responsiveness. In addition, a significant proportion of the dollars available will focus on improving the availability of qualified information technology employees in the State of Illinois.

Lincoln's Challenge Grants: Funding for a military style boot camp for at-risk teenagers who have not completed high school. After successfully completing the program, students are eligible to receive a scholarship to attend a community college.

Other Grants: These other grants are additional contractual grants provided for special or specific system-related initiatives. These grants are supported by signed contracts between the College and the State of Illinois. A brief description of each grant should be included in this section. A description of the grants supported by grant agreements may be found in the appendix of the grant agreement governing these grants.

Restricted Adult Education Grants/State

State Basic: Grant awarded to Adult Education and Family Literacy providers to establish special classes for the instruction of persons of age 21 and over or persons under the age of 21 and not otherwise in attendance in public school for the purpose of providing adults in the community, and other instruction as may be necessary to increase their qualifications for employment or other means of self-support and their ability to meet their responsibilities as citizens including courses of instruction regularly accepted for graduation from elementary or high schools and for Americanization and General Education Development Review classes. Included in this grant are funds for support services, such as student transportation and childcare facilities or provision.

Public Assistance: Grant awarded to Adult Education and Family Literacy providers to pay for any fees, books, and materials incurred in the program for students who are identified as recipients of public assistance.

Performance: Grant awarded to Adult Education and Family Literacy providers based on performance outcomes.

**Black Hawk College
Illinois Community College District #503**

**Schedule of Findings and Questioned Costs for Certain State Grants Summary
Year Ended June 30, 2009**

None

**Black Hawk College
Illinois Community College District #503**

**Summary Schedule of Prior Year Findings and Questioned Costs for Certain State Grants
Year Ended June 30, 2009**

Comment - We noted instances where the College was unable to locate midterm reports so an accurate count of students in attendance at midterm was not available.

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**Independent Auditor's Report
On the Schedule of Enrollment Data and
Other Bases Upon Which Claims are Filed
And Reconciliation of Semester Credit Hours**

To the Board of Trustees
Black Hawk College
Illinois Community College District #503
Moline, Illinois

We have audited the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed and Reconciliation of Semester Credit Hours of Black Hawk College, Illinois Community College District #503 for the year ended June 30, 2009. These schedules are the responsibility of the College's Management. Our responsibility is to express an opinion on the schedule based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the guidelines of the Illinois Community College Board's Fiscal Management Manual. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedules are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the schedules including auditing procedures prescribed by the Fiscal Management Manual for verification of the student enrollments and other bases upon which claims were filed with the Illinois Community College Board. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed and Reconciliation of Semester Credit Hours presents fairly, in all material respects, the student enrollment and other bases upon which claims are filed and the reconciliation of semester credit hours of Black Hawk College, Illinois Community College District #503 for the year ended June 30, 2009, in conformity with the regulations of the Illinois Community College Board.

Lindgren Callihan, Van Osdol & Co., Att.

Freeport, Illinois
September 21, 2009

**Black Hawk College
Illinois Community College District #503**

Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed for the Year Ended June 30, 2009

Categories	Total Semester Credit Hours by Term (In-District and Out of District Reimbursable)							
	Summer		Fall		Spring		(Note 3) Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Notes 1 and 2								
Baccalaureate	5,096.0	-	27,965.6	-	27,596.6	-	60,658.2	-
Business Occupational	246.7	2.0	2,643.5	-	2,864.4	-	5,754.6	2.0
Technical Occupational	1,406.4	-	7,731.0	-	6,782.7	-	15,920.1	-
Health Occupational	506.1	-	4,439.5	-	5,174.0	-	10,119.6	-
Remedial Developmental	536.0	-	5,084.0	-	3,598.0	-	9,218.0	-
Adult Basic/Secondary Education	2,558.8	181.0	223.0	9,430.4	8,199.6	2,505.2	10,981.4	12,116.6
Total	10,350.0	183.0	48,086.6	9,430.4	54,215.3	2,505.2	112,651.9	12,118.6

Note 1) Unrestricted credit hours are supported with 50% or more of unrestricted sources of funding and are reimbursable if they meet all eligibility requirements.
 Note 2) Restricted credit hours are supported with more than 50% of restricted sources of funding
 Note 3) Total of unrestricted and restricted should equal the S-3 record totals.

	Attending In-District	Attending Out-of-District on Chargeback or a Cooperative/Contractual Agreement	Total
Semester Credit Hours	119,007.1	95.0	119,102.1
	Dual Credit	Dual Enrollment	
Reimbursable Semester Credit Hours (All terms)	4,407.5	194.5	
District Prior Year Equalized Assessed Valuation			3,330,441,678

The District Has No Correctional Semester Credit Hours This Year.

Approved: R. Gene Gardner
 Chief Executive Officer

Approved: Leslie J. Anderson
 Chief Financial Officer

**Black Hawk College
Illinois Community College District #503**

Reconciliation of Total Semester Credit Hours for the Year Ended June 30, 2009

Categories	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	60,658.2	60,658.2	-	-	-	-
Business Occupational	5,754.6	5,754.6	-	2.0	2.0	-
Technical Occupational	15,920.1	15,920.1	-	-	-	-
Health Occupational	10,119.6	10,119.6	-	-	-	-
Remedial Developmental	9,218.0	9,218.0	-	-	-	-
Adult Basic/Secondary Ed.	10,981.4	10,981.4	-	12,116.6	12,116.6	-
Total	112,651.9	112,651.9	-	12,118.6	12,118.6	-

Reconciliation of In-District/Chargeback and Cooperative/Contractual Agreement Credit Hours

	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB (Unrestricted and Restricted)	Difference
In-District Resident	119,007.1	119,007.1	-
Out-of-District on Chargeback or Contractual Agreement	95.0	95.0	-
Dual Credit	4,407.5	4,407.5	-
Dual Enrollment	194.5	194.5	-

The District Has No Correctional Semester Credit Hours This Year.

SUMMARY OF STUDENT RESIDENCY VERIFICATION PROCESS

Residence is defined in the College catalog as the place where the student lives and which is the student's true home. Residency is determined at the time of application for admission. Students who change their residency after applying must verify their residency. Proof of residency is verified by any of the following:

1. An Illinois driver's license and/or vehicle registration
2. A voter registration card
3. Payment of property taxes in the Black Hawk College District #503
4. Full-time employment in Black Hawk College District #503
5. Other documents that are not self serving

The residency of the student determines tuition rates assessed. Tuition rates assessed for students considered in-district are lower than tuition rates for those students who are considered out-of-district.

Copies of the proof and certification of residency forms are kept on file and residency compliance is periodically audited by the Office of Institutional Planning and Effectiveness. It is the student's responsibility to provide proof of residency and maintain compliance with the residency requirements of the College.

**Black Hawk College
Illinois Community College District #503**

**Summary of Assessed Valuations
Most Recent Three Years**

Tax Levy Year	Equalized Assessed Valuation
2008	\$ 3,330,441,678
2007	3,229,766,461
2006	3,071,201,593

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Federal Financial Compliance Section

**Black Hawk College
Illinois Community College District #503**

**Schedule of Expenditures of Federal Award
Year Ended June 30, 2009**

Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education:			
Direct programs:			
Student financial aid – cluster:			
Federal PELL Grant Program	84.063		\$5,050,909
Federal Academic Competitiveness Grant	84.063		61,000
Federal Supplemental Educational Opportunity Grants	84.007		128,439
Federal Family Education Loans	84.032		1,926,639
Federal Work-Study Program	84.033		<u>129,472</u>
Total student financial aid			<u>7,296,459</u>
TRIO-Student Support Services (01)	84.042	P042A060709	42,304
TRIO-Student Support Services (02)	84.042	P042A060709	279,745
Total direct programs			<u>\$7,618,508</u>
Pass-through programs from:			
Adult Education State Grant Program (Federal Basic)	84.002A	2009-50301	294,211
Adult Education State Grant Program (EL Civics)	84.002A	2009-50301	45,187
Vocational Education (FY08 Perkins)	84.048	CTE50308	100
Vocational Education (FY09 Perkins)	84.048	CTE50309	450,995
Vocational Education (Perkins Innovation Grant/Strand III)	84.048	CTEL09503	9,584
Vocational Education (08 BHC Sauk CTE Reg. Collaboration)	84.048	RC5-503	2,200
Total pass-through programs from Illinois Community College Board			<u>802,277</u>
IL Center for Specialized Prof. Support - Illinois State University: Vocational Education (Perkins New Look Project)	84.048	RSP#08D263.04	<u>1,000</u>
Total U.S. Department of Education			<u>\$8,421,785</u>
U.S. Veterans' Administration	64.116		28,809
National Science Foundation	47.076	0802249	42,025

**Black Hawk College
Illinois Community College District #503**

**Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2009**

Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S Department of Defense			
Pass-through programs from:			
Illinois Department of Commerce and Economic Opportunity, Procurement Technical Assistance Center	12.002	07-601119	15,913
Procurement Technical Assistance Center	12.002	08-611119	<u>50,850</u>
			66,763
Small Business Administration:			
Pass-through programs from:			
Illinois Department of Commerce and Economic Opportunity, Small Business Development Center/ITC	59.037	08-561119	80,724
Illinois Department of Commerce and Community Affairs, Small Business Development Center/ITC	59.037	09-181119	<u>68,045</u>
			<u>148,769</u>
U.S. Department of Labor:			
Pass-through programs from:			
State of Illinois Department of Employment WIA – Employment Advancement	17.259		2,330
WIA – Hire Expectations	17.259	07Y-BHC TEAM	77,797
Illinois Community College Board WIA – Local Foods Agricultural Program	17.267	LFAP503	15,650
Eastern Iowa Community College District WIA – Joined by a River: Logistics Programming in the QC	17.269	CB-15932-07-60-1-A-19	<u>138,213</u>
			<u>233,990</u>
Total expenditures of federal awards			<u>\$8,942,141</u>

See Note to Schedule of Expenditures of Federal Awards.

**Black Hawk College
Illinois Community College District #503**

**Note to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2009**

Note 1) Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Black Hawk College and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



**Independent Auditor's Report
on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

To the Board of Trustees
Black Hawk College
Illinois Community College District #503
Moline, Illinois

We have audited the financial statements of Black Hawk College, Illinois Community College District #503 (College) as of and for the year ended June 30, 2009 and have issued our report thereon dated September 21, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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*.

This report is intended solely for the information and use of the Board of Trustees, management of the College and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sindgen, Callihan, Van Orsdol & Co., P.C.

Freeport, Illinois
September 21, 2009

**Black Hawk College
Illinois Community College District #503**

**Schedule of Findings and Questioned Costs
June 30, 2009**

Comment	Corrective Action or Other Explanation
None	



**Independent Auditor's Report
On Compliance with Requirements Applicable to
Each Major Program and Internal Control over
Compliance in Accordance with OMB Circular A-133**

To the Board of Trustees
Black Hawk College
Illinois Community College District #503
Moline, Illinois

Compliance

We have audited the compliance of Black Hawk College, Illinois Community College District #503 (College) with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the College's compliance with those requirements.

In our opinion, the College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Trustees, management of the College and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Freeport, Illinois
September 21, 2009

**Black Hawk College
Illinois Community College District #503**

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2009**

I. Summary of Independent Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

* Material weakness identified? Yes X No

* Significant deficiency identified that is not considered to be a material weakness Yes X No

Noncompliance material to financial statements noted? Yes X No

Federal Awards:

Internal control over major programs:

• Material weakness identified? Yes X No

• Significant deficiency identified that is not considered to be a material weakness Yes X None reported

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

• Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes X No

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.007	Federal Supplemental Educational Opportunity Grant
84.032	Federal Family Education Loans
84.033	Federal Work-Study Program
84.063	Federal PELL Grant Program
84.042	TRIO-Student Support Services

Dollar threshold used to distinguish between type A and type B programs \$300,000

Auditee qualified as low risk auditee? X Yes No

**Black Hawk College
Illinois Community College District #503**

**Schedule of Findings and Questioned Costs
Year Ending June 30, 2009**

II. Findings Relating to the Basic Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

A. Significant Deficiencies in Internal Control

The audit disclosed no matters involving internal control over financial reporting and its operations that are considered to be material weaknesses.

B. Compliance Findings

The audit disclosed no instances of noncompliance which are material to the basic financial statements of Black Hawk College as of and for the year ended June 30, 2009.

III. Findings and Questioned Costs for Federal Awards

A. Significant Deficiencies in Administering Federal Awards

None

B. Compliance Findings

None

**Black Hawk College
Illinois Community College District #503**

**Corrective Action Plan
Year Ending June 30, 2009**

N/A

**Black Hawk College
Illinois Community College District #503**

**Summary Schedule of Prior Audit Findings
June 30, 2009**

Comment	Status	Corrective Action or Other Explanation
None		

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Management Information

Black Hawk College
Illinois Community College District #503

Combining Balance Sheet
June 30, 2009

Assets	Education Fund	Operations & Maintenance Fund	Auxiliary Enterprises Fund	Restricted Purposes Funds	Audit Fund
Cash and cash equivalents	\$ 4,708,194	\$ 30	\$ 2,025	\$ -	\$ 108,074
Receivables, net of allowance for uncollectibles:					
Property Taxes	3,496,224	2,042,854	-	-	57,241
Federal government claims	-	-	-	496,325	-
State government claims	3,814,142	338,365	-	540,656	-
Student tuition and fees	6,800	-	13,507	-	-
Other	220,726	85	226,809	93,825	-
Due from other funds	1,858,341	19,476	951	211,401	-
Inventory	-	-	429,364	-	-
Prepaid expenses	288,973	-	-	40,025	-
Capital assets:					
Land	-	-	-	-	-
Construction in process	-	-	-	-	-
Building, improvements and equipment net of \$21,131,115 depreciation	-	-	-	-	-
Total assets	<u>\$ 14,393,400</u>	<u>\$ 2,400,810</u>	<u>\$ 672,656</u>	<u>\$ 1,382,232</u>	<u>\$ 165,315</u>
Liabilities and Fund Balance					
Accounts payable	\$ 133,887	\$ 76,035	\$ 8,268	\$ 126,278	\$ -
Accrued expenses					
Payroll	775,913	15,501	8,695	45,470	-
Early retirement	151,565	-	-	-	-
Accrued vacation	735,566	70,338	36,893	-	-
Other	2,072	144	563	5,422	-
Due to other funds	211,309	577,084	675,384	722,445	-
Deferred revenue					
Property taxes	2,637,422	1,541,054	-	-	43,183
Student tuition and fees	1,120,241	-	17,276	196,709	-
Other	14,970	-	-	148,844	-
Other liabilities	13,112	20,031	-	-	-
Bonds payable	-	-	-	-	-
Leases payable	-	-	-	-	-
Total liabilities	<u>5,796,057</u>	<u>2,300,187</u>	<u>747,079</u>	<u>1,245,168</u>	<u>43,183</u>
Fund balance					
Restricted	-	-	-	137,064	122,132
Unrestricted	8,597,343	100,623	(74,423)	-	-
Total fund balance	<u>8,597,343</u>	<u>100,623</u>	<u>(74,423)</u>	<u>137,064</u>	<u>122,132</u>
Total liabilities and fund balance	<u>\$ 14,393,400</u>	<u>\$ 2,400,810</u>	<u>\$ 672,656</u>	<u>\$ 1,382,232</u>	<u>\$ 165,315</u>

See Note to Supplemental Information.

Liability, Protection, and Settlement Fund	Working Cash Fund	Bond & Interest Fund	Operations & Maintenance Restricted	Investment in Plant Fund	General Long Term Debt Fund	Total
\$ 865,149	\$ 11,819,984	\$ 1,858,005	\$ 6,076,703	\$ -	\$ -	\$ 25,438,164
1,466,227	-	3,628,141	1,100,770	-	-	11,791,457
-	-	-	-	-	-	496,325
-	-	-	-	-	-	4,693,163
-	-	-	-	-	-	20,307
-	-	-	-	-	-	541,445
156,196	-	-	5,769	-	-	2,252,134
-	-	-	-	-	-	429,364
-	-	-	-	-	-	328,998
-	-	-	-	4,725,955	-	4,725,955
-	-	-	-	807,365	-	807,365
-	-	-	-	24,568,862	-	24,568,862
<u>\$ 2,487,572</u>	<u>\$ 11,819,984</u>	<u>\$ 5,486,146</u>	<u>\$ 7,183,242</u>	<u>\$ 30,102,182</u>	<u>\$ -</u>	<u>\$ 76,093,539</u>
\$ 17,284	\$ -	\$ -	\$ 433,473	\$ -	\$ -	\$ 795,225
3,936	-	-	-	-	-	849,515
-	-	-	-	-	-	151,565
44,185	-	-	-	-	-	886,982
22,685	-	47,028	24,004	-	-	101,918
65,912	-	-	-	-	-	2,252,134
1,106,068	-	2,736,936	830,380	-	-	8,895,043
-	-	-	-	-	-	1,334,226
-	-	-	65,819	-	-	229,633
-	-	-	-	-	-	33,143
-	-	-	-	-	12,210,000	12,210,000
-	-	-	-	-	-	-
<u>1,260,070</u>	<u>-</u>	<u>2,783,964</u>	<u>1,353,676</u>	<u>-</u>	<u>12,210,000</u>	<u>27,739,384</u>
1,227,502	10,194,190	2,702,182	5,829,566	-	-	20,212,636
-	1,625,794	-	-	30,102,182	(12,210,000)	28,141,519
<u>1,227,502</u>	<u>11,819,984</u>	<u>2,702,182</u>	<u>5,829,566</u>	<u>30,102,182</u>	<u>(12,210,000)</u>	<u>48,354,155</u>
<u>\$ 2,487,572</u>	<u>\$ 11,819,984</u>	<u>\$ 5,486,146</u>	<u>\$ 7,183,242</u>	<u>\$ 30,102,182</u>	<u>\$ -</u>	<u>\$ 76,093,539</u>

Black Hawk College
Illinois Community College District #503

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2009

	Education Fund	Operations and Maintenance Fund	Auxiliary Fund	Restricted Funds	Audit Fund
Revenues:					
Local governmental sources					
Property taxes	\$ 5,221,182	\$ 3,039,078	\$ -	\$ -	\$ 84,995
Personal Property Replacement Tax	1,228,648	136,516	-	-	-
Other	-	-	-	6,901	-
Total local government sources	6,449,830	3,175,594	-	6,901	84,995
State governmental sources	7,820,357	650,808	-	3,182,614	-
Federal governmental sources	35,345	-	-	7,015,502	-
Student tuition and fees	12,024,189	86,552	223,563	393,211	-
Sales, services and rental of facilities and equipment	585,339	66,182	2,946,599	147,494	-
Investment earnings	240,985	-	-	10,495	-
Other sources	55,136	26,895	85,313	1,273,758	-
Additions to buildings and equipment, current funds	-	-	-	-	-
Payment of long-term debt	-	-	-	-	-
SURS contribution provided by state	-	-	-	2,415,018	-
Total revenues	27,211,181	4,006,031	3,255,475	14,444,993	84,995
Expenditures:					
Instruction	12,493,716	-	-	679,463	-
Academic support	3,096,199	-	-	1,324,553	-
Student services	2,157,344	-	-	865,479	-
Public services	583,035	-	-	1,771,236	-
Institutional support	4,984,074	-	-	41,611	60,420
Auxiliary services	-	-	3,197,627	106,328	-
Scholarships, student grants, and waivers	2,806,458	-	-	7,312,149	-
SURS contribution provided by state	-	-	-	2,415,018	-
Depreciation	-	-	-	-	-
Loss on disposal of assets	-	-	-	-	-
Operation of physical facilities	-	3,591,812	-	35,571	-
Total expenditures	26,120,826	3,591,812	3,197,627	14,551,408	60,420
Excess (deficiency) of revenues over expenditures	1,090,355	414,219	57,848	(106,415)	24,575
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-
Operating transfers in	1,782,941	-	-	-	-
Operating transfers out	-	-	-	(1,782,941)	-
Total other financing sources (uses)	1,782,941	-	-	(1,782,941)	-
Excess (deficiency) of revenues and other financing resources over expenditures and other financing uses	2,873,296	414,219	57,848	(1,889,356)	24,575
Fund balance					
Beginning	5,724,047	(313,596)	(132,271)	2,026,420	97,557
Ending	\$ 8,597,343	\$ 100,623	\$ (74,423)	\$ 137,064	\$ 122,132

See Note to Supplemental Information.

Liability, Protection, and Settlement Fund	Working Cash Fund	Bond & Interest Fund	Operations & Maintenance Restricted	Investment in Plant Fund	General Long Term Debt Fund	Total
\$ 2,306,022	\$ -	\$ 4,707,582	\$ 1,634,464	\$ -	\$ -	\$ 16,993,323
-	-	-	-	-	-	1,365,164
-	-	-	-	-	-	6,901
2,306,022	-	4,707,582	1,634,464	-	-	18,365,388
-	-	-	0	-	-	11,653,779
-	-	-	-	-	-	7,050,847
-	-	-	-	-	-	12,727,515
-	-	-	-	-	-	3,745,614
-	406,004	40,115	229,845	-	-	927,444
-	-	-	-	-	-	1,441,102
-	-	-	-	2,089,776	-	2,089,776
-	-	-	-	-	3,194,560	3,194,560
-	-	-	-	-	-	2,415,018
2,306,022	406,004	4,747,697	1,864,309	2,089,776	3,194,560	63,611,043
-	-	-	-	-	-	13,173,179
-	-	-	-	-	-	4,420,752
-	-	-	-	-	-	3,022,823
-	-	-	-	-	-	2,354,271
1,190,072	-	3,810,784	1,509,786	-	-	11,596,747
-	-	-	-	-	-	3,303,955
-	-	-	-	-	-	10,118,607
-	-	-	-	-	-	2,415,018
-	-	-	-	1,788,953	-	1,788,953
-	-	-	-	7,409	-	7,409
717,806	-	-	1,618,640	-	-	5,963,829
1,907,878	-	3,810,784	3,128,426	1,796,362	-	58,165,543
398,144	406,004	936,913	(1,264,117)	293,414	3,194,560	5,445,500
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,782,941
-	-	-	-	-	-	(1,782,941)
-	-	-	-	-	-	-
398,144	406,004	936,913	(1,264,117)	293,414	3,194,560	5,445,500
829,358	11,413,980	1,765,269	7,093,683	29,808,768	(15,404,560)	42,908,655
\$ 1,227,502	\$ 11,819,984	\$ 2,702,182	\$ 5,829,566	\$ 30,102,182	\$ (12,210,000)	\$ 48,354,155

Black Hawk College
Illinois Community College District #503

**Reconciliation of the Combining Balance Sheet
to the Statement of Net Assets**

Fund Balances - All Fund Types	\$ 48,354,155
50% of the 2008 tax levy recognized in FY 2009	<u>8,895,043</u>
Long-term portion of early retirement liability	<u>(1,307,193)</u>
Net Assets of Statement of Net Assets	<u><u>\$ 55,942,005</u></u>

**Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Statement of Revenues, Expenses, and Changes in Net Assets**

Net Increase in Fund Balances	\$ 5,445,500
Reduction in student tuition and fees	(6,661,733)
Reduction in financial aid	<u>6,661,733</u>
Net Effect	<u>-</u>
Additions to buildings and equipment, current funds	2,089,776
Expended for capital assets	<u>(2,089,776)</u>
Net Effect	<u>-</u>
Long-term debt issued	-
Long-term debt retired	3,194,560
Additions to general long-term debt fund	<u>(3,194,560)</u>
Net Effect	<u>-</u>
Reduction in long-term early retirement liability	<u>382,718</u>
50% of the 2008 tax levy recognized in FY 2009	8,895,043
50% of the 2007 tax levy recognized in FY 2008	<u>(8,071,830)</u>
Net Effect	<u>823,213</u>
Summer 2008 revenue recognized in FY 2008	(223,505)
Summer 2008 expense recognized in FY 2008	<u>66,605</u>
Net Effect	<u>(156,900)</u>
Change in Net Assets	<u><u>\$ 6,494,531</u></u>

This schedule is supplemental information and is maintained for management purposes only.

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - General Fund
Year ended June 30, 2009

	Education Fund Budget	Education Fund Actual	Actual Over (Under) Budget	Operations & Maintenance Fund Budget	Operations & Maintenance Fund Actual	Actual Over (Under) Budget
Revenues:						
Local governmental sources						
Property taxes	\$ 5,319,788	\$ 5,221,182	\$ (98,606)	\$ 3,108,382	\$ 3,039,078	\$ (69,304)
Personal property taxes	-	1,228,648	\$ 1,228,648	-	136,516	136,516
Other	-	-	-	-	-	-
Total local government sources	<u>5,319,788</u>	<u>6,449,830</u>	<u>1,130,042</u>	<u>3,108,382</u>	<u>3,175,594</u>	<u>67,212</u>
State governmental sources	9,231,597	7,820,357	(1,411,240)	799,736	650,808	(148,928)
Federal governmental sources	33,000	35,345	2,345	-	-	-
Student tuition and fees	12,257,894	12,024,189	(233,705)	95,000	86,552	(8,448)
Sales, services and rental of facilities and equip	654,268	585,339	(68,929)	130,000	66,182	(63,818)
Investment earnings	186,000	240,985	54,985	2,000	-	(2,000)
Other sources	408,600	55,136	(353,464)	275,700	26,895	(248,805)
Total revenues	<u>28,091,147</u>	<u>27,211,181</u>	<u>(879,966)</u>	<u>4,410,818</u>	<u>4,006,031</u>	<u>(404,787)</u>
Expenditures:						
Current						
Instruction	13,821,362	12,493,716	(1,327,646)	-	-	-
Academic support	3,248,972	3,096,199	(152,773)	-	-	-
Student services	2,264,532	2,157,344	(107,188)	-	-	-
Public services	645,548	583,035	(62,513)	-	-	-
Institutional support	5,708,749	4,984,074	(724,675)	-	-	-
Auxiliary services	-	-	-	-	-	-
Scholarships, student grants, and waivers	2,660,691	2,806,458	145,767	-	-	-
Operation of physical facilities	-	-	-	4,152,111	3,591,812	(560,299)
Total expenditures	<u>28,349,854</u>	<u>26,120,826</u>	<u>(2,229,028)</u>	<u>4,152,111</u>	<u>3,591,812</u>	<u>(560,299)</u>
Excess (deficiency) of revenues over expenditures	<u>(258,707)</u>	<u>1,090,355</u>	<u>1,349,062</u>	<u>258,707</u>	<u>414,219</u>	<u>155,512</u>
Other financing sources (uses):						
Operating transfers in	2,000,000	1,782,941	(217,059)	-	-	-
Operating transfers out	-	-	-	-	-	-
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,000,000</u>	<u>1,782,941</u>	<u>(217,059)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing resources over expenditures and other financing uses	<u>\$ 1,741,293</u>	<u>2,873,296</u>	<u>\$ 1,132,003</u>	<u>\$ 258,707</u>	<u>414,219</u>	<u>\$ 155,512</u>
Fund balance						
Beginning		<u>\$ 5,724,047</u>			<u>\$ (313,596)</u>	
Ending		<u>\$ 8,597,343</u>			<u>\$ 100,623</u>	

**Black Hawk College
Illinois Community College District #503**

**Statement of Budgetary Comparison - Major Special Revenue Funds
Year ended June 30, 2009**

	Restricted Purposes Funds Budget	Restricted Purposes Funds Actual	Actual Over (Under) Budget	Liability, Protection, and Settlement Fund Budget	Liability, Protection, and Settlement Fund Actual	Actual Over (Under) Budget
Revenues:						
Local governmental sources						
Property taxes	\$ -	\$ -	\$ -	\$ 2,400,950	\$ 2,306,022	\$ (94,928)
Tuition chargeback	-	-	-	-	-	-
Other	-	6,901	6,901	-	-	-
Total local government sources	-	6,901	6,901	2,400,950	2,306,022	(94,928)
State governmental sources	5,404,269	3,182,614	(2,221,655)	-	-	-
Federal governmental sources	8,982,583	7,015,502	(1,967,081)	-	-	-
Student tuition and fees	409,500	393,211	(16,289)	-	-	-
Sales, services and rental of facilities and equip	-	147,494	147,494	-	-	-
Investment earnings	-	10,495	10,495	-	-	-
Other sources	1,845,000	1,273,758	(571,242)	-	-	-
Total revenues	16,641,352	12,029,975	(4,611,377)	2,400,950	2,306,022	(94,928)
Expenditures:						
Current						
Instruction	612,470	679,463	66,993	-	-	-
Academic support	2,749,267	1,324,553	(1,424,714)	-	-	-
Student services	2,571,267	865,479	(1,705,788)	-	-	-
Public services	3,705,533	1,771,236	(1,934,297)	-	-	-
Institutional support	74,478	41,611	(32,867)	1,629,576	1,190,072	(439,504)
Auxiliary services	4,597	106,328	101,731	-	-	-
Scholarships, student grants, and waivers	6,896,155	7,312,149	415,994	-	-	-
Operation of physical facilities	27,585	35,571	7,986	703,755	717,806	14,051
Total expenditures	16,641,352	12,136,390	(4,504,962)	2,333,331	1,907,878	(425,453)
Excess (deficiency) of revenues over expenditures	-	(106,415)	(106,415)	67,619	398,144	330,525
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	(1,600,000)	(1,782,941)	(182,941)	-	-	-
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Total other financing sources (uses)	(1,600,000)	(1,782,941)	(182,941)	-	-	-
Excess (deficiency) of revenues and other financing resources over expenditures and other financing uses	<u>\$(1,600,000)</u>	<u>(1,889,356)</u>	<u>\$(289,356)</u>	<u>\$ 67,619</u>	<u>398,144</u>	<u>\$ 330,525</u>
Fund balance						
Beginning		<u>\$ 2,026,420</u>			<u>\$ 829,358</u>	
Ending		<u>\$ 137,064</u>			<u>\$ 1,227,502</u>	

Bond & Interest Fund Budget	Bond & Interest Fund Actual	Actual Over (Under) Budget	Operations & Maintenance, Restricted Budget	Operations & Maintenance, Restricted Actual	Actual Over (Under) Budget	Working Cash Fund Budget	Working Cash Fund Actual	Actual Over (Under) Budget
\$ 5,490,016	\$ 4,707,582	\$ (782,434)	\$ 1,605,600	\$ 1,634,464	\$ 28,864	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>5,490,016</u>	<u>4,707,582</u>	<u>(782,434)</u>	<u>1,605,600</u>	<u>1,634,464</u>	<u>28,864</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
-	40,115	40,115	-	229,845	229,845	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	400,000	406,004	6,004
-	-	-	1,000,000	-	(1,000,000)	-	-	-
<u>5,490,016</u>	<u>4,747,697</u>	<u>(742,319)</u>	<u>2,605,600</u>	<u>1,864,309</u>	<u>(741,291)</u>	<u>400,000</u>	<u>406,004</u>	<u>6,004</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
5,490,016	3,810,784	(1,679,232)	860,000	1,509,786	649,786	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	2,605,600	1,618,640	(986,960)	-	-	-
<u>5,490,016</u>	<u>3,810,784</u>	<u>(1,679,232)</u>	<u>3,465,600</u>	<u>3,128,426</u>	<u>(337,174)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	936,913	936,913	(860,000)	(1,264,117)	(404,117)	400,000	406,004	6,004
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(400,000)	-	400,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(400,000)	-	400,000
<u>\$ -</u>	<u>936,913</u>	<u>\$ 936,913</u>	<u>\$ (860,000)</u>	<u>(1,264,117)</u>	<u>\$ (404,117)</u>	<u>\$ -</u>	<u>406,004</u>	<u>\$ 406,004</u>
	<u>\$ 1,765,269</u>			<u>\$ 7,093,683</u>			<u>\$ 11,413,980</u>	
	<u>\$ 2,702,182</u>			<u>\$ 5,829,566</u>			<u>\$ 11,819,984</u>	

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Proprietary Fund
Year ended June 30, 2009

	Auxiliary Fund Budget	Auxiliary Fund Actual	Actual Over (Under) Budget
Revenues:			
Local governmental sources			
Property taxes	\$ -	\$ -	\$ -
Tuition chargeback	-	-	-
Other	-	-	-
Total local government sources	-	-	-
State governmental sources	-	-	-
Federal governmental sources	-	-	-
Student tuition and fees	226,000	223,563	(2,437)
Sales, services and rental of facilities and equip	3,159,600	2,946,599	(213,001)
Investment earnings	-	-	-
Other sources	431,650	85,313	(346,337)
Total revenues	3,817,250	3,255,475	(561,775)
Expenditures:			
Current			
Instruction	-	-	-
Academic support	-	-	-
Student services	-	-	-
Public services	-	-	-
Institutional support	-	-	-
Auxiliary services	3,692,520	3,197,627	(494,893)
Scholarships, student grants, and waivers	-	-	-
Operation of physical facilities	-	-	-
Total expenditures	3,692,520	3,197,627	(494,893)
Excess (deficiency) of revenues over expenditures	124,730	57,848	(66,882)
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Bond & Debt Certificate Proceeds	-	-	-
Bond premium (discount)	-	-	-
Total other financing sources (uses)	-	-	-
Excess (deficiency) of revenues and other financing resources over expenditures and other financing uses	\$ 124,730	57,848	\$ (66,882)
Fund balance			
Beginning		\$ (132,271)	
Ending		\$ (74,423)	