

**COMPREHENSIVE**

# **Annual Financial Report**

**FISCAL YEAR ENDED JUNE 30, 2012**



**Illinois Community College District 503  
Quad-Cities Campus      East Campus  
Moline, Illinois          Galva, Illinois**



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**Illinois Community College District 503**  
**6600 34<sup>th</sup> Avenue**  
**Moline, Illinois 61265**  
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# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the  
Fiscal Year Ended June 30, 2012**

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

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Office of the President  
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www.bhc.edu

October 14, 2012

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, 2012, 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 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.

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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, Wipfli LLP. Their report is included as part of this financial presentation.

## **College Profile**

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 220,000. 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 in Galva, Illinois.

The average Fall semester head count is 6,374 from 2004 to 2011. The College experienced a slight decrease in total credit hours in fiscal year 2012 of 1,490.1, which includes both restricted and unrestricted credit hours. This was a decrease of 1.1%; however, the College budgeted a 1.5% increase for the upcoming fiscal year as the local economy continues to rebound and new programs and services are offered.

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. Furthermore, while the district as a whole has not been immune to recent economic forces, property values have remained steady and the district unemployment rate has routinely been below the state and national rates as published by the US Bureau of Labor Statistics.

## **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 strategic priorities have been established to aid in the process of accomplishing both the mission and vision of the College:

- **Learning Excellence** – Provide and support a quality educational experience by which students are motivated to learn and faculty contribute positively to teaching and learning through their strengths in subject matter knowledge and personal interest in the success of all learners.
- **Engaging Learners and the Community** – Black Hawk College will engage learners and the community in lifelong learning.
- **Accountability** – Black Hawk College will achieve performance excellence through an environment of continuous improvement, accountability, and data-informed decision making.
- **Resource Optimization** – Black Hawk College will optimize financial, physical, and technological assets.
- **Networking Employees** – Black Hawk College will attract, develop and retain high-quality employees

## **Major Initiatives**

The College completed its most recent strategic planning process during fiscal year 2011 and developed new strategic priorities and supporting goals for 2011-2014. The following objectives have been developed in order to accomplish the before mentioned strategic priorities:

- Learner Success
- Workforce Development
- Engaged Learning
- Student Engagement
- Community Engagement
- Continuous Improvement
- Academic Analytics
- Financial Stability
- Physical Upgrades
- Technology Infrastructure
- Networking Employees

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
- Continually 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 completed construction of a new Sustainable Technologies building designed to better serve and expand our sustainable energy programs through increased learning opportunities and lab spaces. Additionally, the College has increased outreach efforts to the K-12 schools within our district for the purposes of growing dual credit and dual enrollment programs as well as generating awareness of college readiness requirements. Finally, the College is continuing to review the various completion and performance based funding proposals being discussed at both the state and national level for the purposes of determining potential impact and identifying process/program modifications needed.

## **Local Economy**

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

Tuition and fee revenues accounted for approximately 46% of total operating revenue received in fiscal year 2012. As illustrated in the Statistical section of this document, total credit hours for all categories, which includes both restricted and unrestricted hours, decreased by 1.1% in fiscal year 2012. However, fiscal year 2013 credit hours are budgeted to increase 1.5% as the College looks to expand program offerings as well as improve retention and persistence rates.

State funding, which accounted for approximately 24% of total non-operating revenue received, continues to be problematic for the College as the level of state funding continues to decline and

delays in receipt of allocated funds continue to increase. The College anticipates funding levels will continue to decline in future years primarily due to fluctuations in the allocation of the ICCB Equalization Grant. The average ICCB credit hour reimbursement rate remains markedly lower than rates realized more than a decade ago. Additionally, performance based funding discussions are currently underway in Illinois and the exact impact of funding formula changes is unknown at this time. These funding concerns have prompted the College to raise tuition and fee rates as well as cut spending on certain programs.

Property taxes, which accounted for approximately 44% of total non-operating 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 despite the national economic crisis and subsequent impact on property values.

## **Financial Planning**

The College has taken several steps to offset the negative impact of inadequate state funding and enrollment fluctuations. 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
- Implementation of new programs to strengthen enrollment
- More aggressive curriculum and outreach development

In addition, the College utilizes its Financial Plan, presented to the Board of Trustees, 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. The current financial plan covers fiscal year 2011 through 2013 and focuses on three main objectives:

- Strategic alignment of financial resources
- Proactive and effective cash flow management
- Timely expenditure of bond proceeds and efficient repayment of debt incurred

Enrollment trends and course demand are the most significant influence given the core mission of the institution. Consequently, it is imperative the College focus on strategically aligning financial resources to these demands in an effort to maximize return on investment for students, taxpayers, community members, and other stakeholders. To this end, the College implemented Budgeting for Outcomes through which the College fosters a culture of innovation and partnership, demonstrates performance and accountability, selects priorities based on measurable results, and achieves transparency of all allocations.

The annual budget, adopted as balanced, indicates all resources received are subsequently expended during the same fiscal year in a manner consistent with the mission of the institution. As such, any disruption in the timely receipt of budgeted resources has the potential to adversely influence program and service delivery. As a result, the College must define and acknowledge potential resources and maintain an efficient cash flow strategy for minimizing the impact of delayed or eliminated funding sources.

Finally, the College's capital budgeting process is designed to provide a systematic, repeatable method to identify, prioritize, approve, and fund both capital projects and non-capital fixed assets. In conjunction with this capital budgeting process, the College focuses on ensuring timely expenditure of existing bond proceeds in a manner consistent with statutory requirements and approved purposes. Furthermore, the Board remains committed to effective and efficient management of the property tax levy, which requires the College proactively and effectively manage its debt strategies.

Black Hawk College recognizes the importance of financial transparency and accountability and is committed to maximizing return on investment for students, employees, taxpayers, and the community. The College remains dedicated to balancing the budget annually as well as providing an annual update on the status of the Financial Plan. The current Financial Plan is designed to achieve results and continue to strengthen programs and services offered as well as the financial viability of the institution.

### **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, safeguard the College's assets from theft or misuse, and 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. Internal controls are designed to provide reasonable, but not absolute, assurance these objectives are met. The concept of reasonable assurance recognizes the cost of the control should not exceed the expected benefits and estimates and judgments by management are required for valuation of the costs and benefits. Internal controls are continuously monitored, reviewed and updated to ensure ongoing efficiency and effectiveness.

### **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 unless extenuating circumstances exist. Statements of budgetary comparison are presented in the Management Information section of this document.

### **Fund Balance Policy**

The Board of Trustees adopted a fund balance policy designed to ensure the maintenance of adequate reserves and protect against unanticipated events that would adversely affect the financial condition of the College and jeopardize the continuation of necessary programs and services.

This policy requires the College to maintain an unrestricted General Fund ending fund balance of an amount between seventeen (17) and twenty-five (25) percent of budgeted expenditures in these funds. Additionally, if the ending fund balance falls below the target range, the College is required to replenish the ending fund balance within two (2) years. If the ending fund balance exceeds the target range, the College shall first, allow the President to expend the excess funds on capital expenditures after considering recommendations from the President's Cabinet and

second, review additional investment options that would allow the College to earn a greater rate of return.

As of June 30, 2012 the General Fund ending fund balance is 30.2% of fiscal year 2012 expenditures.

### **Risk Management**

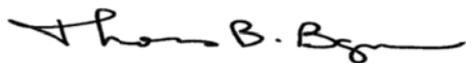
The College is self-insured for its health insurance claims. The claims are administered by an external third party administrator. In addition, the College maintains stop loss coverage of \$125,000 specific and \$5,286,530 aggregate with a major insurance carrier for medical and dental claims that exceed these thresholds. The College also maintains adequate reserves to cover potential losses and the reserves are reviewed regularly to determine appropriateness.

### **Other Information**

- Independent audit State statutes require an annual audit by independent certified public accountants. The accounting firm of Wipfli, LLP was selected by the College to perform the fiscal year 2012 audit. The auditor's report on the financial statements and schedules is unqualified and is included in the financial section of this report.
- Awards The College received the Certificate of Achievement for Excellence in Financial Reporting (CAFR) from the Government Finance Officers Association (GFOA) for the fiscal years 2009, 2010 and 2011. In addition, the College has received the GFOA Distinguished Budget Presentation Award for fiscal years 2009, 2010, 2011, and 2012.
- Acknowledgements We wish to thank the members of the Board of Trustees for their interest and support in conducting District financial operations to the degree of excellence necessary for continuance of operations 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. Thomas B. Baynum  
President



Leslie T. Anderson  
Vice President for Finance



# Illinois Community College District No. 503

## Board of Trustees



**Sonia R. Berg**  
Moline  
*Vice Chair*



**Evelyn L. Phillips**  
Orion  
*Chair*



**David L. Emerick, Jr**  
Rock Island  
*Secretary*



**Kylee Fox**  
Moline  
Student Trustee



**Dorothy W. Beck**  
Rock Island



**Jerry W. Lack**  
East Moline



**John D. McCooley**  
Rock Island



**Donna M. Frye**  
Moline

## Executive Administration



**Dr. Bettie Truitt**  
Interim Vice President of  
Instruction



**Dr. Thomas Baynum**  
President



**Chanda Dowell**  
Vice President  
for East Campus



**Leslie Anderson**  
Vice President  
for Finance



**Michael Phillips**  
Vice President  
for Administration



**Dr. Richard Vallandingham**  
Vice President  
for Student Services and  
Dean of Students

# Black Hawk College District



## Legend

Black Hawk College District

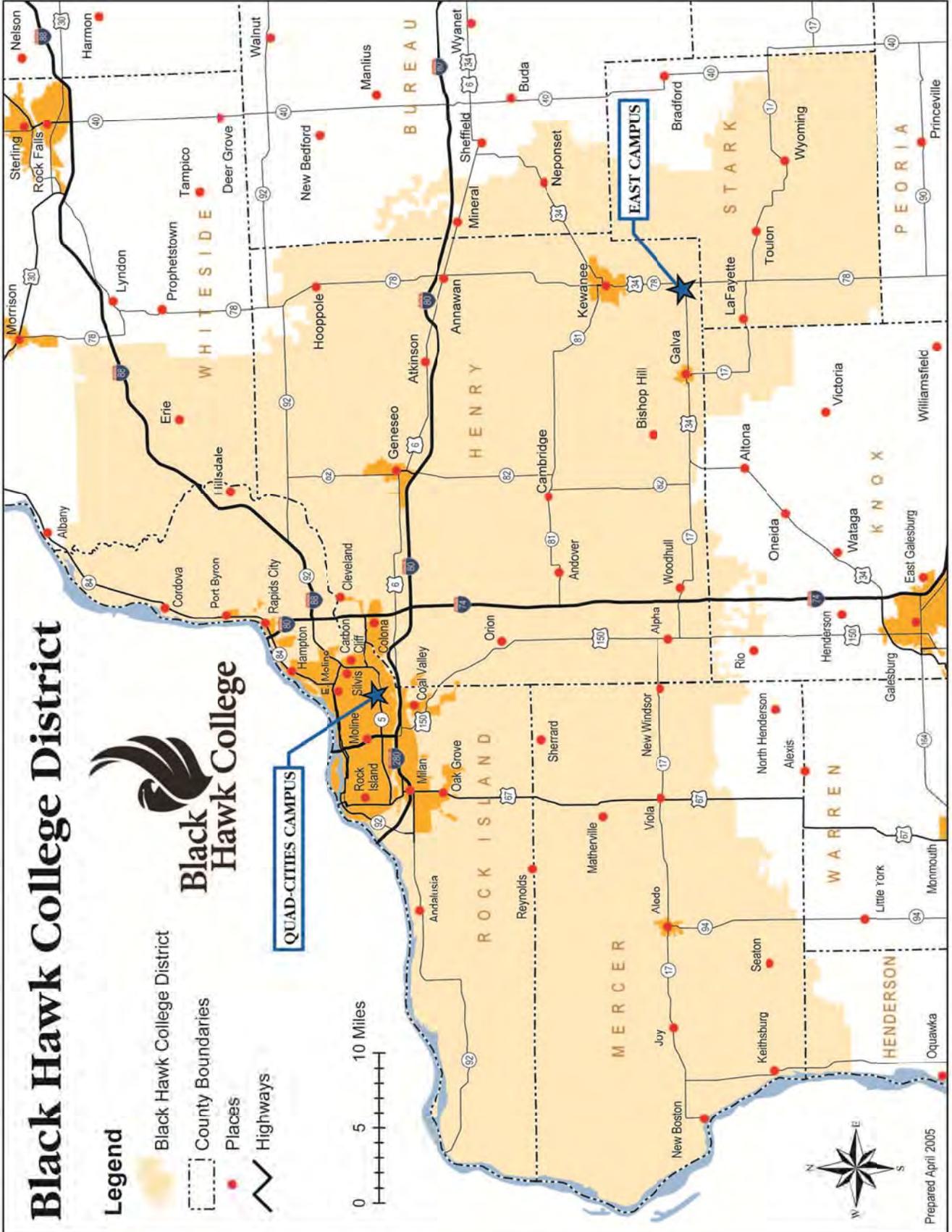
County Boundaries

Places

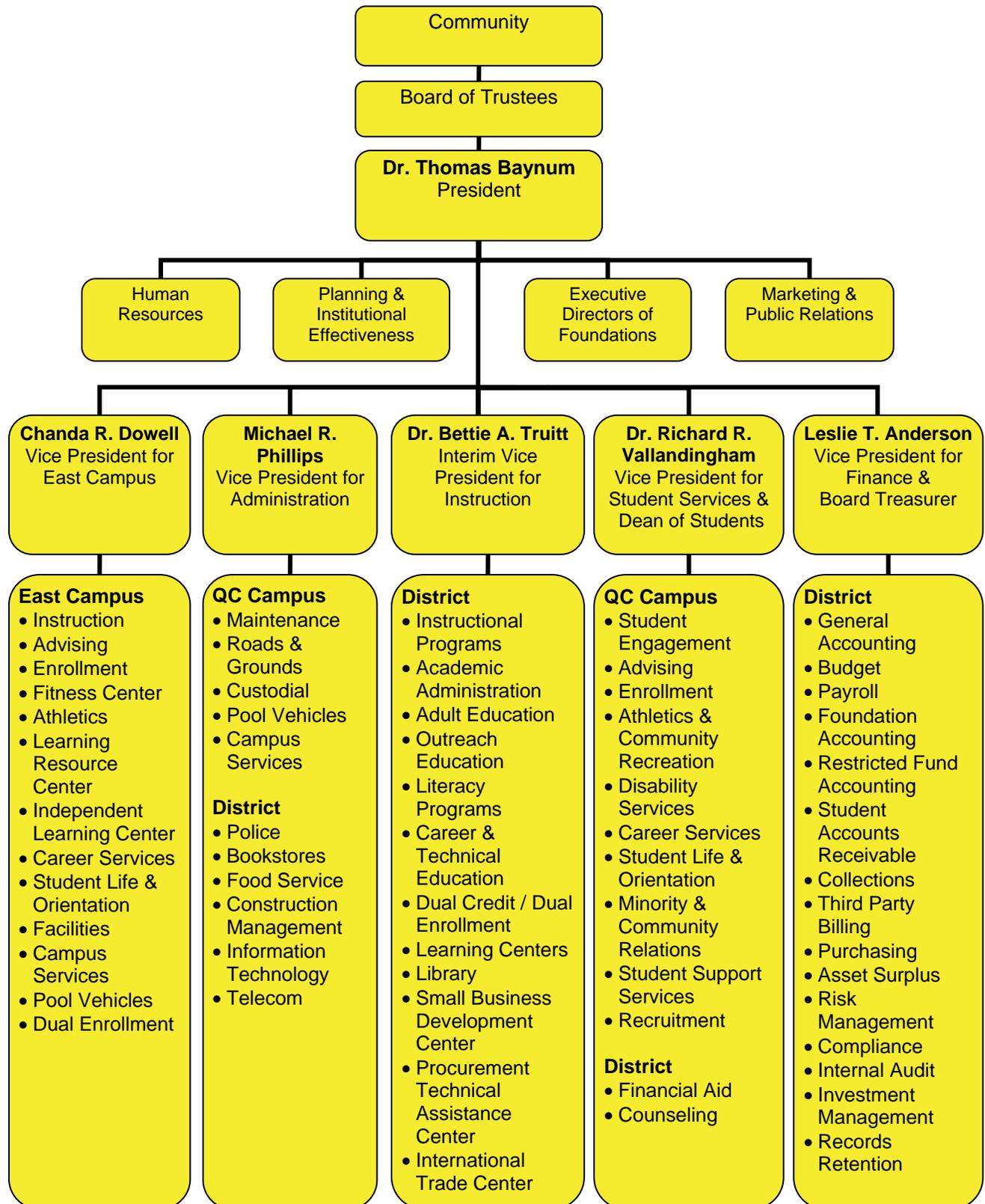
Highways



Prepared April 2005



## Organization Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Black Hawk College  
Illinois Community College  
District 503

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

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



*Linda C. Davidson*

President

*Jeffrey R. Emen*

Executive Director

# 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 the business-type activities and aggregate discretely presented component units of Black Hawk College, Illinois Community College District #503 (College) as of and for the year ended June 30, 2012, which collectively comprise the College's basis financial statements as listed in the table of contents. These 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, 2012, and the results of its operations and, where applicable, 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 October 2, 2012 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the College's basic financial statements as a whole. 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 Management 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Wipfli LLP". The signature is written in black ink and is positioned in the center of the page.

Freeport, Illinois  
October 2, 2012

# **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, 2012 and June 30, 2011. 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 whereby 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. Restrictions, commitments or other limitations may affect the availability of fund resources for future use.

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 tuition, local property taxes, 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, 2012, the College recorded total operating revenues of \$14,467,620 and total operating expenses of \$51,951,420. The difference produced an operating loss of \$37,483,800. Net non-operating revenue of \$43,529,183 offsets this loss and results in an overall increase in net assets of \$6,045,383.

Non-operating revenue included local property taxes of \$19,171,402, state grants and contracts of \$10,578,684, federal grants and contracts of \$10,875,102, and other net miscellaneous revenue of \$2,903,995.

Operating revenue accounted for 25% of the College's total revenue, while non-operating revenues accounted for the other 75% of the College's total revenue. Operating revenue consisted of tuition and fees, net of financial aid allowances, totaling \$6,609,902, sales, services, and rentals of facilities revenues totaling \$2,481,502, and other miscellaneous revenue of \$5,376,216. The payment made by the state, on behalf of the College, to the State University Retirement System (SURS) was \$5,373,730 of the other miscellaneous revenue total. The comparable contribution by the state to SURS for the fiscal year ended June 30, 2011 was \$4,293,814.

Operating expenses accounted for 99% of the College's total expenses, while non-operating expenses accounted for the remaining 1%. Operating expenses consisting of instruction, academic support, student services, public service, financial aid, operations of physical facilities, institutional support and other categories increased 3% in fiscal year 2012.

Overall, the College's financial position remained stable during fiscal year 2012 despite delays in State funding and a slight decrease in enrollment. Enrollment, credit hour, and State funding trend information are provided in the Statistical section of this document. Additionally, overall fiscal year 2012 results compared to budget were favorable before transfers. Details by fund can be found in the Management Information section of this document.

### **Long-Term Debt**

The College did not issue additional long-term debt during fiscal year 2012. The unused legal debt capacity of the College is currently \$84,346,781, which represents 2.875% of the assessed valuation of the College's district less the \$17,740,000 in outstanding debt. See Note 6 regarding Long-Term Liabilities in the Notes to the Financial Statements for further information.

### **Economic Factors**

Unemployment rates, both locally and nationally, have remained elevated over the previous year. Our local economy has suffered from business closures as well as layoffs, although this trend appears to be declining. While unemployment rates within the district vary by county, the district rate appears to be maintaining a level lower than the national rate. Additional information regarding unemployment rate trends can be found in the Statistical section of this document.

Property tax revenue accounts for 33% of total revenue and is a direct result of Equalized Assessed Valuations (EAV) in the district. While many districts have experienced sizable decreases in EAV over the past few years, the Black Hawk College district EAV remains stable as overall property values continue to increase, albeit slightly. Additional information regarding EAV and estimated actual property values within the district can be found in the Statistical section of this document.

The State of Illinois continues to struggle financially and delays in receipt of appropriated funding have grown. The College remains optimistic all monies will eventually be received, but cautious with regards to expenditures and firmly dedicated to maintaining acceptable reserves to minimize disruption. Black Hawk experienced a decrease in both State and Federal funding during fiscal year 2012. \$1.1 million of this decrease is a result of the Illinois Jobs Now! funding accrued for in fiscal year 2011 and \$407,000 in decreased Pell Grant awards over fiscal year 2011.

Due to the countercyclical nature of higher education, the College had experienced sizable enrollment growth over in fiscal years 2010 and 2011; however this trend has subsided as total credit hours generated during fiscal year 2012 fell 1%. 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. Furthermore, both the College Administration and Board of Trustees are committed to ensuring student needs are effectively met and to this end, the institution prides itself on being nimble and capable of efficiently implementing programmatic changes designed to maximize student success.

### **Other Significant Financial Factors**

During fiscal year 2012, the College renegotiated its labor agreement with the United Automobile, Aerospace and Agricultural Implement Workers of America (UAW). The new contract end date for this unit is June 30, 2015.

The Board of Trustees adopts tuition and fee rates each February with the adopted rates becoming effective for the Summer, Fall, and Spring semesters of the upcoming fiscal year. Tuition rates for fiscal year 2012 increased 4.2% over fiscal year 2011 rates and will increase by an additional 9.1% for fiscal year 2013. Additional information regarding tuition and fee rate trend is provided in the Statistical section.

The Board of Trustees adopts the annual tax levy by January of each year for tax revenues to be received during the upcoming fiscal year. The fiscal year 2012 tax levy increased 1.93% over fiscal year 2011 primarily due to the increase in EAV throughout the district. Additional information regarding tax levy trend is provided in the Statistical section.

### Comparative Net Assets – Fiscal Years 2012 and 2011

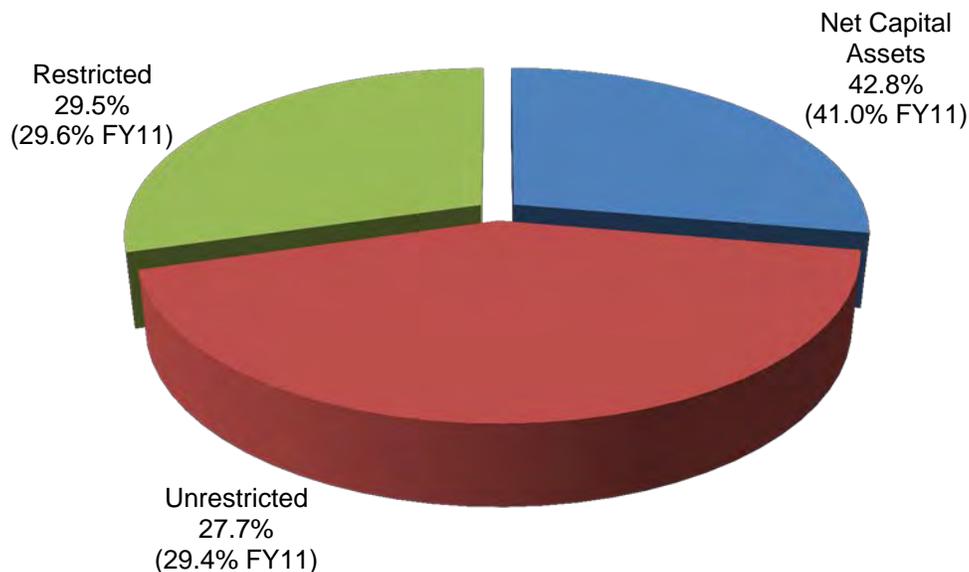
	2012	2011	Increase (Decrease)	Percent Change
Current Assets	\$ 63,318,537	\$ 67,583,484	\$ (4,264,947)	(6.3)%
Non-Current Assets	39,384,710	32,495,572	6,889,138	21.2
<b>Total Assets</b>	<b>\$102,703,247</b>	<b>\$100,079,056</b>	<b>\$ 2,624,191</b>	<b>2.6%</b>
Current Liabilities	\$ 9,585,378	\$ 7,946,433	\$ 1,638,945	20.6%
Non-Current Liabilities	15,070,786	20,130,923	(5,060,137)	(25.1)
<b>Total Liabilities</b>	<b>\$ 24,656,164</b>	<b>\$ 28,077,356</b>	<b>\$ (3,421,192)</b>	<b>(12.2)%</b>
<b>Net Assets</b>				
Investment in Capital Assets, Net	\$ 33,387,782	\$ 29,495,572	\$ 3,892,210	13.2%
Restricted	34,787,857	21,347,889	13,439,968	63.0
Unrestricted	9,871,444	21,158,239	(11,286,795)	(53.3)
<b>Total Net Assets</b>	<b>\$ 78,047,083</b>	<b>\$ 72,001,700</b>	<b>\$ 6,045,383</b>	<b>8.4%</b>

The College had net assets at the beginning of the fiscal year totaling \$72,001,700. The net increase in net assets of \$6,045,383 brought the total of net assets at the end of fiscal year 2012 to \$78,047,083.

Notable changes in fiscal year 2012 include construction of the Sustainable Technologies Building on the Quad Cities Campus as well as other remodeling / improvement projects. Additionally, Non-Current Liabilities decreased significantly as a result of debt payments made during the fiscal year.

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 2012



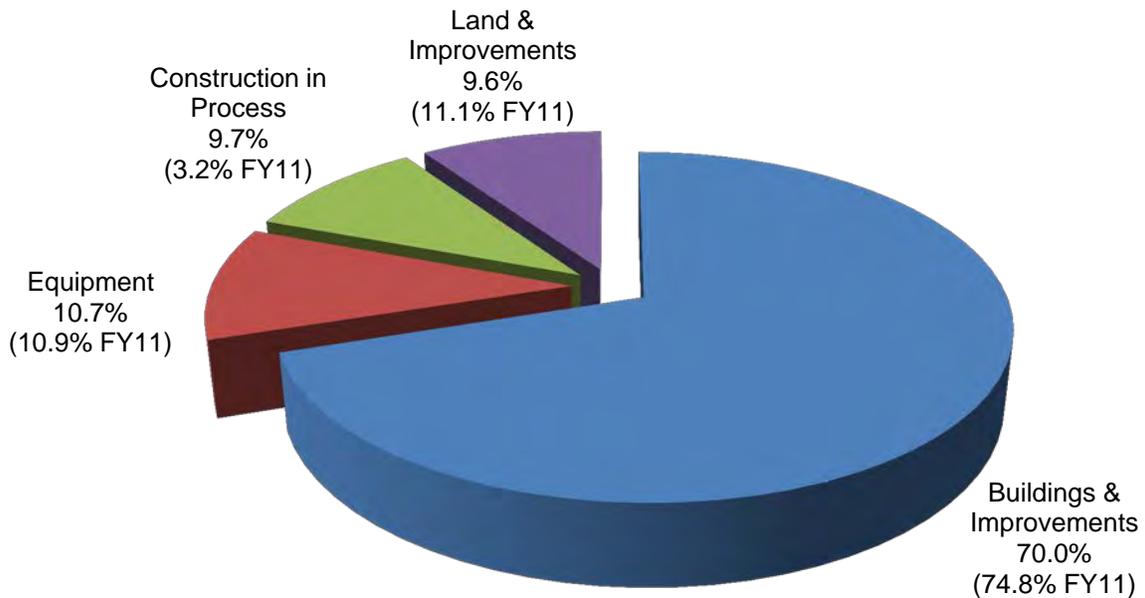
### Comparison of Net Capital Assets Fiscal Years 2012 and 2011

Capital Assets	2012	2011	Increase (Decrease)	Percent Change
Land and Improvements	\$ 5,857,925	\$ 5,821,058	\$ 36,867	0.6%
Building and Improvements	42,670,482	39,429,857	3,240,625	8.2
Equipment	6,504,620	5,768,051	736,569	12.8
Construction In Progress	5,920,458	1,673,724	4,246,734	253.7
<b>Total Capital Assets</b>	<b>\$60,953,485</b>	<b>\$52,692,690</b>	<b>\$8,260,795</b>	<b>15.7%</b>
Less Accumulated Depreciation	21,568,775	20,197,118	1,371,657	6.8
<b>Net Capital Assets</b>	<b>\$39,384,710</b>	<b>\$32,495,572</b>	<b>\$6,889,138</b>	<b>21.2%</b>

As of June 30, 2012, the College has recorded \$60,953,485 invested in capital assets, \$21,568,775 in accumulated depreciation and \$39,384,710 in net capital assets.

Total Capital Assets increased \$8,260,795 or 15.7% and Net Capital Assets increased \$6,889,138 or 21.2% due to the addition of the Sustainable Technologies Building and several other remodeling and improvement projects during fiscal year 2012. The current bonding strategy continues to allow the College to invest in additional facilities, technology, and improvements. The expectation exists that Net Capital Assets will continue to increase in future years as a result. See Note 4. Changes in Capital Assets and Note 6. Long-Term Liabilities in the Notes to Financial Statements for further information.

### Capital Assets - Fiscal Year 2012



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

	2012	2011	Increase (Decrease)	Percent Change
Operating Revenue:				
Tuition and Fees	\$ 6,609,902	\$ 7,916,703	\$ (1,306,801)	(16.5)%
Sales, Services, and Rentals	2,481,502	2,992,034	(510,532)	(17.1)
Other	5,376,216	4,297,494	1,078,722	25.1
Total Operating Revenue	<u>\$ 14,467,620</u>	<u>\$ 15,206,231</u>	<u>\$ (738,611)</u>	<u>(4.9)%</u>
Less: Operating Expenses	51,951,420	50,439,902	1,511,518	3.0%
Operating Income (Loss)	<u>\$(37,483,800)</u>	<u>\$(35,233,671)</u>	<u>(2,250,129)</u>	<u>(6.4)%</u>
Non-operating Revenue:				
State Grants & Contracts	\$ 10,578,684	\$ 11,697,372	\$ (1,118,688)	(9.6)%
Federal Grants & Contracts	10,875,102	11,941,906	(1,066,804)	(8.9)
Property Taxes	19,171,402	18,692,853	478,549	2.6
Other Income	2,903,995	2,822,897	81,098	2.9
Total Non-operating Revenue:	<u>\$ 43,529,183</u>	<u>\$ 45,155,028</u>	<u>\$ (1,625,045)</u>	<u>(3.6)%</u>
Increase in Net Assets	6,045,383	9,921,357	\$ (3,875,974)	(39.1)%
Net Assets, Beginning of Year	72,001,700	62,080,343	9,921,357	16.0
Net Assets, End of Year	<u>\$ 78,047,083</u>	<u>\$ 72,001,700</u>	<u>\$ 6,045,383</u>	<u>8.4%</u>

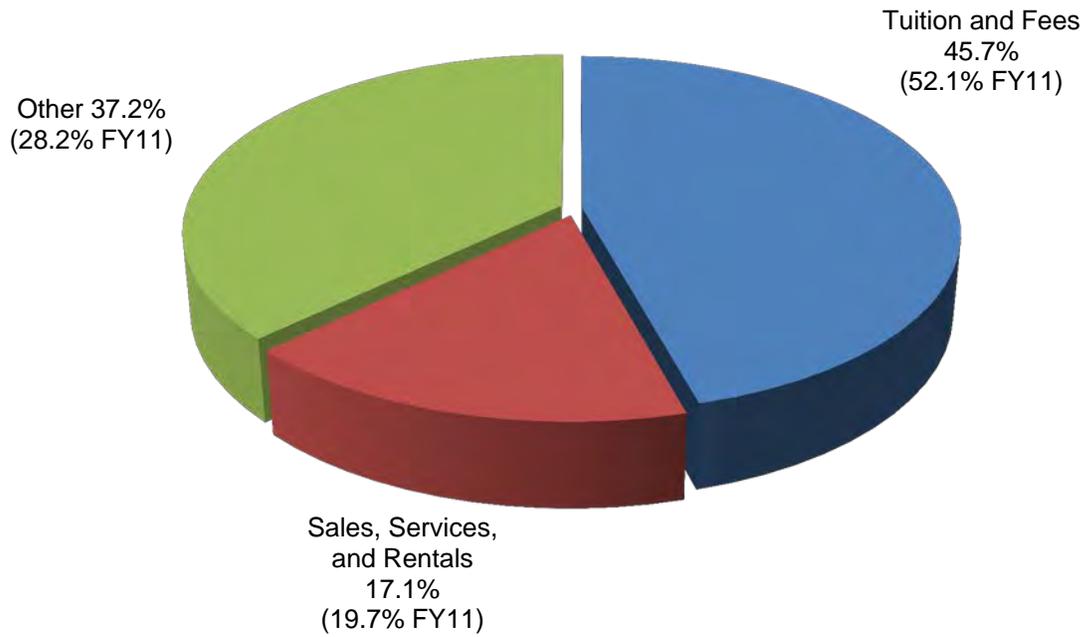
Operating revenue for fiscal year 2012 was less than fiscal year 2011 while operating expense was higher than fiscal year 2011.

Tuition and fees decreased \$1,306,801 or 16.5% primarily as a result of a change in reporting methodology for Summer term tuition and fees. Previously, Summer tuition and fees were recorded in total as the first term in the fiscal year to be consistent with State reporting requirements for credit hours generated. However, this methodology resulted in tuition and fees for Summer courses that began, and often ended, before June 30<sup>th</sup> being recorded in the following fiscal year, thus understating revenue earned in the current fiscal year.

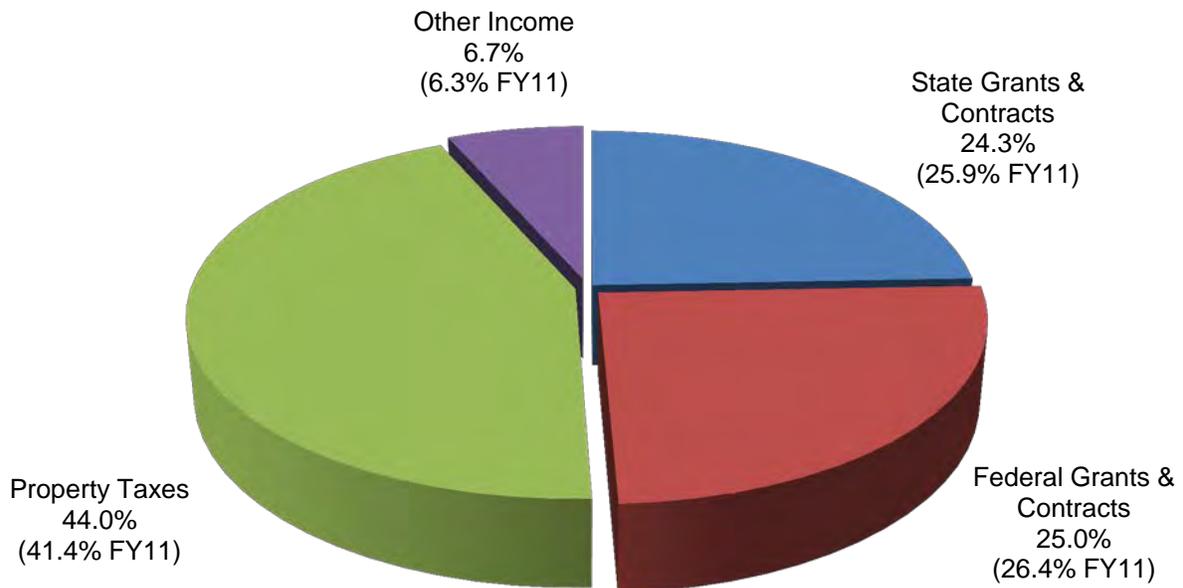
Additionally, the increase in Other Operating Revenue is primarily a result of the SURS contribution provided by the State in fiscal year 2012, which was \$1,079,916 greater than the fiscal year 2011 amount. As explained in Note 5 in the Notes to Financial Statements, this SURS contribution is shown as operating revenue and operating expense by the College. Pending State legislation has the potential to impact the manner in which these obligations are funded and reported in future years although the exact impact is currently unknown.

Non-operating revenue decreased in total by \$1,625,045. The primary driver of this decrease was the \$1,118,688 decrease in State Grants & Contracts due to the allocation of \$1.1 million from Illinois Jobs Now! legislation in fiscal year 2011. The \$1,066,804 decrease in Federal Grants & Contracts is a result of a \$407,000 decrease in Pell Grant awards and a \$470,000 decrease in fiscal year 2011 Department of Labor grants that were not continued into fiscal year 2012. These decreases are partially offset by a \$478,549 increase in Property Tax revenue due to continued EAV growth within the district.

### Operating Revenues - Fiscal Year 2012



### Non-Operating Revenues - Fiscal Year 2012



### Comparison of Operating Expenses Fiscal Years 2012 and 2011

	2012	2011	Increase (Decrease)	Percent Change
Operating Expenses:				
Instruction	\$14,209,545	\$13,787,062	\$ 422,483	3.1%
Academic Support	5,162,008	3,950,163	1,211,845	30.7
Student Services	3,485,166	3,595,126	(109,960)	(3.1)
Public Service / Continuing Ed.	1,993,014	1,840,080	152,934	8.3
Institutional Support	9,125,018	9,345,604	(220,586)	(2.4)
Sales, Services, and Rentals of Facilities	3,706,401	3,766,883	(60,482)	(1.6)
Financial Aid	2,747,946	3,748,071	(1,000,125)	(26.7)
SURS Contribution provided by State	5,373,730	4,293,814	1,079,916	25.2
Depreciation	1,419,276	1,298,115	121,161	9.3
Loss on Disposal of Equipment	5,451	22,464	(17,013)	(75.7)
Operations of Physical Facilities	4,723,865	4,792,520	(68,655)	(1.4)
<b>Total Operating Expenses:</b>	<b>\$51,951,420</b>	<b>\$50,439,902</b>	<b>\$1,511,518</b>	<b>3.0%</b>

Operating expenses for fiscal year 2012 increased slightly by 3.0% from fiscal year 2011. While the significant changes are discussed below, it should also be noted that several of the individual expense categories were impacted by the College's review and update of the methodologies and processes utilized for assigning programmatic classifications during fiscal year 2012.

Academic Support increased \$1,211,845 as a direct result of programmatic classification process changes implemented to more closely coincide with ICCB Fiscal Management Manual requirements.

Financial Aid decreased by \$1,000,025 due in part to decreased funding for Federal student programs including Pell, Academic Competitiveness and SEOG.

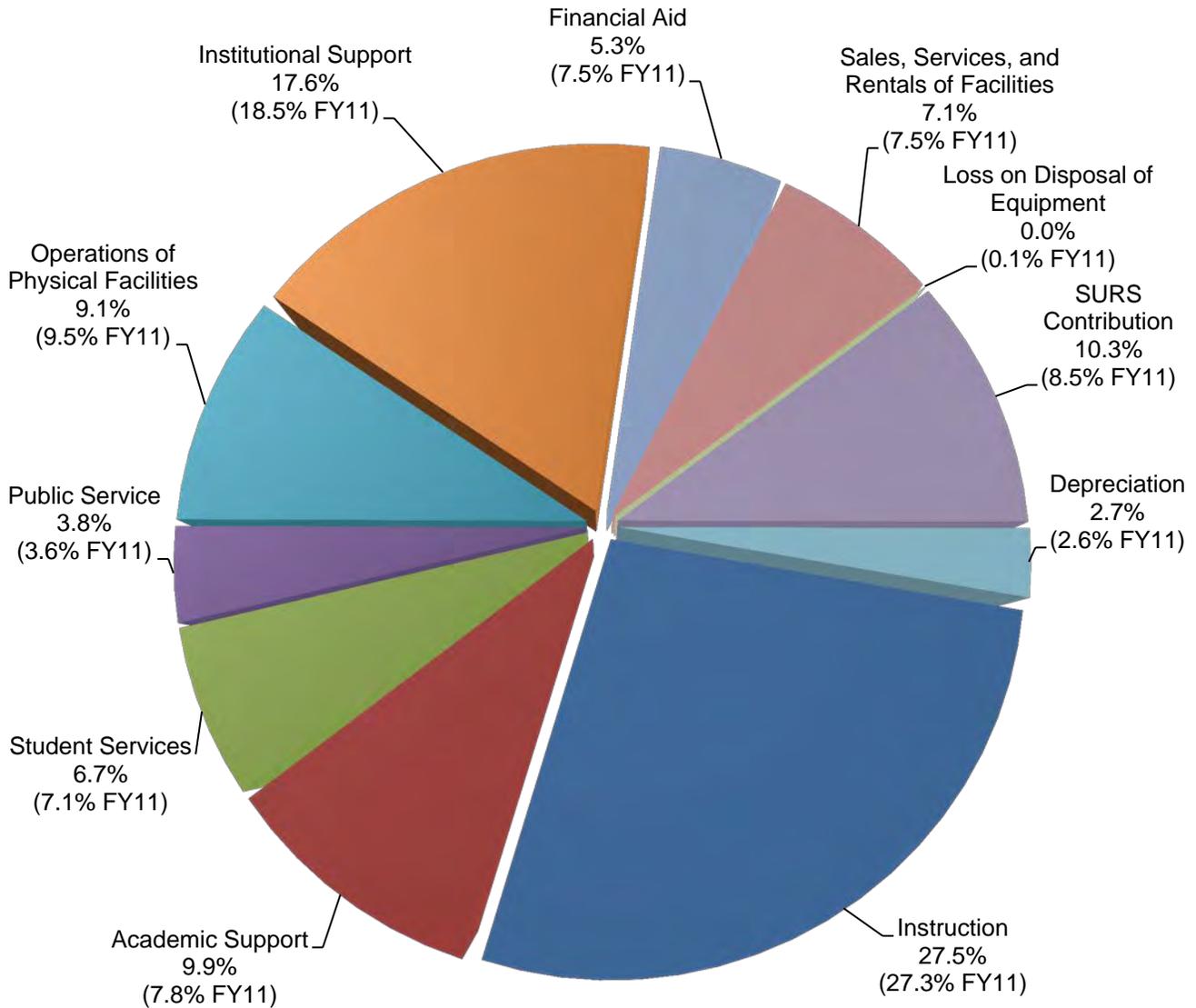
Public Service / Continuing Ed expenses increased \$152,934 due primarily to increased expenditure activity in the United Way re-skilling project over fiscal year 2011.

In addition, a sizable increase in the SURS contribution provided by the state occurred as the fiscal year 2012 amount was \$1,079,916 greater than the fiscal year 2011 amount. As explained in Note 5 in the Notes to Financial Statements, this SURS contribution is shown as both operating revenue and operating expense by the College.

Depreciation expense increased by \$121,161 in the current year due to the number of remodeling / improvement projects completed during fiscal year 2012 in addition to equipment purchases and construction of an instructional wind turbine for the new Sustainable Technologies Building.

The following graphic illustration shows the operating expenses by program for fiscal year 2012 by percentage of the total with the comparable percentage for fiscal year 2011 in parenthesis. For both years, the largest percentage of College money was spent on Instruction.

### Operating Expenses - Fiscal Year 2012



### **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  
Vice President for Finance  
6600 34<sup>th</sup> Avenue  
Moline, IL 61265

# Basic Financial Statements

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

**Statement of Net Assets**  
**June 30, 2012**

	Primary	Component Units	
	Government	Black Hawk College Foundation	Black Hawk East College Foundation
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$ 39,829,195	\$ 155,017	\$ 285,942
Investments	4,063,339	2,152,604	1,443,461
Receivables, net of allowance for uncollectibles of \$263,268:			
Property taxes	12,471,996	-	-
Federal government claims	388,627	-	-
State of Illinois claims	3,914,124	-	-
Student tuition and fees	905,273	-	-
Other	427,777	115,092	8,200
Inventory	709,473	-	-
Prepaid expenses	608,733	-	-
<b>Total current assets</b>	<b>63,318,537</b>	<b>2,422,713</b>	<b>1,737,603</b>
Noncurrent Assets:			
Capital assets:			
Land	760,862	31,693	373,519
Construction and Equipment in process	5,920,458	-	-
Building, improvements and equipment, net of \$21,568,775 and \$676,827, respectively	32,703,390	-	1,133,420
<b>Total capital assets, net of depreciation</b>	<b>39,384,710</b>	<b>31,693</b>	<b>1,506,939</b>
<b>Total noncurrent assets</b>	<b>39,384,710</b>	<b>31,693</b>	<b>1,506,939</b>
<b>Total assets</b>	<b>102,703,247</b>	<b>2,454,406</b>	<b>3,244,542</b>
<b>Liabilities</b>			
Current Liabilities:			
Accounts payable	2,157,412	5,847	40,665
Accrued liabilities:			
Payroll	1,048,142	-	-
Early retirement	99,667	-	-
Accrued vacation	120,000	-	-
Other	73,844	-	-
Deferred revenues:			
Student tuition and fees	623,088	-	-
Other	360,474	-	-
Notes and bonds due in less than one year	5,025,000	-	218,288
Other liabilities	77,751	-	-
<b>Total current liabilities</b>	<b>9,585,378</b>	<b>5,847</b>	<b>258,953</b>
Noncurrent Liabilities:			
Early retirement	1,628,890	-	-
Accrued vacation	726,896	-	-
Notes and bonds payable in more than one year	12,715,000	-	513,916
<b>Total noncurrent liabilities</b>	<b>15,070,786</b>	<b>-</b>	<b>513,916</b>
<b>Total liabilities</b>	<b>24,656,164</b>	<b>5,847</b>	<b>772,869</b>
<b>Net Assets</b>			
Investment in capital assets, net of related debt	33,387,782	-	774,735
Restricted for audit	211,908	-	-
Restricted for liability, protection and settlement	2,521,853	-	-
Restricted for working cash	10,194,190	-	-
Restricted for bond & interest	2,721,699	-	-
Restricted for operations and maintenance	19,043,923	-	-
Restricted for grants and scholarships	94,284	1,872,837	1,551,210
Unrestricted	9,871,444	575,722	145,728
<b>Total net assets</b>	<b>\$ 78,047,083</b>	<b>\$ 2,448,559</b>	<b>\$ 2,471,673</b>

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, 2012**

	Primary	Component Units	
	Government	Black Hawk	Black Hawk
	Black Hawk	College	East College
	College	Foundation	Foundation
<b>Operating Revenues:</b>			
Student tuition and fees, net of scholarship allowances	\$ 6,609,902	\$ -	\$ -
Sales, service and rental of facilities and equipment	2,481,502	-	-
SURS contribution provided by state	5,373,730	-	-
Other operating revenue	2,486	-	-
<b>Total operating revenues</b>	<b>14,467,620</b>	<b>-</b>	<b>-</b>
<b>Operating expenses:</b>			
Instruction	14,209,545	-	-
Academic support	5,162,008	-	-
Student services	3,485,166	-	-
Public service	1,993,014	-	-
Auxiliary services	3,706,401	-	-
Institutional support	9,125,018	207,617	244,280
Scholarships, student grants and waivers	2,747,946	100,331	123,039
SURS contribution provided by state	5,373,730	-	-
Operation of physical facilities	4,723,865	-	-
Loss on disposal of equipment	5,451	-	-
Depreciation and amortization	1,419,276	-	51,424
<b>Total operating expenses</b>	<b>51,951,420</b>	<b>307,948</b>	<b>418,743</b>
<b>Operating (loss)</b>	<b>(37,483,800)</b>	<b>(307,948)</b>	<b>(418,743)</b>
<b>Non-operating revenues (expenses):</b>			
Property taxes	19,171,402	-	-
Personal property replacement taxes	1,317,537	-	-
State government sources	10,578,684	-	-
Federal government sources	10,875,102	-	-
Investment earnings	1,118,105	46,855	11,788
Other sources	1,046,866	420,176	596,808
Interest expense	(578,513)	-	(54,448)
<b>Total non-operating revenues (expenses)</b>	<b>43,529,183</b>	<b>467,031</b>	<b>554,148</b>
<b>Change in net assets</b>	<b>6,045,383</b>	<b>159,083</b>	<b>135,405</b>
<b>Net assets:</b>			
Beginning	72,001,700	2,289,476	2,336,268
Ending	<b>\$ 78,047,083</b>	<b>\$ 2,448,559</b>	<b>\$ 2,471,673</b>

See Notes to Financial Statements.

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

**Statement of Cash Flows**  
**Year Ended June 30, 2012**

	<u>Primary Government</u>
	<u>Black Hawk College</u>
Cash Flows from Operating Activities:	
Tuition and fees	\$ 6,300,660
Payments to employees	(24,243,282)
Payments to suppliers	(20,111,977)
Sales, service, and rental of facilities and equipment	2,481,502
Other receipts, net	2,486
Net cash provided by (used in) operating activities	<u>(35,570,611)</u>
Cash Flows from Non-Capital Financing Activities:	
State and federal grants and contracts	23,972,713
Personal property replacement taxes	1,317,537
Property taxes	19,260,754
Net cash provided by non-capital financing activities	<u>44,551,004</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of capital assets	(8,313,865)
Proceeds on debt	-
Principal paid on debt	(4,860,000)
Interest paid on debt	(578,513)
Net cash provided by (used in) capital and related financing activities	<u>(13,752,378)</u>
Cash Flows from Investing Activities	
Sale of investments	788,364
Interest received	1,118,105
Net cash provided by (used in) investing activities	<u>1,906,469</u>
Net increase (decrease) in cash	(2,865,516)
Cash and cash equivalents:	
Beginning	42,694,711
Ending	<u>\$ 39,829,195</u>
Reconciliation of Operating Loss to Net Cash (Used in) Operating Activities:	
Operating loss	<u>\$ (37,483,800)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	1,419,276
Loss on disposal of equipment	5,451
Changes in assets and liabilities:	
(Increase) decrease in receivables	(501,038)
(Increase) decrease in inventory	74,114
(Increase) decrease in prepaid expenses	(517,362)
Increase (decrease) in accounts payable	952,177
Increase (decrease) in accrued expenditures	255,707
Increase (decrease) in deferred revenue	191,796
Increase (decrease) in other liabilities	33,068
<b>Total adjustments</b>	<u>1,913,189</u>
Net cash provided by (used in) operating activities	<u>\$ (35,570,611)</u>
Noncash, Capital and Related Financing Activities:	
SURS contribution paid by state	\$ 5,373,730

See Notes to Financial Statements.

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

**Statement of Fiduciary Net Assets  
June 30, 2012**

	<b>Voluntary Employees' Benefit Association (VEBA) Health Benefit Plan</b>
<b>Assets</b>	
Cash	\$ 2,106,956
<b>Liabilities</b>	
Claims payable	956,972
Due to others	-
<b>Total liabilities</b>	<u>956,972</u>
<b>Net Assets</b> , held in trust for health benefits	<u><u>\$ 1,149,984</u></u>

**Statement of Changes in Fiduciary Net Assets  
Year Ended June 30, 2012**

<b>Additions:</b>	
Employer paid premiums	\$ 4,864,000
Employee paid premiums	583,274
Investment earnings	34,679
<b>Total additions</b>	<u>\$ 5,481,953</u>
<b>Deductions:</b>	
Health and dental claims	5,335,901
Administrative	523,072
<b>Total deductions</b>	<u>\$ 5,858,973</u>
<b>Change in net assets</b>	(377,020)
<b>Net assets:</b>	
Beginning	1,527,004
Ending	<u><u>\$ 1,149,984</u></u>

See Notes to Financial Statements.

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

**Notes to Financial Statements**

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**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, agricultural studies, 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.

The College follows 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 discretely presented component units, the Black Hawk College Foundation and the Black Hawk East College Foundation.

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 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 fiscal year ended June 30, 2012, the Black Hawk College Foundation and the Black Hawk East Foundation distributed \$100,331 and \$123,039 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 *Accounting for Contributions Received and Contributions Made* and *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.

The Black Hawk College Foundation's beginning net assets were increased by \$100,000 to account for additional receivables in the prior fiscal year that were not included in the June 30, 2011 financial statements.

**Notes to Financial Statements**

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**Note 1. Operation and Significant Accounting Policies (Continued)**

**Significant Accounting Policies (Continued):**

Financial statements for both the Black Hawk College Foundation and Black Hawk East College Foundation can be obtained by calling the College at 309-796-5934.

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.

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 and Expenses: Operating revenue and expenses in proprietary funds 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, salaries and benefits, and materials and supplies. Non-operating revenues and expenses 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. Amounts restricted for working cash are imposed by enabling legislation. However, legislation allows for procedures to abolish this fund and remove those restrictions. Amounts restricted for operations and maintenance are imposed by enabling legislation. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the College first applies restricted resources.

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

**Notes to Financial Statements**

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**Note 1. Organization and Significant Accounting Policies (Continued)**

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 2011 levy. Property tax revenue recorded on the financial statements relates to the 2011 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 2012 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.

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 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.

Investments: Investments are stated at fair value.

Tax Status: The College is a political sub-division of the State of Illinois and has nontaxable status under the Internal Revenue Code.

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

**Notes to Financial Statements**

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**Note 1. Organization and Significant Accounting Policies (Continued)**

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.

**Note 2. Cash and Investments**

Under provision of the College's investment policy, the College may invest in select securities 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 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, 2012, the College's cash and cash equivalents balances are as follows:

Depository accounts, checking and certificates of deposit	\$39,817,295
Petty cash	<u>11,900</u>
<b>Total cash and cash equivalents</b>	<b>39,829,195</b>
Fiduciary funds	<u>2,106,956</u>
<b>Total cash and cash equivalents</b>	<b>\$41,936,151</b>
Less: Petty cash	<u>11,900</u>
<b>Total carrying amount of deposits</b>	<b><u>\$41,924,251</u></b>

As of June 30, 2012, the carrying amount of the College's deposits totaled \$41,924,251, with a bank balance of \$42,128,915. Of the \$42,128,915 bank balance, \$42,128,915 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.

At June 30, 2012, the College's investment balances are as follows:

	<b><u>Fair Value</u></b>
Brokered CDs	\$1,504,435
U.S. Government Obligations	<u>2,558,904</u>
<b>Total</b>	<b><u>\$4,063,339</u></b>

**Interest Rate Risk:**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The College tries to match its maturities on investments with expected cash flows.

Information about the sensitivity of the fair values of the College investments to market interest rate fluctuations is provided by the following table that shows the distribution of the College's investments by maturity:

	<b><u>Remaining Maturity (in Months)</u></b>			<b><u>Total</u></b>
	<b><u>12 Months or Less</u></b>	<b><u>13-60 Months</u></b>	<b><u>60+ Months</u></b>	
Brokered CDs	\$1,504,435	\$ -	\$ -	\$1,504,435
U.S. Government obligations	<u>2,558,904</u>	<u>-</u>	<u>-</u>	<u>2,558,904</u>
<b>Total</b>	<b><u>\$4,063,339</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$4,063,339</u></b>

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

**Notes to Financial Statements**

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**Note 2. Cash and Investments (Continued)**

**Credit Risk:**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in U.S. Government obligations and Brokered CDs are not considered to be of any credit risk since they carry the full obligation and guarantee of the U.S. Government.

**Concentration of Credit Risk:**

The College has no investments, other than mutual funds that are exempted from this requirement, in any one issuer that represent 5% or more of total College's investments.

**Custodial Credit Risk:**

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, an entity will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

As of June 30, 2012 there are no investments with custodial credit risk in that all investments are insured.

**Foreign Currency Risk:**

The College has no foreign currency risk for investments at year end.

**Note 3. Liability, Protection, & Settlement Fund Expenditures**

Black Hawk College had the following Liability, Protection, & Settlement Fund expenditures for the year ended June 30, 2012:

Security & safety related salaries and benefits	\$ 849,089
Risk management & loss prevention	109,745
Insurance	944,160
Legal services	113,352
Security and safety related	<u>91,120</u>
Total Liability, Protection & Settlement Fund expenditures	<u>\$2,107,466</u>

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

**Notes to Financial Statements**

**Note 4. Changes in Capital Assets**

A summary of changes in capital assets for the year ended June 30, 2012, is as follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Capital assets not being depreciated:				
Land	\$ 760,862	\$ -	\$ -	\$ 760,862
Construction in process	1,673,724	6,021,689	(1,774,955)	5,920,458
<b>Total capital assets not being depreciated</b>	<b>2,434,586</b>	<b>6,021,689</b>	<b>(1,774,955)</b>	<b>6,681,320</b>
Capital assets being depreciated:				
Buildings and improvements	39,429,857	3,240,625	-	42,670,482
Land improvements	5,060,196	36,867	-	5,097,063
Equipment	5,768,051	789,639	(53,070)	6,504,620
<b>Total capital assets being depreciated</b>	<b>50,258,104</b>	<b>4,067,131</b>	<b>(53,070)</b>	<b>54,272,165</b>
Less accumulated depreciation for:				
Buildings and improvements	15,103,613	819,478	-	15,923,091
Land improvements	672,155	101,572	-	773,727
Equipment	4,421,350	498,226	(47,619)	4,871,957
<b>Total accumulated depreciation</b>	<b>20,197,118</b>	<b>1,419,276</b>	<b>(47,619)</b>	<b>21,568,775</b>
<b>Total capital assets being depreciated, net</b>	<b>30,060,986</b>	<b>2,647,855</b>	<b>(5,451)</b>	<b>32,703,390</b>
<b>Total capital assets, net</b>	<b>\$32,495,572</b>	<b>\$8,669,544</b>	<b>\$(1,780,406)</b>	<b>\$39,384,710</b>

**Note 5. 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](http://www.SURS.org), or by calling 1-800-275-7877.

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

**Notes to Financial Statements**

**Note 5. 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 34.51% 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, 2012, 2011, and 2010 were \$111,835, \$107,234, and \$144,036, 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 \$5,373,730, \$4,293,814, and \$3,881,957 for the years ended June 30, 2012, 2011, and 2010, respectively. These amounts are included as both revenue and expense of the College.

**Note 6. Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2012, are as follows:

	Balance July 1, 2011	Additions	Repayments	Balance June 30, 2012	Due Within One Year
Bonds payable	\$22,600,000	\$ -	\$(4,860,000)	\$17,740,000	\$5,025,000
Accrued vacation	882,033	84,863	(120,000)	846,896	120,000
Early retirement	1,726,120	99,667	(97,230)	1,728,557	99,667
	<u>\$25,208,153</u>	<u>\$184,530</u>	<u>\$(5,077,230)</u>	<u>\$20,315,453</u>	<u>\$5,244,667</u>

General Obligation Community College Bonds, Series 2010: On March 5, 2010 the College issued \$20,000,000 in General Obligation Bonds. The proceeds from this process will be used to fund various capital improvements, including a facility expansion for Building 2 on the Quad Cities campus specifically for the purpose of expanding sustainable technologies programming, a facility expansion for Building 1 on the Quad Cities campus for the creation of a student services center, construction of a new science lab building on the East Campus, and technology refresh projects throughout the district. Principal and interest payments on the General Obligation Bonds are to be paid annually on December 1 with the final payment on December 1, 2015. Interest only payments are due June 1 of each year. Interest rates range from 2.0% to 3.5% over the life of the bonds. The interest rate includes bond issuance costs of approximately \$623,000.

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2012, are as follows:

Year ending June 30:	Principal	Interest	Total
2013	\$5,025,000	\$431,825	\$5,456,825
2014	5,150,000	304,950	5,454,950
2015	5,300,000	160,700	5,460,700
2016	2,265,000	33,975	2,298,975
<b>Total</b>	<u>\$17,740,000</u>	<u>\$931,450</u>	<u>\$18,671,450</u>

The College is subject to a debt limitation of 2.875% of its assessed valuation of \$3,550,844,563. As of June 30, 2012 the College had \$84,346,781 of remaining legal debt margin.

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

**Notes to Financial Statements**

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**Note 6. Long-Term Liabilities (Continued)**

Operating Leases: The College leases space at the Illinois Employment & Training Center for \$12,064 per month through February 2013, \$12,589 per month from March 2013 through February 2014, \$12,904 per month from March 2014 through February 2015, \$13,229 per month from March 2015 through February 2016, and \$13,554 per month from March 2016 through February 2017. Lease expense for the year ended June 30, 2012 was \$105,872. In addition, the College leased space for the Industrial Training Lab Extension Center for \$2,126.25 per month until the building was purchased in October 2011. Lease expense for the year ended June 30, 2012 was \$8,505.

The annual requirements for operating leases as of June 30, 2012, are as follows:

Year ending June 30:	
2013	\$146,868
2014	152,327
2015	156,146
2016	160,048
2017	<u>108,433</u>
<b>Total operating leases</b>	<b><u>\$723,822</u></b>

**Note 7. 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 requirement, therefore the College is subject to the requirements set forth in GASB Statement Number 47. 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 44 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 liability was determined by factoring in the present value of projected future unit costs. The assumptions used in calculating the liability were a discount rate of 5%, compounded annually, a return on assets of 5%, compounded annually, and a decreasing health care trend rate of 6.5% to 4.0%. Mortality rates were obtained from the UP-1994 table with generational projection scale AA. It was assumed that 75% of retirees were married at retirement and that male spouses are three years older than female spouses. The recorded liability for these plans is \$1,728,557 as of June 30, 2012.

**Note 8. 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.

The College self insures for employee medical, dental, and vision coverage through a Voluntary Employees' Beneficiary Association (VEBA). Self insurance is in effect up to an aggregate stop/loss of \$5,286,530 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. Two participants were lapsed from this excess coverage in FY2012. All claim handling procedures are performed by an independent claims administrator.

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

**Notes to Financial Statements**

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**Note 9. 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 10. New Accounting Pronouncements**

*OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans* is effective for the fiscal year ending June 30, 2012. The pronouncement addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). Management has determined there is no material effect on the financial statements with regard to adoption of this standard.

**Note 11. Pending Accounting Pronouncements**

*Accounting and Financial Reporting for Service Concession Arrangements* is effective for the fiscal year ending June 30, 2013. The pronouncement improves financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership.

*The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34* is effective for the fiscal year ending June 30, 2013. The pronouncement modifies certain requirements for inclusion of component units in the financial reporting entity.

*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* is effective for the fiscal year ending June 30, 2013. The pronouncement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.

*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* is effective for the fiscal year ending June 30, 2013. The pronouncement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

*Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53* is effective for the fiscal year ending June 30, 2013. The pronouncement clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider.

*Items Previously Reported as Assets and Liabilities* is effective for the fiscal year ending June 30, 2014. The pronouncement reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

*Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62* is effective for the fiscal year ending June 30, 2014. The pronouncement resolves conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

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 Narrative**

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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, state funding, 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.

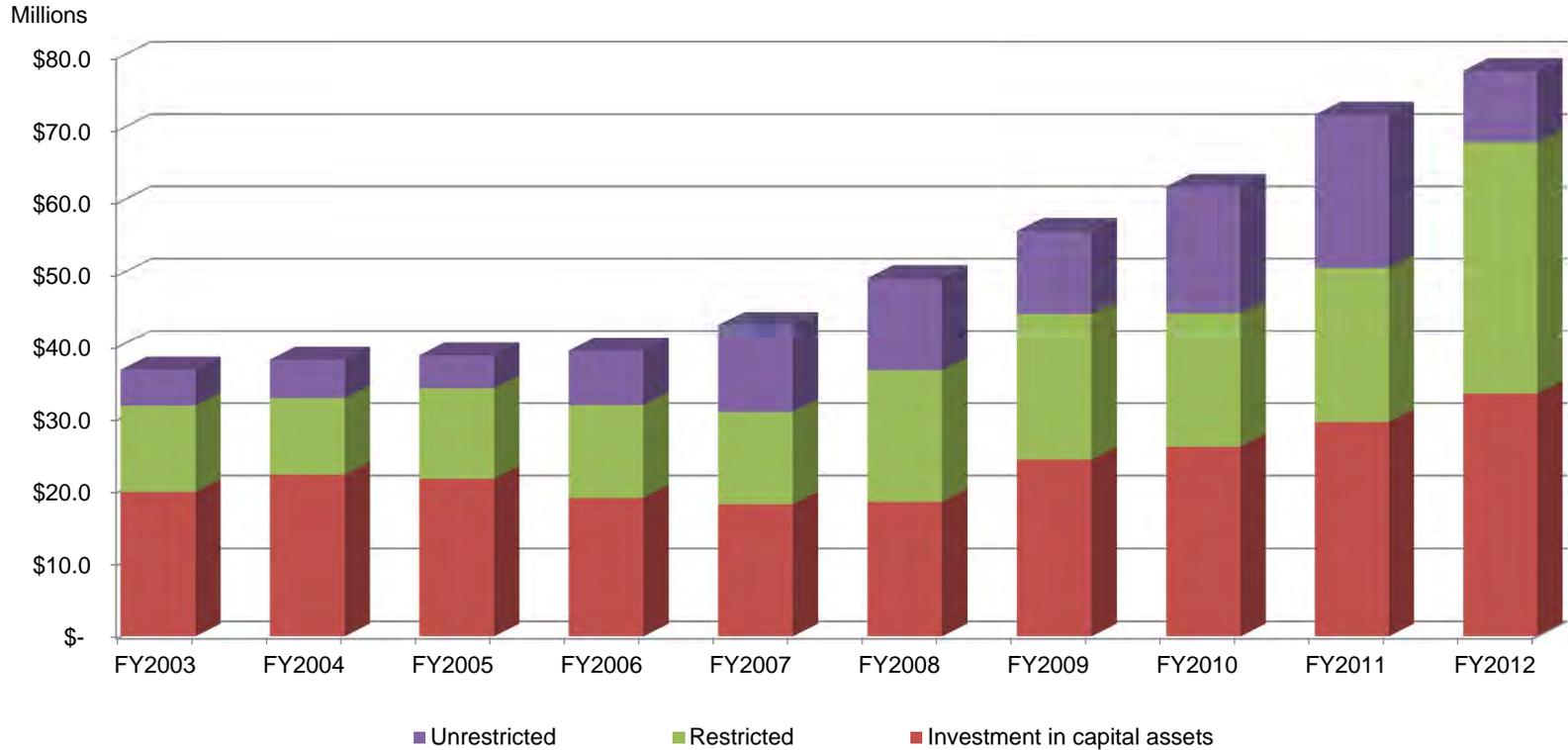
*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

**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 FY2012**

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
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	\$ 26,107,509	\$ 29,495,572	\$ 33,387,782
Restricted	11,885,335	10,521,353	12,468,851	12,776,417	12,698,405	18,116,477	20,212,636	18,508,373	21,347,889	34,787,857
Unrestricted	4,929,472	5,314,174	4,547,818	7,482,628	12,083,254	12,826,789	11,442,187	17,464,461	21,158,239	9,871,444
<b>Total net assets</b>	<b>\$ 36,684,614</b>	<b>\$ 38,083,072</b>	<b>\$ 38,679,872</b>	<b>\$ 39,323,417</b>	<b>\$ 42,939,829</b>	<b>\$ 49,447,474</b>	<b>\$ 55,942,005</b>	<b>\$ 62,080,343</b>	<b>\$ 72,001,700</b>	<b>\$ 78,047,083</b>



Source: College audited financial statements.

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

**Schedule of Changes in Net Assets**  
**FY2003 through FY2012**

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
<b>Operating Revenues:</b>										
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	\$ 6,999,903	\$ 7,916,703	\$ 6,609,902
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	3,104,115	2,992,034	2,481,502
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	2,513,078	3,881,957	4,293,814	5,373,730
Other operating revenue	5,245	7,500	4,760	7,638	28,532	5,705	6,901	12,576	3,680	2,486
<b>Total operating revenue</b>	<b>9,922,736</b>	<b>19,752,685</b>	<b>11,087,029</b>	<b>10,954,104</b>	<b>11,565,867</b>	<b>12,246,218</b>	<b>12,107,870</b>	<b>13,998,551</b>	<b>15,206,231</b>	<b>14,467,620</b>
<b>Operating expenses:</b>										
Instruction	12,108,507	12,436,718	12,904,624	12,881,139	13,002,230	13,417,138	13,071,503	13,177,063	13,787,062	13,973,024
Academic support	3,323,628	3,427,233	3,414,267	3,477,715	3,829,341	4,214,199	4,344,918	4,359,360	3,950,163	5,127,170
Student services	3,609,389	3,149,025	3,233,551	3,418,731	3,174,670	3,151,038	3,022,823	3,083,006	3,595,126	3,485,166
Public service	4,183,386	3,125,843	3,018,143	3,025,891	2,776,572	2,603,870	2,327,188	2,393,896	1,840,080	1,977,739
Auxiliary services	3,522,521	3,521,670	3,907,782	3,715,320	3,480,656	3,567,023	3,265,960	3,472,459	3,766,883	3,706,401
Institutional support	6,732,660	7,292,833	7,285,564	8,373,692	9,172,580	7,147,272	6,843,449	8,700,444	9,345,604	9,215,268
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	4,197,498	3,748,071	2,747,946
SURS contribution provided by state	1,783,758	11,448,455	1,739,529	1,021,967	1,486,613	1,954,642	2,513,078	3,881,957	4,293,814	5,373,730
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	4,083,672	4,792,520	4,920,249
Loss on disposal of equipment	63,067	21,632	41,307	3,516	33,979	5,097	7,409	1,308,112	22,464	5,451
Depreciation	1,187,279	1,202,194	1,289,155	1,361,306	1,385,121	1,453,453	1,788,953	1,200,030	1,298,115	1,419,276
<b>Total operating expenses</b>	<b>44,331,701</b>	<b>53,583,080</b>	<b>45,023,751</b>	<b>44,760,137</b>	<b>45,669,028</b>	<b>45,514,497</b>	<b>45,096,729</b>	<b>49,857,497</b>	<b>50,439,902</b>	<b>51,951,420</b>
<b>Operating (loss)</b>	<b>(34,408,965)</b>	<b>(33,830,395)</b>	<b>(33,936,722)</b>	<b>(33,806,033)</b>	<b>(34,103,161)</b>	<b>(33,268,279)</b>	<b>(32,988,859)</b>	<b>(35,858,946)</b>	<b>(35,233,671)</b>	<b>(37,483,800)</b>
<b>Non-operating revenues (expense)</b>										
Property taxes	10,110,571	10,721,008	11,403,125	12,280,184	14,151,090	16,212,834	17,816,536	18,140,565	18,692,853	19,171,402
Personal property taxes	-	-	-	-	-	-	1,365,164	1,104,407	1,432,216	1,317,537
State government sources	16,667,736	14,756,792	13,876,740	13,523,521	14,370,178	14,154,600	11,653,779	11,076,974	11,697,372	10,578,684
Federal government sources	7,572,422	7,908,014	7,661,777	7,090,387	6,922,766	7,499,337	7,050,847	10,110,004	11,941,906	10,875,102
Investment earnings	566,729	441,356	556,738	710,851	1,076,367	893,351	927,444	1,079,642	1,304,926	1,118,105
Other sources	2,047,401	1,392,612	1,185,602	1,101,164	1,681,982	1,652,625	1,441,102	1,200,272	846,037	1,046,866
Interest expense	(4,050)	(3,796)	(150,460)	(256,529)	(482,810)	(636,823)	(771,482)	(714,580)	(760,282)	(578,513)
<b>Total non-operating revenues (expenses)</b>	<b>36,960,809</b>	<b>35,215,986</b>	<b>34,533,522</b>	<b>34,449,578</b>	<b>37,719,573</b>	<b>39,775,924</b>	<b>39,483,390</b>	<b>41,997,284</b>	<b>45,155,028</b>	<b>43,529,183</b>
<b>Income before contributions</b>	<b>2,551,844</b>	<b>1,385,591</b>	<b>596,800</b>	<b>643,545</b>	<b>3,616,412</b>	<b>6,507,645</b>	<b>6,494,531</b>	<b>6,138,338</b>	<b>9,921,357</b>	<b>6,045,383</b>
Capital contributions - facilities donation	360,000	-	-	-	-	-	-	-	-	-
<b>Change in net assets</b>	<b>2,911,844</b>	<b>1,385,591</b>	<b>596,800</b>	<b>643,545</b>	<b>3,616,412</b>	<b>6,507,645</b>	<b>6,494,531</b>	<b>6,138,338</b>	<b>9,921,357</b>	<b>6,045,383</b>
<b>Net assets:</b>										
Beginning	33,772,770	36,697,481	38,083,072	38,679,872	39,323,417	42,939,829	49,447,474	55,942,005	62,080,343	72,001,700
Ending	\$ 36,684,614	\$ 38,083,072	\$ 38,679,872	\$ 39,323,417	\$ 42,939,829	\$ 49,447,474	\$ 55,942,005	\$ 62,080,343	\$ 72,001,700	\$ 78,047,083

Notes:

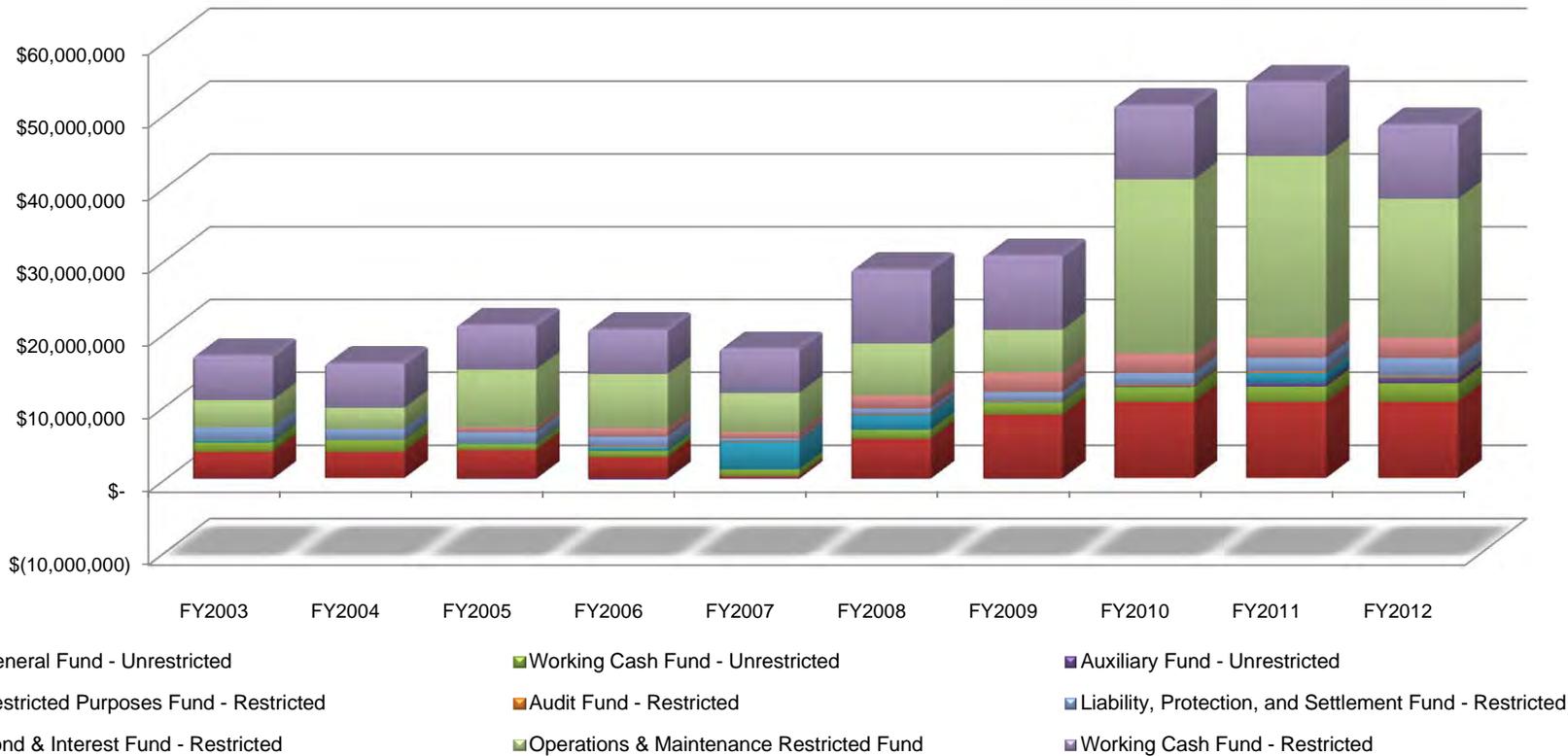
1. FY2003 beginning net assets restated to comply with GASB 35
2. FY2004 beginning net assets restated to properly account for open encumbrances associated with ICCB grants
3. FY2007 beginning net assets restated to reflect the modified accrual basis of accounting for property tax revenues
4. FY2008 beginning net assets restated to reflect the modified accrual basis of accounting for early retirement liability balances not payable with current financial resources

Source: Black Hawk College Audited Financial Statements

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

**Schedule of Fund Balance by Fund  
FY2003 through FY2012**

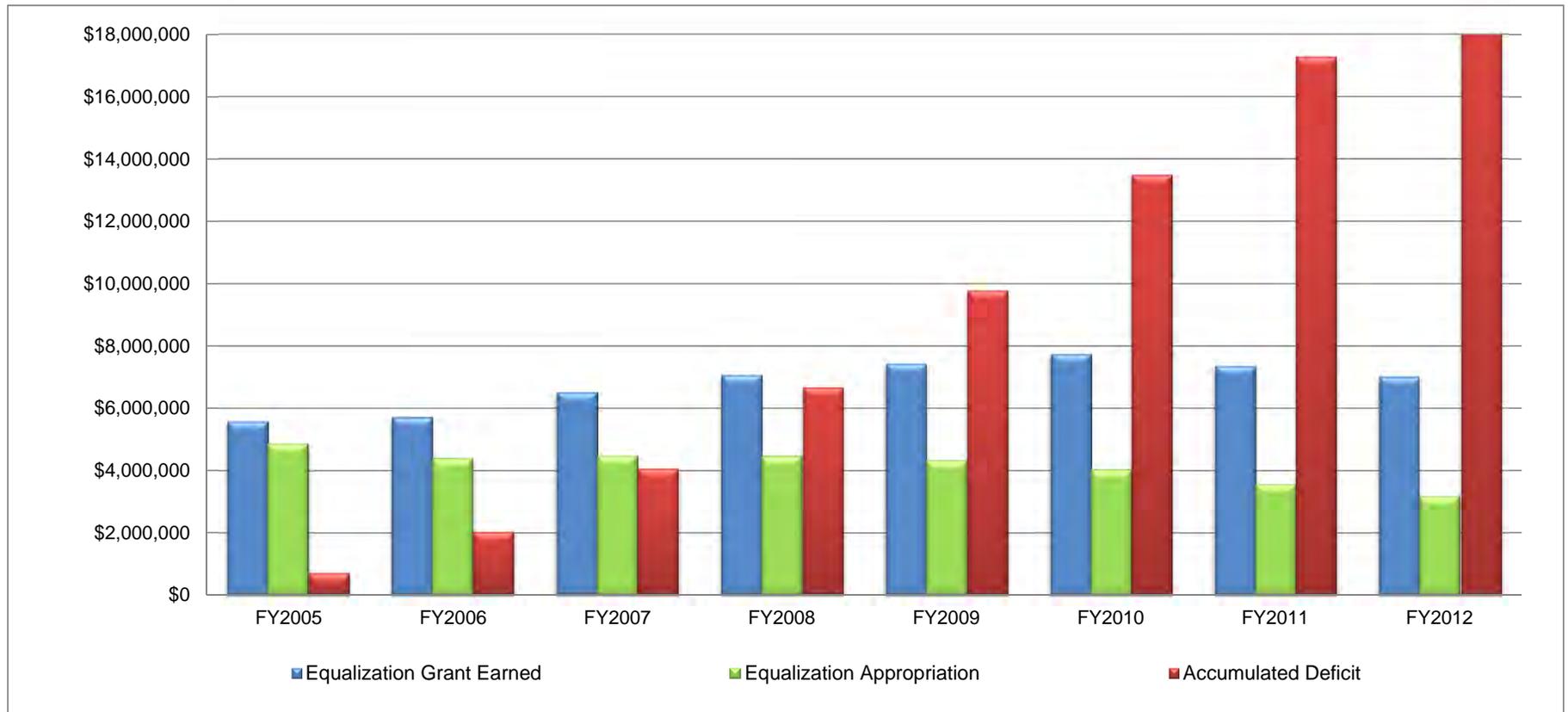
	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
General Fund - Unrestricted	\$ 3,654,518	\$ 3,661,544	\$ 3,857,330	\$ 2,875,581	\$ 270,482	\$ 5,410,451	\$ 8,697,966	\$ 10,458,459	\$ 10,458,459	\$ 10,512,321
Working Cash Fund - Unrestricted	1,283,436	1,542,516	778,015	864,305	924,742	1,219,790	1,625,794	2,046,194	2,081,546	2,496,165
Auxiliary Fund - Unrestricted	(158,314)	19,436	(197,743)	(270,102)	(166,048)	(132,271)	(74,423)	143,703	495,505	702,675
Restricted Purposes Fund - Restricted	266,639	95,537	221,884	459,285	3,752,088	2,026,420	137,064	37,322	1,393,815	94,284
Audit Fund - Restricted	61,751	79,482	93,978	103,090	77,900	97,557	122,132	150,245	172,765	211,908
Liability, Protection, and Settlement Fund - Restricted	1,706,056	1,381,603	1,389,320	1,429,168	465,822	829,358	1,227,502	1,573,022	1,952,072	2,521,853
Bond & Interest Fund - Restricted	-	-	644,333	1,156,231	830,675	1,765,269	2,702,182	2,642,136	2,704,975	2,721,699
Operations & Maintenance Restricted Fund	3,756,699	2,870,541	7,915,146	7,424,453	5,367,730	7,093,683	5,829,566	23,911,458	24,930,072	19,043,923
Working Cash Fund - Restricted	6,094,190	6,094,190	6,094,190	6,094,190	6,094,190	10,194,190	10,194,190	10,194,190	10,194,190	10,194,190
<b>Total Fund Balance</b>	<b>\$16,664,975</b>	<b>\$15,744,849</b>	<b>\$20,796,453</b>	<b>\$20,136,201</b>	<b>\$17,617,581</b>	<b>\$28,504,447</b>	<b>\$30,461,973</b>	<b>\$51,156,729</b>	<b>\$54,383,399</b>	<b>\$48,499,018</b>



Note: Excludes Investment in Plant and General Long Term Debt funds.  
Source: College audited financial statements.

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

**State Equalization Grant Funding & Accumulated Deficit  
FY2005 through FY2012**

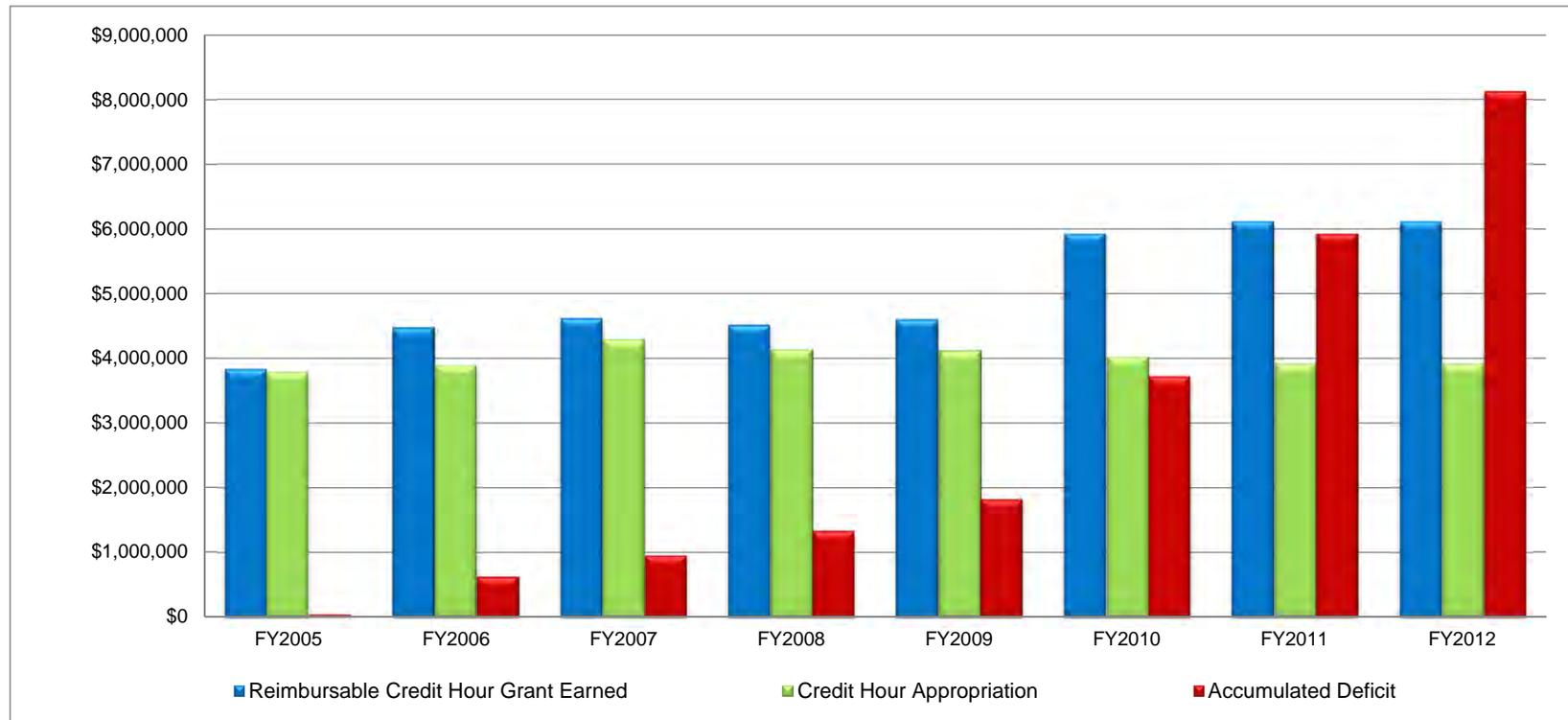


	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Equalization Grant Earned	\$ 5,595,326	\$ 5,721,705	\$ 6,523,581	\$ 7,082,701	\$ 7,446,929	\$ 7,758,564	\$ 7,372,057	\$ 7,028,293
Equalization Appropriation	4,873,749	4,403,116	4,488,540	4,471,959	4,341,024	4,038,587	3,576,700	3,187,173
Annual Deficit	(721,577)	(1,318,589)	(2,035,041)	(2,610,742)	(3,105,905)	(3,719,977)	(3,795,357)	(3,841,120)
<b>Accumulated Deficit</b>	<b>\$ 721,577</b>	<b>\$ 2,040,166</b>	<b>\$ 4,075,207</b>	<b>\$ 6,685,949</b>	<b>\$ 9,791,854</b>	<b>\$ 13,511,831</b>	<b>\$ 17,307,188</b>	<b>\$ 21,148,308</b>

Source: ICCB System's Operating Budgets

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

**State Credit Hour Grant Funding History & Accumulated Deficit  
FY2005 through FY2012**



	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Reimbursable Credit Hour Grant Earned	\$ 3,841,200	\$ 4,484,716	\$ 4,626,651	\$ 4,523,139	\$ 4,608,756	\$ 5,936,036	\$ 6,125,709	\$ 6,125,709
Credit Hour Appropriation	3,795,389	3,900,118	4,297,173	4,142,317	4,123,492	4,027,875	3,923,273	3,923,273
Annual Deficit	(45,811)	(584,598)	(329,478)	(380,822)	(485,264)	(1,908,161)	(2,202,436)	(2,202,436)
<b>Accumulated Deficit</b>	<b>\$ 45,811</b>	<b>\$ 630,409</b>	<b>\$ 959,887</b>	<b>\$ 1,340,709</b>	<b>\$ 1,825,973</b>	<b>\$ 3,734,134</b>	<b>\$ 5,936,570</b>	<b>\$ 8,139,006</b>

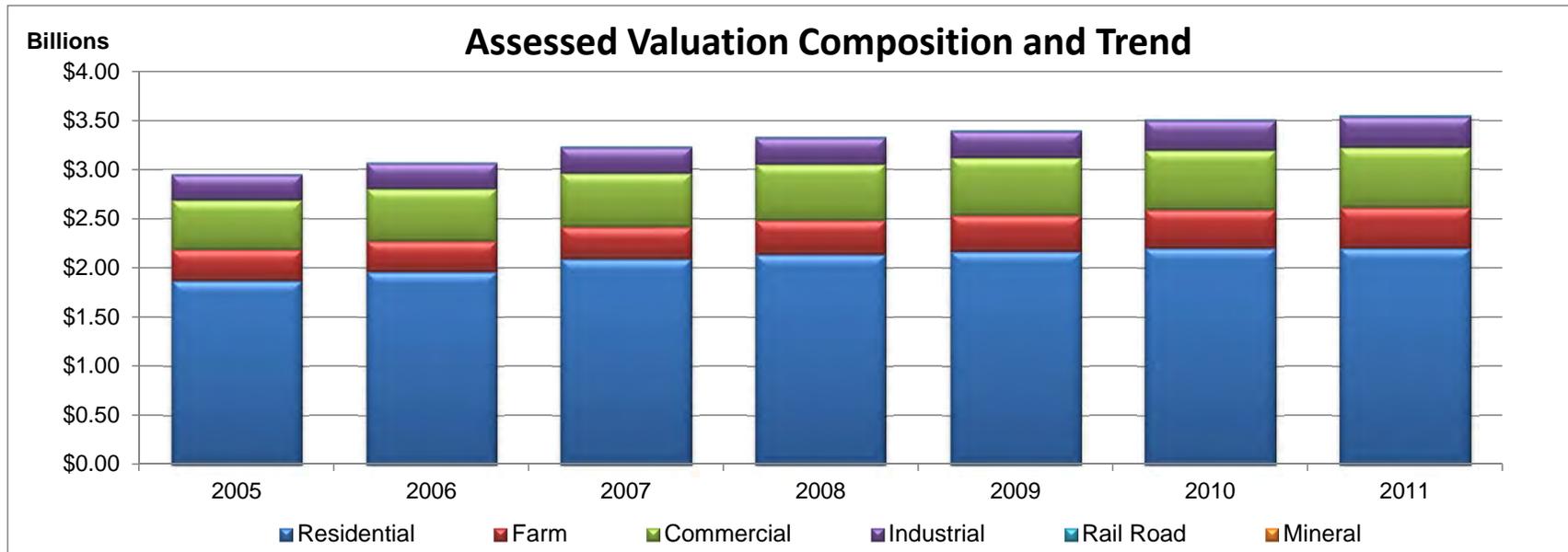
Source: ICCB System's Operating Budgets

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

Assessed and Estimated Actual Value of Taxable Property (Unaudited)  
Tax Levy Years 2002 through 2011

**Assessed Valuation by Property Type**

Levy year	Residential	Farm	Commercial	Industrial	Rail Road	Mineral	Total Assessed Valuation	Estimated Actual Value
2002	NA	NA	NA	NA	NA	NA	\$ 2,761,970,857	\$ 8,286,741,245
2003	NA	NA	NA	NA	NA	NA	2,870,452,838	8,612,219,736
2004	NA	NA	NA	NA	NA	NA	2,826,046,435	8,478,987,204
2005	\$ 1,870,425,989	\$ 314,255,886	\$ 502,964,495	\$ 257,165,711	\$ 6,568,809	\$ -	2,951,380,890	8,855,028,173
2006	1,962,173,095	309,548,885	531,490,526	260,706,801	7,282,286	-	3,071,201,593	9,214,526,232
2007	2,091,105,849	323,628,400	545,161,809	261,212,091	8,658,312	-	3,229,766,461	9,690,268,410
2008	2,138,725,354	345,734,151	570,868,409	266,916,159	8,197,605	-	3,330,441,678	9,992,324,266
2009	2,167,842,281	366,033,401	586,464,484	268,665,674	8,676,981	-	3,397,682,821	10,194,067,870
2010	2,204,812,845	390,730,975	600,753,081	305,756,819	10,948,746	-	3,513,002,466	10,540,061,404
2011	2,199,256,948	412,091,076	608,557,475	315,981,890	14,957,174	-	3,550,844,563	10,653,599,049



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 2011 is the most current information available
3. The total direct rate applied to tax year 2011 is \$0.5369.

NA = Not Available

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

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

Property Tax Extensions and Collections (Unaudited)  
 Tax Levy Years 2002 through 2011

Levy Year	Fiscal Year	Assessed Valuation	Tax Rate	Taxes Extended (Levy)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
					Amount	Percent of Extension		Amount	Percent of Extension
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	17,837,846	5,980,833	34%	11,810,395	17,791,228	100%
2009	2010	3,397,682,821	0.5337	18,133,434	6,037,571	33%	12,046,820	18,084,391	100%
2010	2011	3,513,002,466	0.5324	18,703,225	6,123,362	33%	12,547,662	18,671,024	100%
2011	2012	3,550,844,563	0.5369	19,064,484	6,573,422	34%	-	6,573,422	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 2011 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

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

Representative Tax Rates (Unaudited)  
 Tax Years 2002 through 2011

Taxing Districts	Tax Year 2002	Tax Year 2003	Tax Year 2004	Tax Year 2005	Tax Year 2006	Tax Year 2007	Tax Year 2008	Tax Year 2009	Tax Year 2010	Tax Year 2011
Black Hawk College District No. 503	\$ 0.3671	\$ 0.3740	\$ 0.4021	\$ 0.4145	\$ 0.4579	\$ 0.5016	\$ 0.5356	\$ 0.5337	\$ 0.5324	\$ 0.5369
Rock Island County	0.7850	0.7746	0.8040	0.7976	0.7956	0.7890	0.8480	0.8542	0.8574	0.8684
South Moline Township	0.0690	0.0656	0.0692	0.0700	0.1412	0.1416	0.1432	0.1432	0.1420	0.1318
Road & Bridge - South Moline Township	0.0054	0.0050	0.0052	0.0054	0.0058	0.0061	0.0064	0.0070	0.0070	0.0085
Road & Bridge - City of Moline	0.0040	0.0042	0.0044	0.0044	0.0042	0.0041	0.0042	0.0042	0.0042	0.0043
South Moline Township Cemetery	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	0.0030	0.0038	0.0038
City of Moline	1.8930	1.8988	1.9116	1.9594	1.9646	2.0062	1.9966	1.9288	1.9324	1.9744
School District No. 40	5.2536	5.2612	5.1108	5.1508	5.1152	5.0586	5.0188	5.0266	5.0584	5.0600
Metropolitan Airport Authority	0.0630	0.0714	0.0750	0.0718	0.0726	0.0716	0.0734	0.0742	0.0734	0.0750
Metropolitan Transit Authority	0.1322	0.1448	0.1646	0.1652	0.1754	0.1742	0.1768	0.1812	0.1822	0.1872
<b>Total</b>	<b>\$ 8.5725</b>	<b>\$ 8.5998</b>	<b>\$ 8.5471</b>	<b>\$ 8.6393</b>	<b>\$ 8.7327</b>	<b>\$ 8.7532</b>	<b>\$ 8.8032</b>	<b>\$ 8.7561</b>	<b>\$ 8.7932</b>	<b>\$ 8.8503</b>

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 2002	Tax Year 2003	Tax Year 2004	Tax Year 2005	Tax Year 2006	Tax Year 2007	Tax Year 2008	Tax Year 2009	Tax Year 2010	Tax Year 2011
Black Hawk College District No. 503	\$ 0.3671	\$ 0.3740	\$ 0.4021	\$ 0.4181	\$ 0.4578	\$ 0.5023	\$ 0.5356	\$ 0.5354	\$ 0.5341	\$ 0.5372
Henry County	0.8291	0.8869	0.9280	0.9439	0.9026	0.9069	0.8945	0.9173	0.9498	0.9270
Kewanee Township	0.1154	0.1769	0.2054	0.2113	0.1978	0.1756	0.1721	0.1735	0.1742	0.1774
Kewanee Township Road District	0.2217	0.2222	0.2227	0.2207	0.2188	0.2084	0.2179	0.2180	0.2163	0.2167
City of Kewanee	2.2501	2.3196	2.5402	2.5760	2.1251	2.7294	2.3552	2.2611	2.3865	2.4857
Kewanee Park District	0.9654	0.9993	1.1338	1.0752	1.1009	1.0474	1.0881	1.0573	1.0518	1.0692
Kewanee Library District	0.5511	0.5834	0.6336	0.6395	0.6362	0.6862	0.6965	0.7524	0.7627	0.7680
Kewanee Airport	0.0137	0.0136	0.0163	0.0145	0.0139	0.0128	0.0127	0.0116	0.0121	0.0123
Unity School District No. 229	3.9368	4.0955	4.3047	4.2700	4.4177	4.4650	4.5351	4.5267	4.5174	4.3535
<b>Total</b>	<b>\$ 9.2504</b>	<b>\$ 9.6714</b>	<b>\$ 10.3868</b>	<b>\$ 10.3692</b>	<b>\$ 10.0708</b>	<b>\$ 10.7340</b>	<b>\$ 10.5077</b>	<b>\$ 10.4533</b>	<b>\$ 10.6049</b>	<b>\$ 10.5470</b>

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

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**Illinois Community College District No. 503**

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

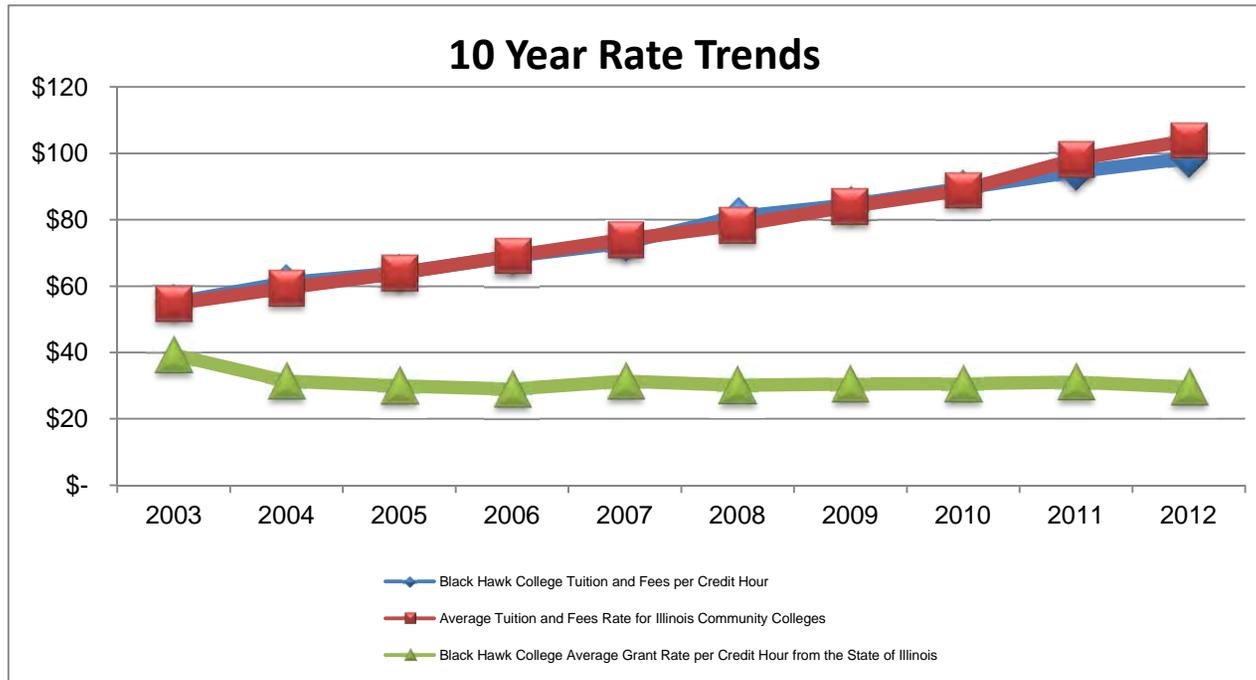
2003				2011			
Taxpayer	Equalized Assessed Valuation	Rank	Percent of District's EAV	Taxpayer	Equalized Assessed Valuation	Rank	Percent of District's EAV
Commonwealth Edison	\$ 76,107,947	1	2.65%	Commonwealth Edison	\$ 150,000,000	1	4.22%
Deere and Company	38,140,142	2	1.33%	Deere and Company	29,735,851	2	0.84%
SDG Macerich Properties	18,281,760	3	0.64%	Patriot Renewable Fuels, LLC	22,949,484	3	0.65%
J. I. Case	5,704,594	4	0.20%	DNC Gaming/Jumers Casino	22,519,448	4	0.63%
Minnesota Mining & Manufacturing	5,213,237	5	0.18%	Big River Resources Galva, LLC	21,944,880	5	0.62%
Pioneer Hi-Bred	5,148,559	6	0.18%	SDG Macerich/Southpark Mall	15,831,750	6	0.45%
Thoms-Proestler Company	4,816,290	7	0.17%	Modern Woodmen of America	9,633,672	7	0.27%
Barjan Products, LLC	4,425,893	8	0.15%	Thoms-Proestler Company	5,643,419	8	0.16%
Cordova Energy	4,331,206	9	0.15%	Fed Ex Freight	5,025,042	9	0.14%
Tyson Foods	4,130,478	10	0.14%	Walmart - Silvis	4,895,401	10	0.14%
	<u>\$ 170,430,584</u>		<u>5.94%</u>		<u>\$ 292,364,447</u>		<u>8.25%</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)  
FY2003 through FY2012

<u>Fiscal Year</u>	<u>Black Hawk College Tuition and Fees per Credit Hour</u>	<u>Average Tuition and Fees Rate for Illinois Community Colleges</u>	<u>Black Hawk College Average Grant Rate per Credit Hour from the State of Illinois</u>	<u>Black Hawk College Total Unrestricted and Restricted Credit Hours</u>
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	30.51	124,771
2010	89.50	88.95	30.59	135,521
2011	94.50	98.26	31.08	139,479
2012	98.50	103.89	29.49	137,989



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)  
 FY2003 through FY2012

Fiscal Year	General Obligation Bonds	Installment Contracts	Total Outstanding Debt	Estimated Actual Taxable Property Value	Percentage of Actual Value	Total Outstanding Debt Per Capita
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
2010	27,145,000	-	27,145,000	10,194,067,870	0.266%	102.89
2011	22,600,000	-	22,600,000	10,540,061,404	0.214%	90.40
2012	17,740,000	-	17,740,000	10,653,599,049	0.167%	79.49

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 2010 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 2010 U.S. Census

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

Computation of Legal Debt Margin (Unaudited)  
FY2003 through FY2012

Fiscal Year	Assessed Value	Debt Limit: 2.875% of Assessed Value	Less applicable Debt: General Obligation Bonds	Legal Debt Margin
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
2010	3,397,682,821	97,683,381	27,145,000	70,538,381
2011	3,513,002,466	100,998,821	22,600,000	78,398,821
2012	3,550,844,563	102,086,781	17,740,000	84,346,781

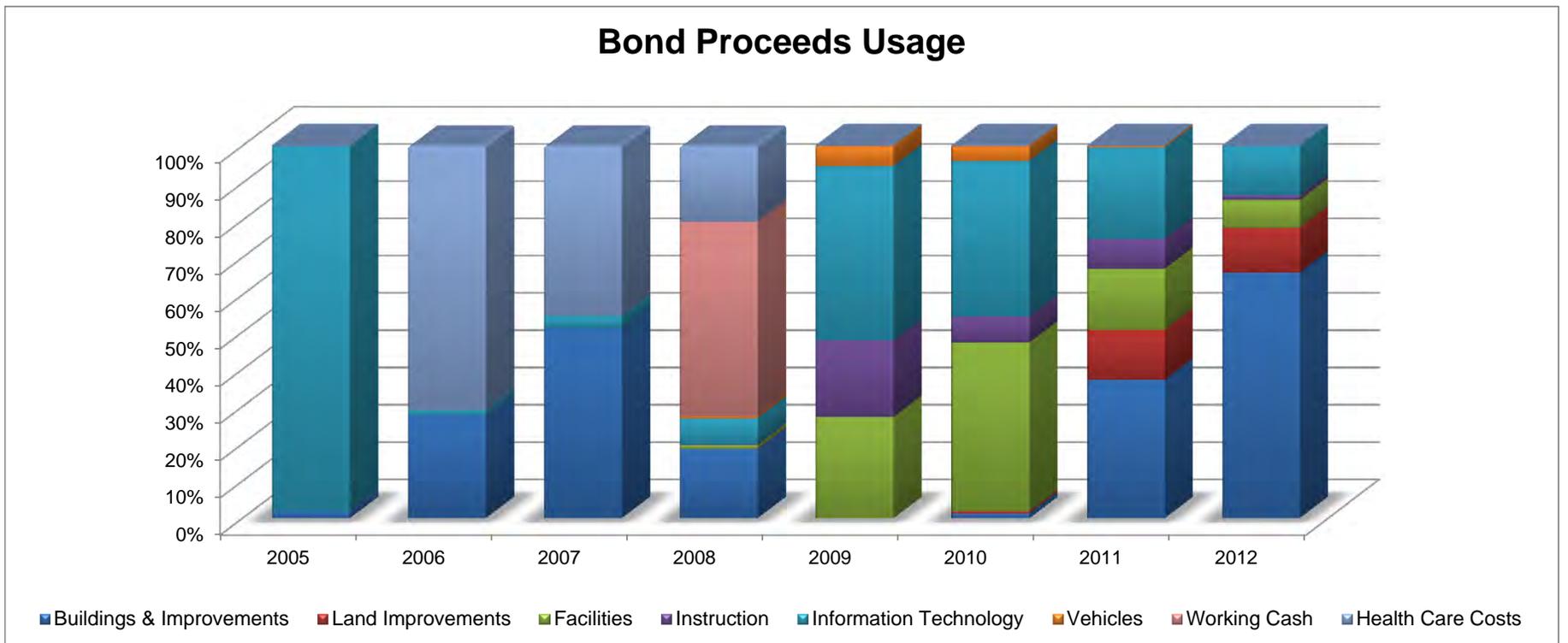


Sources: Bureau, Henderson, Henry, Knox, Marshall, Mercer, Rock Island, Stark and Whiteside County Clerk's Office and College records

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

Use of Bond Issuance Proceeds (Unaudited)  
 FY2003 through FY2012

Purpose	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Buildings & Improvements	N/A	N/A	\$ 7,843	\$ 625,324	\$ 1,788,579	\$ 1,461,284	\$ -	\$ 26,604	\$ 990,583	\$ 4,379,666
Land Improvements	N/A	N/A	-	-	-	7,300	-	11,726	359,872	803,531
Facilities	N/A	N/A	-	-	-	68,408	511,727	972,659	434,725	494,661
Instruction	N/A	N/A	-	-	-	15,909	388,952	148,970	215,168	83,700
Information Technology	N/A	N/A	432,896	30,714	112,726	558,500	882,422	894,804	652,498	883,528
Vehicles	N/A	N/A	-	-	-	44,785	102,292	86,851	13,479	-
Working Cash	N/A	N/A	-	-	-	4,100,000	-	-	-	-
Health Care Costs	N/A	N/A	-	1,600,000	1,600,000	1,600,000	-	-	-	-
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 440,739</b>	<b>\$ 2,256,038</b>	<b>\$ 3,501,304</b>	<b>\$ 7,856,186</b>	<b>\$ 1,885,392</b>	<b>\$ 2,141,614</b>	<b>\$ 2,666,324</b>	<b>\$ 6,645,086</b>



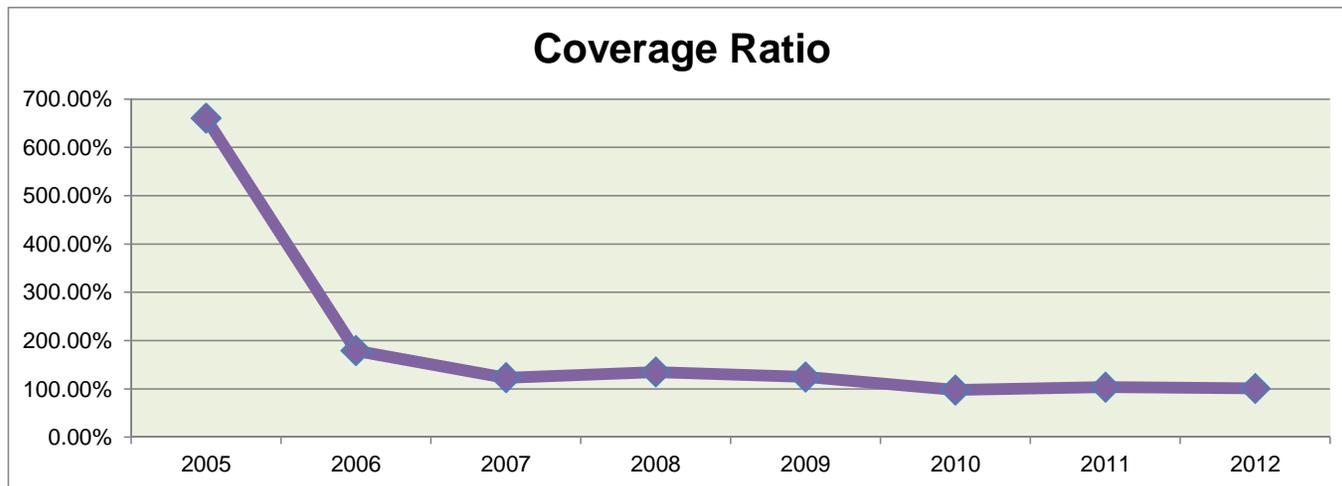
The College issued new bonds during fiscal years 2004, 2006, 2008, and 2010.

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

Schedule of Bond Coverage (Unaudited)  
 Most Recent 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		2010 Bonds		Total	Coverage Ratio
				Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
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%
2010	5,466,013	62,113	5,528,126	1,315,000	20,547	2,500,000	74,479	1,250,000	306,770	-	190,117	5,656,913	97.72%
2011	5,444,629	54,878	5,499,507	-	-	-	-	4,145,000	189,039	400,000	563,349	5,297,388	103.82%
2012	5,452,396	48,276	5,500,673	-	-	-	-	3,000,000	60,000	1,860,000	532,775	5,452,775	100.88%



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 88.85% 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	6,355,000	100.000%	6,355,000
Metropolitan Airport Authority	-	100.000%	-
Metropolitan Transit Authority	-	100.000%	-
Annawan Township	-	100.000%	-
Atkinson Township	-	100.000%	-
Village of Cambridge	-	100.000%	-
Village of Carbon Cliff	-	100.000%	-
Village of Coal Valley	-	100.000%	-
City of Colona	-	100.000%	-
Village of Cordova	-	100.000%	-
City of East Moline	755,000	100.000%	755,000
City of Galva	-	100.000%	-
City of Geneseo	-	100.000%	-
Village of Hampton	-	100.000%	-
City of Kewanee	299,000	100.000%	299,000
Village of Milan	-	100.000%	-
City of Moline	76,285,000	100.000%	76,285,000
City of Rock Island	36,623,332	100.000%	36,623,332
City of Silvis	1,825,000	100.000%	1,825,000
Carbon Cliff Special Service Area #3	195,000	100.000%	195,000
Silvis Special Service Area #1	1,280,000	100.000%	1,280,000
Cambridge Fire District	-	100.000%	-
Coal Valley Fire District	550,000	100.000%	550,000
(Hammond) Henry Hospital District	-	100.000%	-
Illini Hospital (Ambulance) District	-	100.000%	-
Kewanee Library District	160,000	100.000%	160,000
Geneseo Park District	400,000	100.000%	400,000
Kewanee Park District	510,000	100.000%	510,000
Community Unit School District #1	325,000	100.000%	325,000

**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 88.85% of the Equalized Assessed Value of the District)

Issuing Taxing Districts	Amount of Outstanding Bonds	Applicable to District	
		Estimated Percentage	Amount
School District #29	515,000	100.000%	515,000
High School District #30	1,825,000	100.000%	1,825,000
School District #34	4,095,000	100.000%	4,095,000
School District #36	1,265,000	100.000%	1,265,000
School District #37	4,923,410 <sup>5</sup>	100.000%	4,923,410
Community Unit School District #40	26,555,620	100.000%	26,555,620
School District #41	38,435,000	100.000%	38,435,000
Community Unit School District #100 (Riverdale)	2,510,000	100.000%	2,510,000
Community Unit School District #100 (Stark)	7,465,000	100.000%	7,465,000
School District #190	770,000	100.000%	770,000
Community Unit School District #200	3,086,874 <sup>5</sup>	100.000%	3,086,874
Community Unit School District #203	245,000	100.000%	245,000
Community Unit School District #223	4,663,253 <sup>5</sup>	100.000%	4,663,253
Community Unit School District #224	610,000	100.000%	610,000
Community Unit School District #225	2,880,000	99.860%	2,875,968
Community Unit School District #227	940,000 <sup>6</sup>	100.000%	940,000
Community Unit School District #228	8,375,000	100.000%	8,375,000
Community Unit School District #229	950,000 <sup>6</sup>	100.000%	950,000
Community Unit School District #230	1,180,000	100.000%	1,180,000
Community Unit School District #300	870,000	100.000%	870,000
<b>Total Overlapping General Obligation Bonded Debt</b>			<b>\$ 237,717,457</b>

Notes:

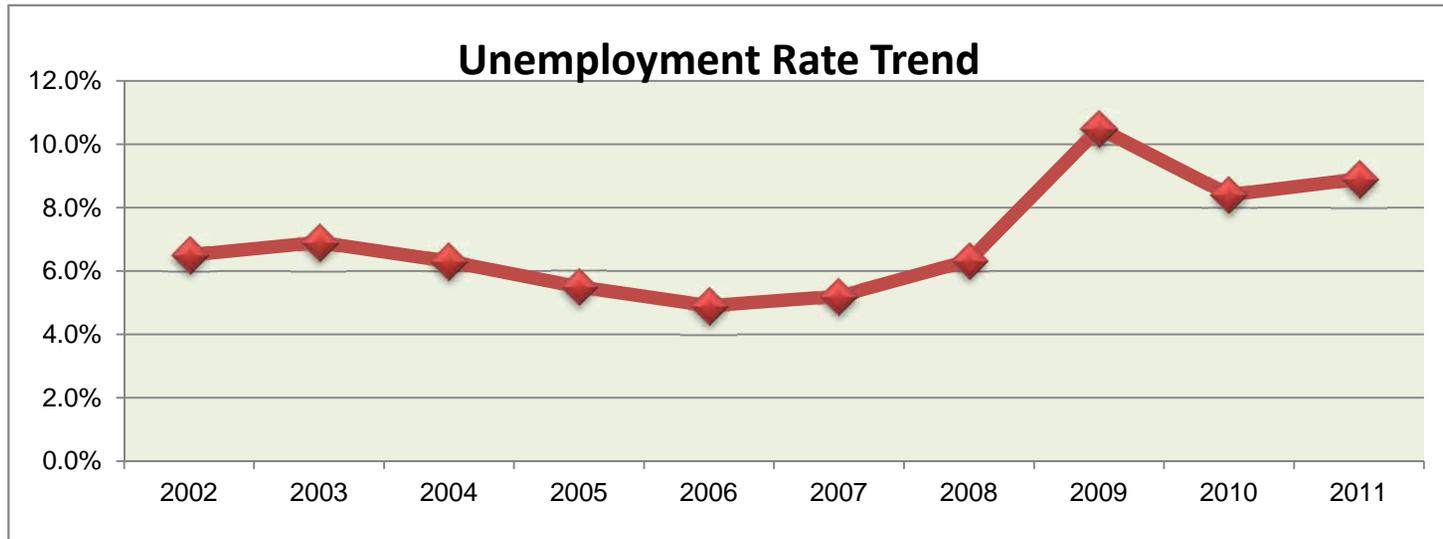
1. Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds that are expected to be paid from sources other than general taxation.
2. Includes Public Building Commission debt applicable to the County and secured by lease rentals payable from ad valorem taxes levied 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 2012.

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 2002 through 2011

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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	5.2%
2008	385,161	13,832,570	36,243	6.3%
2009	383,799	13,573,610	35,293	10.5%
2010	386,826	14,073,186	35,635	8.4%
2011	385,554	N/A	N/A	8.9%



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  
U.S. Census Bureau

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

Principal Employers (Unaudited)  
Current Year and Nine Years Ago

Rock Island County							
2003				2011			
Employer	Product/Service	Employees	Percentage of Total Employment	Employer	Product/Service	Employees	Percentage of Total Employment
Deere & Co.	Construction and agricultural equipment	6,200	8.04%	Rock Island Arsenal	Defense Manufacturing	7,900	10.59%
Rock Island Arsenal	Defense Manufacturing	6,000	7.78%	Deere & Co.	Construction and agricultural equipment	5,800	7.77%
Trinity Regional Health System	Health care system	3,600	4.67%	Trinity Regional Health System	Health care system	2,573	3.45%
Case Corporation	Agriculture & Industrial equipment	2,500	3.24%	Tyson Fresh Meats	Food Processing	2,500	3.35%
John Deere Harvester Works	Construction and agricultural equipment	2,300	2.98%	Group O Companies	Supply chain management and logistics	1,100	1.47%
John Deere Seeding Group	Planting equipment	1,000	1.30%	Genesis Health System	Health care system	970	1.30%
Community Unit School District #40	Moline school district	1,000	1.30%	Black Hawk College District #503	Illinois Community College	825	1.11%
MidAmerican Energy Co.	Utility/Energy delivery	990	1.28%	Xpac	Supply chain management and logistics	800	1.07%
Export Packaging (XPAC)	Supply chain management and logistics	975	1.26%	Exelon	Energy generation	700	0.94%
US Army Corps of Engineers	National Security	950	1.23%	Kone, Inc.	Industrial and commercial manufacturing	665	0.89%

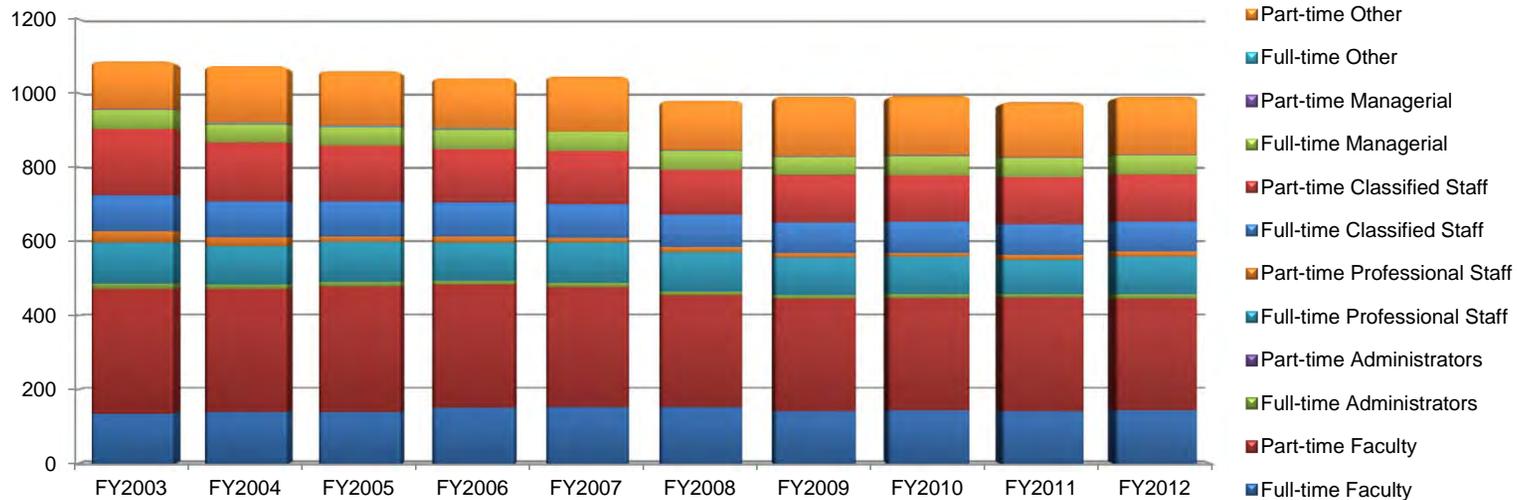
City of Kewanee							
2003				2011			
Employer	Product/Service	Employees	Percentage of Total Employment	Employer	Product/Service	Employees	Percentage of Total Employment
Great Dane Trailers	Manufactures semi-truck trailers	500	7.88%	Kewanee Hospital	Hospital	300	4.73%
Kewanee Hospital	Hospital	400	6.30%	Wal-Mart	Retail	300	4.73%
Excelled Sheepskin & Leather Coat Co.	Manufactures leather products	200	3.15%	Kewanee Youth Center	Youth center	300	4.73%
Compaction America	Manufactures self-propelled compactors	150	2.36%	Peterson Health Care, Inc.	Nursing home/assisted living facilities	280	4.41%
Kewanee Corp.	Manufactures metal doors & frames	100	1.58%	Great Dane Trailers	Manufactures semi-truck trailers	250	3.94%

Sources: Rock Island County, Illinois Annual Financial Report  
Kewanee Fact Book  
Bureau of Labor Statistics

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

Faculty and Staff Headcount (Unaudited)  
FY2003 through FY2012

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
<b>Faculty</b>										
Full-time	137	141	141	153	154	154	143	145	143	145
Part-time	335	330	337	330	322	301	303	302	306	300
<b>Administrators</b>										
Full-time	14	13	13	11	12	10	9	10	9	12
Part-time	0	0	0	0	0	0	0	0	0	0
<b>Managerial</b>										
Full-time	52	49	50	53	52	51	49	52	51	52
Part-time	2	2	2	2	0	1	1	2	2	2
<b>Professional Staff</b>										
Full-time	110	102	107	103	109	106	101	101	92	101
Part-time	31	25	15	15	12	13	12	10	13	14
<b>Classified Staff</b>										
Full-time	97	95	93	93	90	88	83	84	82	80
Part-time	177	159	151	142	143	120	127	125	128	127
<b>Other</b>										
Full-time	1	1	2	2	1	1	1	1	1	0
Part-time	128	154	147	135	148	133	160	159	147	156
<b>Total Employees</b>										
Full-time	411	401	406	415	418	410	386	393	378	390
Part-time	673	670	652	624	625	568	603	598	596	599
<b>Grand Total</b>	<b>1084</b>	<b>1071</b>	<b>1058</b>	<b>1039</b>	<b>1043</b>	<b>978</b>	<b>989</b>	<b>991</b>	<b>974</b>	<b>989</b>

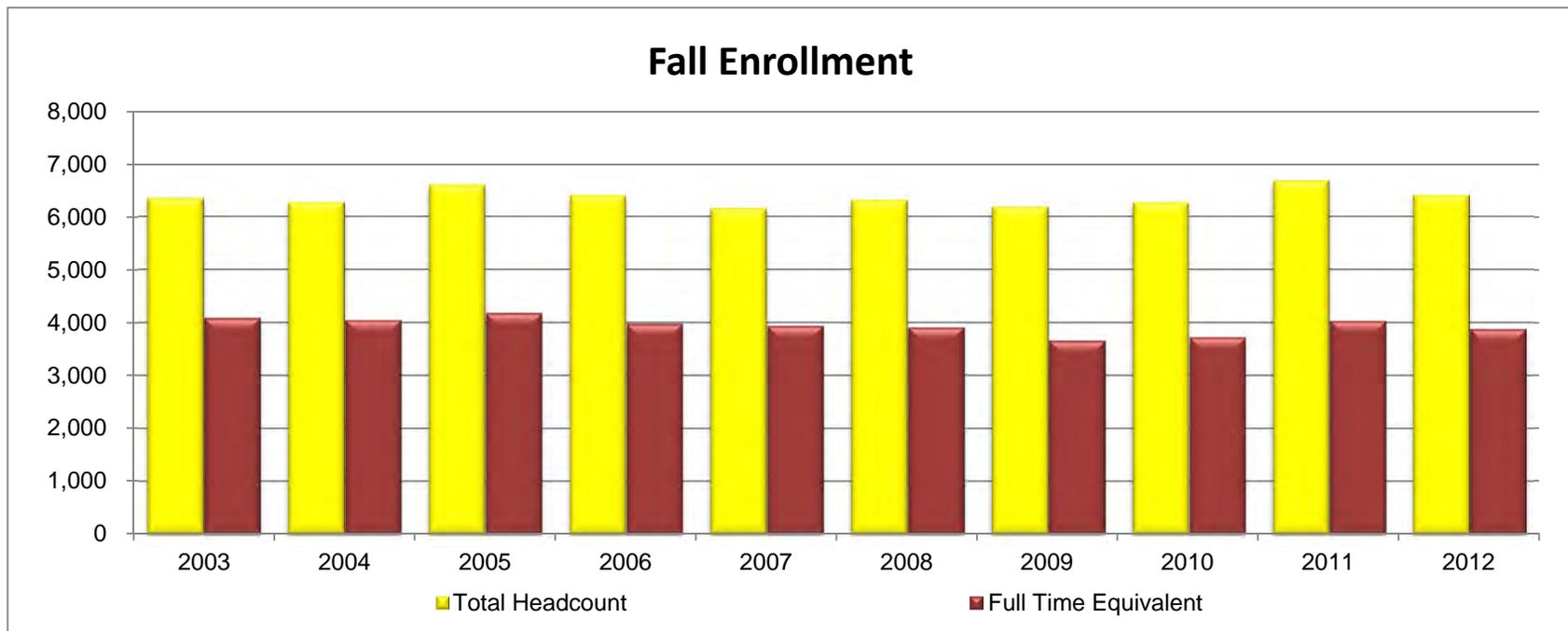


Source: ICCB Salary Survey C1 Report

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

Student Enrollment Demographic Statistics (Unaudited)  
FY2003 through FY2012

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	Degreed	Average Age
2003	4,081	6,350	2,531	3,819	3,069	3,281	3,531	1,680	26	1,113	NR	26.6
2004	4,044	6,266	2,509	3,757	3,092	3,174	3,578	1,479	125	1,084	NR	26.4
2005	4,175	6,600	2,544	4,056	3,138	3,462	3,610	1,511	323	1,155	NR	27.4
2006	3,975	6,407	2,511	3,896	2,940	3,467	3,505	1,467	327	1,108	NR	27.3
2007	3,932	6,151	2,386	3,765	2,953	3,198	3,297	1,286	295	1,273	NR	26.9
2008	3,905	6,311	2,539	3,772	2,884	3,427	3,288	1,458	334	1,231	NR	26.6
2009	3,651	6,179	2,461	3,718	2,622	3,557	3,157	1,387	306	1,329	NR	27.5
2010	3,722	6,267	2,492	3,775	2,715	3,552	3,115	1,291	564	1,297	NR	27.7
2011	4,031	6,677	2,746	3,931	2,940	3,737	3,218	1,429	240	1,489	301	27.4
2012	3,872	6,403	2,539	3,864	2,732	3,671	3,425	1,174	286	1,250	268	27.3

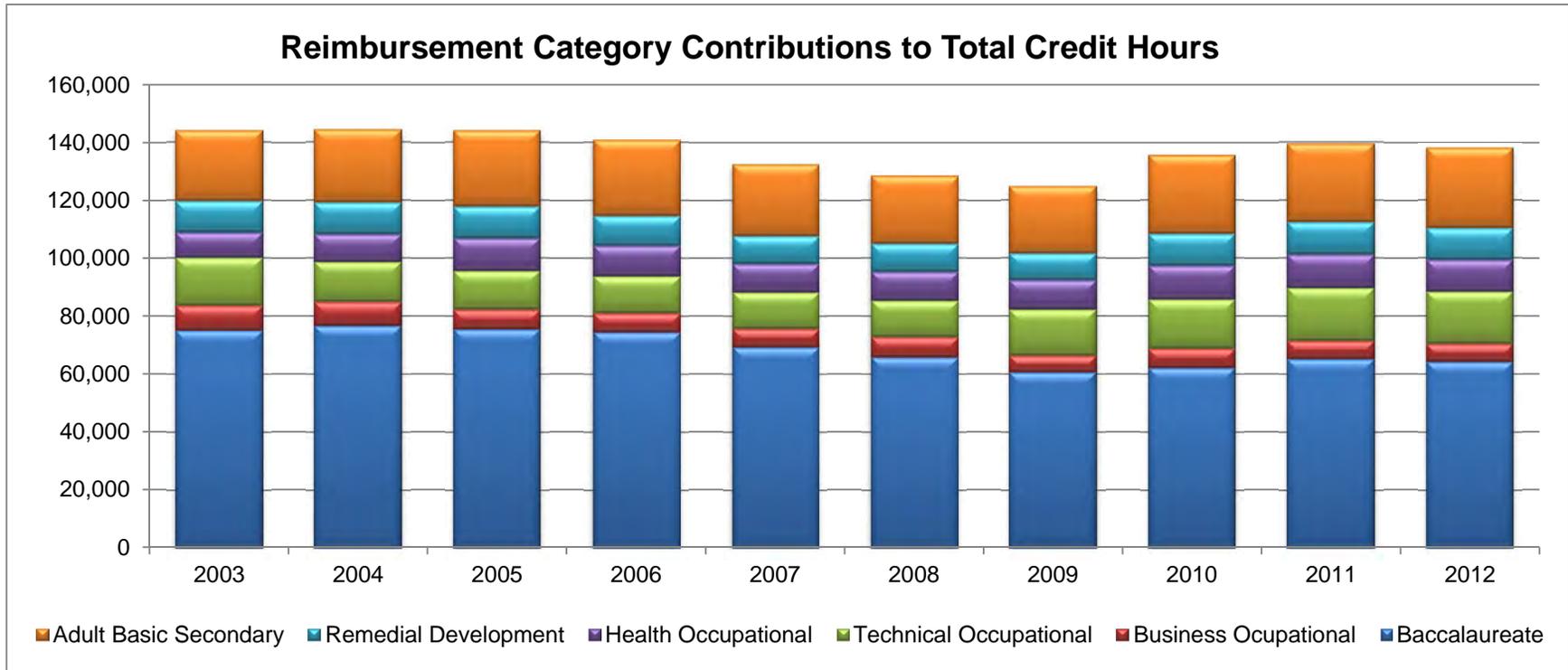


Source: ICCB E1 Report  
NR = Not Recorded

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

Credit Hours Eligible for Funding by Illinois Community College Board Reimbursement Categories (Unaudited)  
FY2003 through FY2012

Category	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	% Change 2003 vs. 2012
Baccalaureate	75,102.3	76,770.2	75,552.4	74,557.5	69,337.3	65,866.3	60,658.2	62,219.0	65,304.7	64,300.2	-14.38%
Business Occupational	8,648.8	8,215.0	6,757.8	6,536.8	6,368.6	6,976.0	5,756.6	6,633.1	6,284.3	6,177.5	-28.57%
Technical Occupational	16,524.3	13,792.1	13,310.7	12,766.0	12,550.4	12,516.8	15,920.1	16,956.0	18,238.5	17,967.3	8.73%
Health Occupational	8,683.7	9,574.8	11,326.3	10,540.9	9,888.6	10,025.6	10,119.6	11,690.7	11,510.2	11,028.1	27.00%
Remedial Development	10,779.0	10,906.0	10,935.0	10,305.0	9,587.0	9,670.0	9,218.0	10,957.0	11,172.0	10,915.0	1.26%
Adult Basic Secondary	24,338.9	25,100.5	26,205.1	26,193.7	24,660.5	23,395.0	23,098.0	27,065.3	26,969.0	27,600.5	13.40%
<b>Total</b>	<b>144,077.0</b>	<b>144,358.6</b>	<b>144,087.3</b>	<b>140,899.9</b>	<b>132,392.4</b>	<b>128,449.7</b>	<b>124,770.5</b>	<b>135,521.1</b>	<b>139,478.7</b>	<b>137,988.6</b>	<b>-4.23%</b>



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)  
 FY2003 through FY2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Buildings - Permanent	17	17	18	18	18	19	19	19	19	21
Total Acres	267.8	267.8	267.8	267.8	267.8	271.9	271.9	271.9	271.9	272.8
Net Assignable Square Feet:										
Classrooms and general use	72,883	69,068	75,921	76,868	76,251	74,977	71,702	71,968	71,831	78,033
Laboratory	65,897	89,396	85,299	83,439	97,016	130,723	128,713	128,713	129,373	137,122
Office	60,074	59,130	60,466	61,044	60,553	61,034	59,693	59,225	59,601	62,340
Study	22,530	24,480	24,864	24,864	24,307	24,491	24,307	24,307	24,307	24,873
Special Use (Athletics, PE)	84,539	64,297	65,833	66,073	45,448	45,448	47,353	45,448	45,448	45,569
General Use (Theater)	37,901	37,346	37,652	37,305	36,882	36,138	32,977	34,882	33,181	35,193
Support functions	33,569	32,420	32,444	32,035	31,274	29,874	29,014	29,216	29,154	33,357
Total	<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>393,759</u>	<u>393,759</u>	<u>392,895</u>	<u>416,487</u>
Parking capacity:										
On campus parking spots	1,826	1,826	1,826	1,826	1,826	1,920	1,920	1,920	1,920	1,935
Acres	20	20	20	20	20	21	21	21	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)  
Year ended June 30, 2012

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**Year Founded** 1946

**District Data**

Population (approximation) 223,000

**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 2012**

Associate in Arts	230
Associate in Science	118
Associate in Liberal Studies	4
Associate in Applied Science	186
Associate in Arts in Teaching	3
Certificates	194

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		
	2011	2010	2009
Equalized assessed valuations:			
Bureau County	\$ 20,093,388	\$ 20,084,506	\$ 19,970,182
Henderson County	2,123,177	2,108,005	1,933,017
Henry County	756,965,531	744,715,274	743,934,705
Knox County	11,219,776	10,660,206	10,088,188
Marshall County	110,849	109,845	89,754
Mercer County	222,354,896	222,998,604	212,415,387
Rock Island County	2,397,690,456	2,376,747,388	2,278,568,190
Stark County	85,568,081	83,538,657	80,361,189
Whiteside County	54,718,409	52,039,981	50,322,209
	<u>\$ 3,550,844,563</u>	<u>\$ 3,513,002,466</u>	<u>\$ 3,397,682,821</u>
Tax rates (per \$100 of assessed valuation):			
Education Fund	0.1200	0.1196	0.1200
Operations and Maintenance Fund	0.0700	0.0698	0.0700
Bond and Interest Fund	0.1538	0.1554	0.1606
Liability, Protection, and Settlement Fund	0.0782	0.0736	0.0696
Audit Fund	0.0028	0.0026	0.0026
Operations and Maintenance, restricted	0.0500	0.0500	0.0496
Equity	0.0621	0.0614	0.0613
	<u>0.5369</u>	<u>0.5324</u>	<u>0.5337</u>
Tax extensions:			
Education Fund	\$ 5,672,261	\$ 5,582,020	\$ 5,410,198
Operations and Maintenance Fund	3,279,418	3,228,590	3,128,179
Bond and Interest Fund	5,461,199	5,459,206	5,456,679
Liability, Protection, and Settlement Fund	2,776,760	2,585,570	2,364,787
Audit Fund	99,424	91,338	88,340
Operations and Maintenance, restricted	1,775,422	1,756,501	1,685,251
	<u>\$ 19,064,484</u>	<u>\$ 18,703,225</u>	<u>\$ 18,133,434</u>
Less tax collections (cumulative through June 30, 2012):			
Education Fund	\$ 1,955,792	\$ 5,572,410	\$ 5,395,566
Operations and Maintenance Fund	1,130,742	3,223,031	3,119,718
Bond and Interest Fund	1,883,018	5,449,807	5,441,921
Liability, Protection, and Settlement Fund	957,425	2,581,118	2,358,392
Audit Fund	34,281	91,181	88,101
Operations and Maintenance, restricted	612,164	1,753,477	1,680,693
	<u>\$ 6,573,422</u>	<u>\$ 18,671,024</u>	<u>\$ 18,084,391</u>
Taxes receivable:			
Tax receivable	\$ 12,491,062	\$ -	\$ -
Written off	-	(32,202)	(49,043)
Allowance for uncollectible taxes	(19,066)	-	-
	<u>\$ 12,471,996</u>	<u>\$ (32,202)</u>	<u>\$ (49,043)</u>
Taxes receivable by fund:			
Education Fund	\$ 3,710,796	\$ -	\$ -
Operations and Maintenance Fund	2,145,398	-	-
Bond and Interest Fund	3,572,720	-	-
Liability, Protection, and Settlement Fund	1,816,558	-	-
Audit Fund	65,044	-	-
Operations and Maintenance, restricted	1,161,480	-	-
	<u>\$ 12,471,996</u>	<u>\$ -</u>	<u>\$ -</u>
Percentage of extensions collected	<u>34.48%</u>	<u>99.83%</u>	<u>99.73%</u>

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

**Schedule of Legal Debt Margin**

**Legal Debt Margin**

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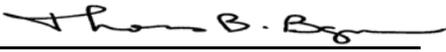
Assessed valuation, 2011 levy	<u>\$ 3,550,844,563</u>
Debt limit, 2.875% of assessed valuation	\$ 102,086,781
Bonded indebtedness	<u>(17,740,000)</u>
<b>Legal debt margin</b>	<u>\$ 84,346,781</u>

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

**Certification of Chargeback Reimbursement for Fiscal Year 2013 (Unaudited)**

**All Fiscal Year 2012 Noncapital Audited Operating  
Expenditures from the Following Funds**

1 Education Fund	\$ 30,966,190
2 Operations and Maintenance Fund	3,844,538
3 Operations and Maintenance Fund - restricted	-
4 Bond and Interest Fund	5,439,013
5 Public Building Commission Rental Fund	-
6 Restricted Purposes Fund	15,694,970
7 Audit Fund	56,100
8 Liability, Protection, and Settlement Fund	2,107,466
9 Auxiliary Enterprises Fund (Subsidy Only)	<u>-</u>
<b>10 Total noncapital expenditures</b>	<b>\$ 58,108,277</b>
11 Depreciation on capital outlay expenditures (equipment, buildings and fixed equipment paid) from sources other than state and federal funds	<u>1,199,037</u>
<b>12 Total costs included (line 10 plus line 11)</b>	<b><u>59,307,314</u></b>
13 Total certified semester credit hours for FY 2012	<u>125,432.70</u>
<b>14 Per capita cost (line 12 divided by line 13)</b>	<b><u>472.82</u></b>
15 All fiscal year 2012 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>13,230,800</u>
16 Fiscal year 2012 state and federal grants per semester credit hour (line 15 divided by line 13)	<u>105.48</u>
17 District's average ICCB grant rate (excluding equalization grants) for fiscal year 2013	<u>28.09</u>
18 District's student tuition and fee rate per semester credit hour for fiscal year 2013	<u>107.50</u>
19 Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17 and 18)	<u><u>\$ 231.75</u></u>

Approved:  Date: September 24, 2012

Approved:  Date: September 24, 2012

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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, 2012**

	Education Fund	Operation and Maintenance Fund	Bond & Interest Fund
Fund balance (deficit), beginning	\$ 9,689,557	\$ 768,902	\$ 2,704,975
Revenues:			
Local tax revenue	5,734,404	3,268,078	5,452,397
All Other Local Revenue	1,198,209	131,754	-
ICCB grants	6,766,124	627,724	-
All other state revenue	57,969	-	-
Federal revenue	39,270	-	-
Student tuition and fees	15,861,891	90,370	-
All other revenue	1,001,668	87,129	48,280
<b>Total revenues</b>	<b>30,659,535</b>	<b>4,205,055</b>	<b>5,500,677</b>
Expenditures:			
Instruction	13,648,546	-	-
Academic support	3,933,385	-	-
Student services	2,650,593	-	-
Public service	621,876	-	-
Auxiliary services	-	-	-
Operations and maintenance	-	3,844,538	-
Institutional support	6,462,892	-	5,439,013
Scholarships, student grants and waivers	3,648,898	-	-
<b>Total expenditures</b>	<b>30,966,190</b>	<b>3,844,538</b>	<b>5,439,013</b>
<b>Net transfers</b>	-	-	(44,940)
Fund balance (deficit), end of year	<b>\$ 9,382,902</b>	<b>\$ 1,129,419</b>	<b>\$ 2,721,699</b>

Operations and Maintenance - Restricted	Auxiliary Enterprises Fund	Restricted Purpose Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
\$ 24,930,072	\$ 495,505	\$ 1,393,815	\$ 12,275,736	\$ 172,765	\$ 1,952,072	\$ 54,383,399
1,763,407	-	-	-	95,243	2,677,247	18,990,776
-	-	2,486	-	-	-	1,332,449
-	-	731,899	-	-	-	8,125,747
-	-	2,394,968	-	-	-	2,452,937
-	-	10,835,832	-	-	-	10,875,102
-	375,710	590,914	-	-	-	16,918,885
526,807	3,394,411	839,340	414,619	-	-	6,312,254
2,290,214	3,770,121	15,395,439	414,619	95,243	2,677,247	65,008,150
236,521	-	616,011	-	-	-	14,501,078
34,838	-	1,230,357	-	-	-	5,198,580
-	-	834,573	-	-	-	3,485,166
15,275	-	1,360,981	-	-	-	1,998,132
-	3,562,951	143,450	-	-	-	3,706,401
7,686,214	-	38,528	-	-	862,122	12,431,402
1,248,455	-	384,832	-	56,100	1,245,344	14,836,636
-	-	11,086,238	-	-	-	14,735,136
9,221,303	3,562,951	15,694,970	-	56,100	2,107,466	70,892,531
1,044,940	-	(1,000,000)	-	-	-	-
\$ 19,043,923	\$ 702,675	\$ 94,284	\$ 12,690,355	\$ 211,908	\$ 2,521,853	\$ 48,499,018

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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, 2012**

	Fixed Asset/Debt July 1, 2011	Additions	Deletions	Fixed Asset/Debt June 30, 2012
<b>Fixed Assets:</b>				
Land	\$ 5,821,058	\$ 36,867	\$ -	\$ 5,857,925
Building and improvements	39,429,857	3,240,625	-	42,670,482
Equipment	5,768,051	789,639	(53,070)	6,504,620
Other	1,673,724	6,021,689	(1,774,955)	5,920,458
	<u>52,692,690</u>	<u>10,088,820</u>	<u>(1,828,025)</u>	<u>60,953,485</u>
Accumulated depreciation	(20,197,118)	(1,419,276)	47,619	(21,568,775)
<b>Total fixed assets</b>	<u>\$ 32,495,572</u>	<u>\$ 8,669,544</u>	<u>\$ (1,780,406)</u>	<u>\$ 39,384,710</u>
 <b>Fixed Debt:</b>				
Bonds payable	\$ 22,600,000	\$ -	\$ (4,860,000)	\$ 17,740,000
<b>Total fixed debt</b>	<u>\$ 22,600,000</u>	<u>\$ -</u>	<u>\$ (4,860,000)</u>	<u>\$ 17,740,000</u>

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

**Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures**  
**Year ended June 30, 2012**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
<b>Operating revenue by source:</b>			
<b>Local government:</b>			
Local taxes	\$ 5,734,404	\$ 3,268,078	\$ 9,002,482
Corporate personal property replacement tax	1,185,783	131,754	1,317,537
Chargeback revenue	12,426	-	12,426
	<u>6,932,613</u>	<u>3,399,832</u>	<u>10,332,445</u>
<b>State government:</b>			
ICCB credit hour grants	3,295,549	627,724	3,923,273
ICCB equalization grants	3,187,173	-	3,187,173
ICCB - Career and Technical Education	283,402	-	283,402
Other state revenue	57,969	-	57,969
	<u>6,824,093</u>	<u>627,724</u>	<u>7,451,817</u>
<b>Federal government:</b>			
Department of Education	38,086	-	38,086
Other	1,184	-	1,184
	<u>39,270</u>	<u>-</u>	<u>39,270</u>
<b>Student tuition and fees:</b>			
Tuition	14,424,712	-	14,424,712
Fees	1,437,179	90,370	1,527,549
	<u>15,861,891</u>	<u>90,370</u>	<u>15,952,261</u>
<b>Other sources:</b>			
Sales and service fees	614,443	9,861	624,304
Facilities revenue	32,484	61,012	93,496
Investment revenue	285,269	-	285,269
Other	69,472	16,256	85,728
	<u>1,001,668</u>	<u>87,129</u>	<u>1,088,797</u>
<b>Total revenues</b>	<b>30,659,535</b>	<b>4,205,055</b>	<b>34,864,590</b>
Less nonoperating item, tuition chargeback revenue	(12,426)	-	(12,426)
<b>Adjusted revenues</b>	<b>\$ 30,647,109</b>	<b>\$ 4,205,055</b>	<b>\$ 34,852,164</b>

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

**Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures (Continued)**  
**Year ended June 30, 2012**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
<b>Operating expenditures by program:</b>			
Instruction	\$ 13,648,546	\$ -	\$ 13,648,546
Academic support	3,933,385	-	3,933,385
Student services	2,650,593	-	2,650,593
Public service	621,876	-	621,876
Operations and maintenance	-	3,844,538	3,844,538
Institutional support	6,462,892	-	6,462,892
Scholarships, student grants and waivers	3,648,898	-	3,648,898
<b>Total expenditures</b>	<b>30,966,190</b>	<b>3,844,538</b>	<b>34,810,728</b>
Less nonoperating item, tuition chargeback	14,199	-	14,199
Transfers, net	-	-	-
<b>Adjusted expenditures</b>	<b>\$ 30,980,389</b>	<b>\$ 3,844,538</b>	<b>\$ 34,824,927</b>
<b>By object:</b>			
Salaries	\$ 20,083,968	\$ 1,618,138	\$ 21,702,106
Employee benefits	4,404,023	384,182	4,788,205
Contractual services	849,883	361,826	1,211,709
General materials and supplies	1,451,755	252,773	1,704,528
Conference and meeting expenses	237,802	9,262	247,064
Fixed charges	13,559	137,319	150,878
Utilities	5,776	983,052	988,828
Capital outlay	220,298	97,986	318,284
Other	3,699,126	-	3,699,126
<b>Total expenditures</b>	<b>30,966,190</b>	<b>3,844,538</b>	<b>34,810,728</b>
Less nonoperating item, tuition chargeback	14,199	-	14,199
Transfers, net	-	-	-
<b>Adjusted expenditures</b>	<b>\$ 30,980,389</b>	<b>\$ 3,844,538</b>	<b>\$ 34,824,927</b>

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

**Uniform Financial Statement No. 4 - Restricted Purposes Fund Revenues and Expenditures**  
**Year ended June 30, 2012**

Revenues by source:	
Local government	\$ 2,486
State government:	
ICCB:	
Workforce Development Component	73,833
Adult Education and Family Literacy	538,172
Early School Leaver	74,937
State Program Improvement	23,012
Staff Technical Skills	18,244
CTE Innovation	3,701
Illinois State Board of Education:	
Truancy and Alternative Education	193,373
Growing Agricultural Science Teachers	13,020
Illinois Department of Commerce and Economic Opportunity:	
Digital Divide	66,604
Employer Training Investment Program	329,256
Procurement Technical Assistance Center	39,000
Sustainability	50,000
Small Business Development Center/ITC	83,429
TIES	66,636
Illinois Department of Human Services:	
Department of Vocational Rehab	34,271
Refugee Social Services	11,853
Illinois Student Assistance Center:	
Monetary Assistance Program	1,078,127
Illinois Veterans Grant	188,046
Illinois National Guard	81,331
Policeman/Fireman Survivor Grant	3,697
Secretary of State, LIFE	156,325
<b>Total state government</b>	<u>3,126,867</u>
Federal government:	
Department of Education	
Student Aid Programs:	
Federal Work Study (FWS)	142,831
Pell Grant	8,978,275
Supplemental Educational Opportunity Grant (SEOG)	69,300
Strengthening Institutions - Title III	325,474
Carl D. Perkins Vocational and Applied Technology Program	314,361
Special Student Services	329,256
Adult Education and Family Literacy, Federal Basic Program	228,665
Adult Education English Language/Civics	39,093
Rehabilitation Services - ARRA	8,964
Sustainability Networking	5,957
Department of Labor:	
TEAM	76,570
Local Food/Ag Incubator	14,250
ESL for Seaford Employees	12,999
WIA Incentive Fund	2,000

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

**Uniform Financial Statement No. 4 - Restricted Purposes Fund Revenues and Expenditures (Continued)**  
**Year ended June 30, 2012**

Revenues by source (Continued):	
Department of Defense	35,568
Small Business Administration	92,439
Veteran's Administration	159,830
<b>Total federal government</b>	<b>10,835,832</b>
Other sources:	
Gifts from donors for scholarships	493,286
Student Fees	590,914
Other	346,054
<b>Total other</b>	<b>1,430,254</b>
<b>Total Restricted Purposes Fund Revenues</b>	<b>\$ 15,395,439</b>
Expenditures by program:	
Instruction	\$ 616,011
Academic support	1,230,357
Student services	834,573
Public service/continuing education	1,360,981
Auxiliary services	143,450
Operations and maintenance	38,528
Institutional support	384,832
Scholarships, student grants and waivers	11,086,238
<b>Total expenditures by program</b>	<b>\$ 15,694,970</b>
Expenditures by object:	
Salaries	\$ 1,808,310
Employee benefits	419,467
Contractual services	1,302,786
General materials and supplies	623,861
Conference and meeting expenses	119,412
Fixed charges	41,195
Utilities	34,591
Capital outlay	61,392
Other	11,283,956
<b>Total expenditures by object</b>	<b>\$ 15,694,970</b>

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

**Uniform Financial Statement No. 5 - Expenditures by Activity - Current Funds**  
**Year ended June 30, 2012**

Instruction	\$ 14,264,557
Academic support:	
Library center	569,417
Instructional materials center	235,899
Educational materials center	25,198
Academic computing support	1,974,992
Academic administration and planning	2,181,391
Other	176,845
<b>Total academic support</b>	<b>5,163,742</b>
Student services:	
Admissions and records	668,043
Counseling and career guidance	1,469,000
Financial aid administration	601,872
Social and cultural development	9,780
Other	736,471
<b>Total student services</b>	<b>3,485,166</b>
Public service/continuing education:	
Community education	295,690
Customized training (instructional)	920,810
Community services	641,028
Other	125,329
<b>Total public service/continuing education</b>	<b>1,982,857</b>
Auxiliary services	3,706,401
Operations and maintenance of plant:	
Maintenance	880,693
Custodial services	1,011,973
Grounds	392,284
Campus security	862,366
Utilities	1,081,959
Administration	515,913
<b>Total operations and maintenance</b>	<b>4,745,188</b>
Institutional support:	
Executive office	1,258,902
Fiscal operations	846,480
Community relations	1,142,400
Administrative support services	1,131,717
Board of Trustees	59,289
General institution	2,706,044
Administrative data processing	326,367
Other	677,969
<b>Total institutional support</b>	<b>8,149,168</b>
Scholarships, student grants and waivers	14,735,136
<b>Total current funds expenditures</b>	<b>\$ 56,232,215</b>

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

**Reconciliation of the Combining Balance Sheet to the Uniform Financial Statements  
Year ended June 30, 2012**

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Fund Balances - Uniform Financial Statements	\$ 48,499,018
Capital assets in the Investment in Plant Fund	39,384,710
Long-term debt in the General Long Term Debt Fund	<u>(17,740,000)</u>
Fund Balances - All Fund Types	<u><u>\$ 70,143,728</u></u>

**Reconciliation of the Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances to the Uniform Financial Statements  
Year ended June 30, 2012**

---

Change in Fund Balances - Uniform Financial Statements	\$ (5,884,381)
Additions to buildings and equipment	8,313,865
Depreciation and loss of disposal of assets	<u>(1,424,727)</u>
Net Effect	<u>6,889,138</u>
Payment on long-term debt	4,860,000
Issuance of long-term debt	-
Net Effect	<u>4,860,000</u>
SURS revenue provided by state	5,373,730
SURS expenditure provided by state	<u>(5,373,730)</u>
Net Effect	<u>-</u>
Change in Fund Balances - All Fund Types	<u><u>\$ 5,864,757</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, ICCB Career and Technical  
Education Innovation, and Early School Leaver Program**

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, ICCB Career and Technical Education Innovation, and Early School Leaver Program Grants of Black Hawk College, Illinois Community College District #503 as of June 30, 2012, 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, ICCB Career and Technical Education Innovation, and Early School Leaver Program Grants of Black Hawk College, Illinois Community College District #503 as of June 30, 2012, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United State of America.

*Wipfli LLP*

Freeport, Illinois  
October 2, 2012

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

**Workforce Development Grant Program  
Balance Sheet  
June 30, 2012**

---

<b>Assets</b>		
Cash		\$ -
Receivable from ICCB		-
<b>Total assets</b>		<u>\$ -</u>
<b>Liabilities</b>		
Due to other funds		\$ -
Deferred revenue		-
<b>Total liabilities</b>		<u>-</u>
<b>Fund balance</b>		-
<b>Total liabilities and fund balance</b>		<u>\$ -</u>

**Workforce Development Grant Program  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year Ended June 30, 2012**

---

	Business & Industry
Revenues, state sources	<u>\$ 73,833</u>
Expenditures:	
Salaries	61,097
Employee benefits	12,736
Contractual services	-
<b>Total expenditures</b>	<u>73,833</u>
<b>Excess of revenue over (under) expenditures</b>	<u>-</u>
Fund balance:	
Beginning, July 1, 2011	-
Ending, June 30, 2012	<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, 2012**

	General	Operation of Workforce Development Office	Total
Expenditures:			
Salaries, benefits	\$ 73,833	\$ -	\$ 73,833

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, 2012**

	State Basic	Public Aid	Performance	Total
<b>Assets</b>				
Cash	\$ -	\$ -	\$ -	\$ -
Receivable from ICCB	58,629	32,668	43,054	134,351
Due from other funds	-	-	-	-
<b>Total assets</b>	<u>\$ 58,629</u>	<u>\$ 32,668</u>	<u>\$ 43,054</u>	<u>\$ 134,351</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,131	\$ 27	\$ 108	\$ 1,266
Accrued salaries	6,771	1,497	1,437	9,705
Due to other funds	50,727	31,144	41,509	123,380
<b>Total liabilities</b>	<u>\$ 58,629</u>	<u>\$ 32,668</u>	<u>\$ 43,054</u>	<u>\$ 134,351</u>
<b>Fund balance</b>				
Reserved for encumbrances	-	-	-	-
<b>Total fund balance</b>	<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, 2012**

	State Basic	Public Aid	Performance	Total
Revenues, state sources	\$ 234,517	\$ 130,670	\$ 172,217	\$ 537,404
Expenditures:				
Current year's grant:				
Instruction	167,490	79,244	5,106	251,840
Social work services	-	-	-	-
Guidance services	31,968	16,914	43,611	92,493
Assessment and testing	2,073	13,662	14,854	30,589
Transportation	-	-	-	-
Literacy services	-	-	-	-
Improvement of Instructional Services	1,109	772	2,472	4,353
General administration	9,914	9,654	446	20,014
Workforce coordination	-	-	-	-
Data and information services	19,326	8,179	101,627	129,132
Operation of plant services	2,637	2,245	4,101	8,983
<b>Total expenditures</b>	<u>234,517</u>	<u>130,670</u>	<u>172,217</u>	<u>537,404</u>
<b>Revenues over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:				
Beginning, July 1, 2011				-
Ending, June 30, 2012				<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, 2012**

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	167,490	71.42%
General Administration (9% Maximum Allowed)	9,914	4.23%

State Public Assistance	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	79,244	60.64%
General Administration (9% Maximum Allowed)	9,654	7.39%

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

**ICCB State Program Improvement  
Balance Sheet  
June 30, 2012**

---

<b>Assets, cash</b>	\$ -
<b>Liabilities, deferred revenue</b>	\$ -
<b>Fund balance, encumbered</b>	-
<b>Total liabilities and fund balance</b>	\$ -

**ICCB State Program Improvement  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year Ended June 30, 2012**

---

Revenues, state sources	\$ 23,012
Expenditures:	
Salaries	-
Employee benefits	-
Supplies and materials	23,012
<b>Total expenditures</b>	<u>23,012</u>
<b>Revenues over (under) expenditures</b>	-
Fund balance:	
Beginning, July 1, 2011	-
Ending, June 30, 2012	<u>\$ -</u>

See Note to Financial Statements - Grant Programs

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

**ICCB Career and Technical Education Innovation Grant  
Balance Sheet  
June 30, 2012**

---

<b>Assets</b>		
Cash		\$ 33
<b>Total assets</b>		<u>\$ 33</u>
<b>Liabilities</b>		
Accounts payable		\$ 33
<b>Total liabilities</b>		<u>33</u>
<b>Fund balance</b>		<u>\$ -</u>

**ICCB Career and Technical Education Innovation Grant  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year Ended June 30, 2012**

---

Revenues, state sources		<u>\$ 2,916</u>
Expenditures:		
Salaries		300
Benefits		5
Contractual Services		200
Materials and supplies		2,233
Travel and conferences		<u>178</u>
<b>Total expenditures</b>		<u>2,916</u>
<b>Revenues over (under) expenditures</b>		-
Fund balance:		
Beginning, July 1, 2011		-
Ending, June 30, 2012		<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, 2012**

---

<b>Assets</b>	
Cash	\$ 1,255
Receivable	-
<b>Total assets</b>	<u>\$ 1,255</u>
<b>Liabilities</b>	
Accounts payable	\$ 1,087
Accrued salaries	168
<b>Total liabilities</b>	<u>\$ 1,255</u>
<b>Fund balance, encumbered</b>	-
<b>Total liabilities and fund balance</b>	<u><u>\$ 1,255</u></u>

**Early School Leaver Program  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year Ended June 30, 2012**

---

Revenues, state sources	<u>\$ 74,937</u>
Expenditures:	
Salaries	50,336
Benefits	16,053
Contractual Services	31
Supplies and Materials	2,352
Travel	1,513
Student tuition and fees	4,652
<b>Total expenditures</b>	<u>74,937</u>
<b>Revenues over (under) expenditures</b>	-
Fund balance:	
Beginning, July 1, 2011	-
Ending, June 30, 2012	<u><u>\$ -</u></u>

See Note to Financial Statements - Grant Programs

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

**Note to Financial Statements - Grant Programs**

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**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, and Early School Leaver Program. 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, 2012. 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, 2012.

**Capital Assets:**

Capital asset purchases are recorded as capital outlay expenditures and are capitalized in accordance with the College's capitalization policy and as allowed by grant specific guidelines.

**Encumbrances:**

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

**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.

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**

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**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.

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 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, 2012**

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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, 2012**

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None

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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, 2012. 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, 2012, in conformity with the regulations of the Illinois Community College Board.

*Wipfli LLP*

Freeport, Illinois  
October 2, 2012

**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, 2012**

Categories	Total Semester Credit Hours by Term (In-District and Out of District Reimbursable)							
	Summer		Fall		Spring		(Note 3) Total	
Notes 1 and 2	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	5,955.0	-	29,458.7	-	28,886.5	-	64,300.2	-
Business Occupational	397.6	-	2,703.5	-	3,076.4	-	6,177.5	-
Technical Occupational	1,335.1	-	8,377.8	-	8,254.4	-	17,967.3	-
Health Occupational	716.1	-	4,757.1	-	5,554.9	-	11,028.1	-
Remedial Developmental	735.0	-	5,873.0	-	4,307.0	-	10,915.0	-
Adult Basic/Secondary Education	3,510.5	69.0	2,454.0	9,258.8	9,080.1	3,228.1	15,044.6	12,555.9
<b>Total</b>	<b>12,649.3</b>	<b>69.0</b>	<b>53,624.1</b>	<b>9,258.8</b>	<b>59,159.3</b>	<b>3,228.1</b>	<b>125,432.7</b>	<b>12,555.9</b>

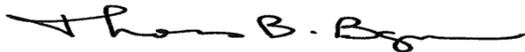
Note 1) Unrestricted credit hours are supported with 50% or more of unrestricted sources of funding and are reimbursable if they meet all eligibility requirements.

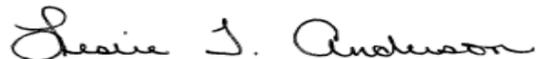
Note 2) Restricted credit hours are supported with more than 50% of restricted sources of funding

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	132,715.8	91.0	132,806.8
	Dual Credit	Dual Enrollment	
Reimbursable Semester Credit Hours (All terms)	7,522.0	317.0	
District Prior Year Equalized Assessed Valuation			3,550,844,563

The District Has No Correctional Semester Credit Hours This Year.

Approved:   
Chief Executive Officer

Approved:   
Chief Financial Officer

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

**Reconciliation of Total Semester Credit Hours for the Year Ended June 30, 2012**

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	64,300.2	64,300.2	-	-	-	-
Business Occupational	6,177.5	6,177.5	-	-	-	-
Technical Occupational	17,967.3	17,967.3	-	-	-	-
Health Occupational	11,028.1	11,028.1	-	-	-	-
Remedial Developmental	10,915.0	10,915.0	-	-	-	-
Adult Basic/Secondary Ed.	15,044.6	15,044.6	-	12,555.9	12,555.9	-
<b>Total</b>	<b>125,432.7</b>	<b>125,432.7</b>	<b>-</b>	<b>12,555.9</b>	<b>12,555.9</b>	<b>-</b>

**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	132,715.8	132,715.8	-
Out-of-District on Chargeback or Contractual Agreement	91.0	91.0	-
Dual Credit	7,522.0	7,522.0	-
Dual Enrollment	317.0	317.0	-

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 reviewed 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
2011	\$ 3,550,844,563
2010	3,513,002,466
2009	3,397,682,821

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# **Federal Financial Compliance Section**

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

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012**

Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title	Federal CFDA Number	Grant Identifying Number	Federal Expenditures
<b>U.S. Department of Education</b>			
Direct Programs:			
Student Financial Aid - cluster			
Federal PELL Grant Program	84.063		\$ 8,978,275
Federal Supplemental Educational Opportunity Grant	84.007		69,300
Federal Direct Student Loans	84.268		2,417,328
Federal Work-Study Program	84.033		142,831
<b>Total student financial aid cluster</b>			<u>11,607,734</u>
Federal Strengthen Institution Program	84.031	P031A090064	325,484
TRIO - Student Support Services	84.042A	P042A100151-11	73,135
TRIO - Student Support Services	84.042A	P042A100151-11	256,121
<b>Total TRIO cluster</b>			<u>329,256</u>
<b>Total direct programs</b>			<u>\$12,262,474</u>
Passed through Illinois Community College Board:			
Adult Education State Grant Program (Fed Basic)	84.002A	50301	228,094
Adult Education State Grant Program (EL Civics)	84.002A	50301	39,093
			<u>267,187</u>
Vocational Education (Perkins)	84.048	CTE50311	311,496
Vocational Education (Perkins Innovation/Strand III)	84.048		2,865
			<u>314,361</u>
<b>Total pass through programs from Illinois Community College Board</b>			<u>581,548</u>
Passed through Illinois Department of Human Services:			
Rehabilitation Services – ARRA	84.390	8708149ST	8,964
Passed through Heartland Community College			
Sustainability Networking	84.116	P116Z100257	5,957
<b>Total U.S. Department of Education:</b>			<u>\$12,858,943</u>
<b>U.S. Department of Defense</b>			
Passed through Illinois Department of Commerce and Economic Opportunity:			
Procurement Technical Assistance Center	12.002	12-601109	35,568
<b>Total U.S. Department of Defense:</b>			<u>35,568</u>
<b>U.S. Department of Veterans Affairs</b>			
VA Rehabilitation	64.116		26,472
Veteran's Educational Assistance	64.120		121,668
<b>Total U.S. Department of Veterans Affairs</b>			<u>148,140</u>

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

**Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2012**

Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title	Federal CFDA Number	Grant Identifying Number	Federal Expenditures
<b>Small Business Administration</b>			
Passed through Illinois Department of Commerce and Economic Opportunity:			
Small Business Development Center/ITC	59.037	11-181119	25,760
Small Business Development Center/ITC	59.037	12-561119	18,261
			<u>44,021</u>
Passed through Illinois Department of Commerce and Community Affairs:			
Small Business Development Center/ITC	59.037	11-181119	29,433
Small Business Development Center/ITC	59.037	12-561119	18,985
			<u>48,418</u>
<b>Total Small Business Administration:</b>			<u>92,439</u>
<b>U.S. Department of Labor</b>			
Passed through Illinois Department of Employment:			
WIA - Training Employee Academic Mastery	17.259		76,570
Passed through Illinois Community College Board:			
WIA - Local Foods Agricultural Program	17.258,17.259, 17.278	LF50311	14,250
<b>Total WIA cluster</b>			<u>90,820</u>
Passed through Illinois Department of Commerce and Economic Opportunity:			
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282		12,999
Train Motion Picture Work	17.627		2,000
<b>Total U.S. Department of Labor:</b>			<u>105,819</u>
<b>Total Expenditures of Federal Awards:</b>			<u>\$13,240,909</u>

See Notes to Schedule of Expenditures of Federal Awards  
See Independent Auditors Report

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

**Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2012**

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Black Hawk College under programs of the federal government for the year ended June 30, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Black Hawk College, it is not intended to and does not present the financial position, changes in net assets or cash flows of Black Hawk College.

**Note 2. Summary of Significant Accounting**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-21, *Cost Principles for Education Institutions*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**Note 3. Sub-recipients**

For the year ended June 30, 2012, the College had no sub-recipients of federal funds.

**Note 4. Nonmonetary Assistance**

For the year ended June 30, 2012, the College received no federal funds in the form of nonmonetary assistance.

**Note 5. Other Federal Award Information**

Black Hawk College has no loans or loan guarantees outstanding at June 30, 2012.

**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, 2012 and have issued our report thereon dated October 2, 2012. 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**

Management of the College is responsible for establishing and maintaining effective 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.

*Wipfli LLP*

Freeport, Illinois  
October 2, 2012

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

**Schedule of Findings and Questioned Costs  
June 30, 2012**

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Comment	Corrective Action or Other Explanation
None	

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**Independent Auditor's Report on Compliance With  
Requirements That Could Have a Direct and Material  
Effect on Each Major Program and on Internal Control Over  
Compliance in Accordance with OMB Circular A-133**

To the Board of 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. 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, 2012.

## 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

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.

*Wipfli LLP*

Freeport, Illinois  
October 2, 2012

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

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2012**

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**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
84.268	Federal Direct Student Loans
84.033	Federal Work-Study Program
84.063	Federal PELL Grant Program

Dollar threshold used to distinguish between type A and type B programs \$397,227

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, 2012**

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**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, 2012.

**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, 2012**

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N/A

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

**Summary Schedule of Prior Audit Findings  
June 30, 2012**

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Comment	Status	Corrective Action or Other Explanation
None		

# Management Information

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

**Combining Balance Sheet**  
**June 30, 2012**

<b>Assets</b>	Education Fund	Operations & Maintenance Fund	Auxiliary Enterprises Fund	Restricted Purposes Funds	Audit Fund
Cash and cash equivalents	\$ 7,181,555	\$ 625,409	\$ -	\$ -	\$ 196,576
Investments	-	-	-	-	-
Receivables, net of allowance for uncollectibles:					
Property Taxes	3,710,796	2,145,398	-	-	65,044
Federal government claims	-	-	-	388,627	-
State government claims	2,160,907	209,819	-	543,398	-
Student tuition and fees	905,273	-	-	-	-
Other	120,338	-	188,560	95,879	-
Due from other funds	231,737	-	-	-	-
Inventory	-	-	709,473	-	-
Prepaid expenses	203,844	-	12,026	26,076	-
Capital assets:					
Land	-	-	-	-	-
Construction and Equipment in process	-	-	-	-	-
Building, improvements and equipment net of \$21,568,775 depreciation	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 14,514,450</b>	<b>\$ 2,980,626</b>	<b>\$ 910,059</b>	<b>\$ 1,053,980</b>	<b>\$ 261,620</b>
<b>Liabilities and Fund Balance</b>					
Accounts payable	\$ 185,955	\$ 99,309	\$ -	\$ 136,989	\$ -
Accrued expenses					
Payroll	965,708	20,339	1,688	21,465	-
Early retirement	99,667	-	-	-	-
Accrued vacation	661,856	77,487	29,576	49,329	-
Other	11,665	13	5,789	14,110	-
Due to other funds	-	-	165,858	65,879	-
Deferred revenue					
Property taxes	2,836,131	1,639,709	-	-	49,712
Student tuition and fees	306,343	-	4,473	312,272	-
Other	-	2,000	-	358,474	-
Other liabilities	64,223	12,350	-	1,178	-
Bonds payable	-	-	-	-	-
Leases payable	-	-	-	-	-
<b>Total Liabilities</b>	<b>5,131,548</b>	<b>1,851,207</b>	<b>207,384</b>	<b>959,696</b>	<b>49,712</b>
Fund balance					
Restricted	-	-	-	94,284	211,908
Unrestricted	9,382,902	1,129,419	702,675	-	-
<b>Total Fund Balance</b>	<b>9,382,902</b>	<b>1,129,419</b>	<b>702,675</b>	<b>94,284</b>	<b>211,908</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 14,514,450</b>	<b>\$ 2,980,626</b>	<b>\$ 910,059</b>	<b>\$ 1,053,980</b>	<b>\$ 261,620</b>

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
\$ 2,164,470	\$ 12,690,355	\$ 1,921,846	\$ 15,048,984	\$ -	\$ -	\$ 39,829,195
-	-	-	4,063,339	-	-	4,063,339
1,816,558	-	3,572,720	1,161,480	-	-	12,471,996
-	-	-	-	-	-	388,627
-	-	-	1,000,000	-	-	3,914,124
-	-	-	-	-	-	905,273
-	-	-	23,000	-	-	427,777
-	-	-	-	-	-	231,737
-	-	-	-	-	-	709,473
20,088	-	-	346,699	-	-	608,733
-	-	-	-	5,857,925	-	5,857,925
-	-	-	-	5,920,458	-	5,920,458
-	-	-	-	27,606,327	-	27,606,327
<u>\$ 4,001,116</u>	<u>\$ 12,690,355</u>	<u>\$ 5,494,566</u>	<u>\$ 21,643,502</u>	<u>\$ 39,384,710</u>	<u>\$ -</u>	<u>\$ 102,934,984</u>
\$ 23,293	\$ -	\$ -	\$ 1,711,866	\$ -	\$ -	\$ 2,157,412
38,942	-	-	-	-	-	1,048,142
-	-	-	-	-	-	99,667
28,648	-	-	-	-	-	846,896
-	-	42,267	-	-	-	73,844
-	-	-	-	-	-	231,737
1,388,380	-	2,730,600	887,713	-	-	9,532,245
-	-	-	-	-	-	623,088
-	-	-	-	-	-	360,474
-	-	-	-	-	-	77,751
-	-	-	-	-	17,740,000	17,740,000
-	-	-	-	-	-	-
<u>1,479,263</u>	<u>-</u>	<u>2,772,867</u>	<u>2,599,579</u>	<u>-</u>	<u>17,740,000</u>	<u>32,791,256</u>
2,521,853	10,194,190	2,721,699	19,043,923	-	-	34,787,857
-	2,496,165	-	-	39,384,710	(17,740,000)	35,355,871
<u>2,521,853</u>	<u>12,690,355</u>	<u>2,721,699</u>	<u>19,043,923</u>	<u>39,384,710</u>	<u>(17,740,000)</u>	<u>70,143,728</u>
<u>\$ 4,001,116</u>	<u>\$ 12,690,355</u>	<u>\$ 5,494,566</u>	<u>\$ 21,643,502</u>	<u>\$ 39,384,710</u>	<u>\$ -</u>	<u>\$ 102,934,984</u>

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

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year ended June 30, 2012**

	Education Fund	Operations and Maintenance Fund	Auxiliary Fund	Restricted Funds	Audit Fund
<b>Revenues:</b>					
Local governmental sources					
Property taxes	\$ 5,734,404	\$ 3,268,078	\$ -	\$ -	\$ 95,243
Personal Property Replacement Tax	1,185,783	131,754	-	-	-
Other	12,426	-	-	2,486	-
<b>Total local government sources</b>	<b>6,932,613</b>	<b>3,399,832</b>	<b>-</b>	<b>2,486</b>	<b>95,243</b>
State governmental sources	6,824,093	627,724	-	3,126,867	-
Federal governmental sources	39,270	-	-	10,835,832	-
Student tuition and fees	15,861,891	90,370	375,710	590,914	-
Sales, services and rental of facilities and equipment	646,927	70,873	3,304,242	137,667	-
Investment earnings	285,269	-	-	-	-
Other sources	69,472	16,256	90,169	701,673	-
Additions to buildings and equipment, current funds	-	-	-	-	-
Payment of long-term debt	-	-	-	-	-
SURS contribution provided by state	-	-	-	5,373,730	-
<b>Total revenues</b>	<b>30,659,535</b>	<b>4,205,055</b>	<b>3,770,121</b>	<b>20,769,169</b>	<b>95,243</b>
<b>Expenditures:</b>					
Instruction	13,648,546	-	-	616,011	-
Academic support	3,933,385	-	-	1,230,357	-
Student services	2,650,593	-	-	834,573	-
Public services	621,876	-	-	1,360,981	-
Institutional support	6,462,892	-	-	384,832	56,100
Auxiliary services	-	-	3,562,951	143,450	-
Scholarships, student grants, and waivers	3,648,898	-	-	11,086,238	-
SURS contribution provided by state	-	-	-	5,373,730	-
Depreciation	-	-	-	-	-
Loss on disposal of assets	-	-	-	-	-
Operation of physical facilities	-	3,844,538	-	38,528	-
<b>Total expenditures</b>	<b>30,966,190</b>	<b>3,844,538</b>	<b>3,562,951</b>	<b>21,068,700</b>	<b>56,100</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(306,655)</b>	<b>360,517</b>	<b>207,170</b>	<b>(299,531)</b>	<b>39,143</b>
<b>Other financing sources (uses):</b>					
Bond proceeds	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	(1,000,000)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,000,000)</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other financing resources over expenditures and other financing uses</b>	<b>(306,655)</b>	<b>360,517</b>	<b>207,170</b>	<b>(1,299,531)</b>	<b>39,143</b>
<b>Fund balance</b>					
Beginning	9,689,557	768,902	495,505	1,393,815	172,765
Ending	\$ 9,382,902	\$ 1,129,419	\$ 702,675	\$ 94,284	\$ 211,908

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
\$ 2,677,247	\$ -	\$ 5,452,397	\$ 1,763,407	\$ -	\$ -	\$ 18,990,776
-	-	-	-	-	-	1,317,537
-	-	-	-	-	-	14,912
<u>2,677,247</u>	<u>-</u>	<u>5,452,397</u>	<u>1,763,407</u>	<u>-</u>	<u>-</u>	<u>20,323,225</u>
-	-	-	-	-	-	10,578,684
-	-	-	-	-	-	10,875,102
-	-	-	-	-	-	16,918,885
-	-	-	-	-	-	4,159,709
-	414,619	48,280	369,937	-	-	1,118,105
-	-	-	156,870	-	-	1,034,440
-	-	-	-	8,313,865	-	8,313,865
-	-	-	-	-	4,860,000	4,860,000
-	-	-	-	-	-	5,373,730
<u>2,677,247</u>	<u>414,619</u>	<u>5,500,677</u>	<u>2,290,214</u>	<u>8,313,865</u>	<u>4,860,000</u>	<u>83,555,745</u>
-	-	-	236,521	-	-	14,501,078
-	-	-	34,838	-	-	5,198,580
-	-	-	-	-	-	3,485,166
-	-	-	15,275	-	-	1,998,132
1,245,344	-	5,439,013	1,248,455	-	-	14,836,636
-	-	-	-	-	-	3,706,401
-	-	-	-	-	-	14,735,136
-	-	-	-	-	-	5,373,730
-	-	-	-	1,419,276	-	1,419,276
-	-	-	-	5,451	-	5,451
862,122	-	-	7,686,214	-	-	12,431,402
<u>2,107,466</u>	<u>-</u>	<u>5,439,013</u>	<u>9,221,303</u>	<u>1,424,727</u>	<u>-</u>	<u>77,690,988</u>
<u>569,781</u>	<u>414,619</u>	<u>61,664</u>	<u>(6,931,089)</u>	<u>6,889,138</u>	<u>4,860,000</u>	<u>5,864,757</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,044,940	-	-	1,044,940
-	-	(44,940)	-	-	-	(1,044,940)
-	-	<u>(44,940)</u>	<u>1,044,940</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>569,781</u>	<u>414,619</u>	<u>16,724</u>	<u>(5,886,149)</u>	<u>6,889,138</u>	<u>4,860,000</u>	<u>5,864,757</u>
1,952,072	12,275,736	2,704,975	24,930,072	32,495,572	(22,600,000)	64,278,971
<u>\$ 2,521,853</u>	<u>\$ 12,690,355</u>	<u>\$ 2,721,699</u>	<u>\$ 19,043,923</u>	<u>\$ 39,384,710</u>	<u>\$ (17,740,000)</u>	<u>\$ 70,143,728</u>

**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	\$ 70,143,728
50% of the 2011 tax levy recognized in FY 2012	<u>9,532,245</u>
Long-term portion of early retirement liability	<u>(1,628,890)</u>
Net Assets of Statement of Net Assets	<u><u>\$ 78,047,083</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	\$ 5,864,757
Reduction in student tuition and fees	(11,987,190)
Reduction in financial aid	<u>11,987,190</u>
Net Effect	<u>-</u>
Additions to buildings and equipment, current funds	8,313,865
Expended for capital assets	<u>(8,313,865)</u>
Net Effect	<u>-</u>
Long-term debt retired	4,860,000
Additions to general long-term debt fund	<u>(4,860,000)</u>
Net Effect	<u>-</u>
Increase in long-term early retirement liability	<u>-</u>
50% of the 2011 tax levy recognized in FY 2012	9,532,245
50% of the 2010 tax levy recognized in FY 2011	<u>(9,351,619)</u>
Net Effect	<u>180,626</u>
Change in Net Assets	<u><u>\$ 6,045,383</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, 2012**

	Education Fund Budget	Education Fund Actual	Actual Over (Under) Budget	Operations & Maintenance Fund Budget	Operations & Maintenance Fund Actual	Actual Over (Under) Budget
<b>Revenues:</b>						
Local governmental sources						
Property taxes	\$ 5,599,506	\$ 5,734,404	\$ 134,898	\$ 3,205,020	\$ 3,268,078	\$ 63,058
Personal property taxes	1,080,000	1,185,783	105,783	120,000	131,754	11,754
Other	-	-	-	-	-	-
<b>Total local government sources</b>	<b>6,679,506</b>	<b>6,920,187</b>	<b>240,681</b>	<b>3,325,020</b>	<b>3,399,832</b>	<b>74,812</b>
State governmental sources	6,958,414	6,824,093	(134,321)	627,724	627,724	-
Federal governmental sources	16,000	39,270	23,270	-	-	-
Student tuition and fees	15,038,563	15,874,317	835,754	85,000	90,370	5,370
Sales, services and rental of facilities	598,610	646,927	48,317	133,900	70,873	(63,027)
Investment earnings	300,000	285,269	(14,731)	-	-	-
Other sources	16,600	69,472	52,872	25,300	16,256	(9,044)
Contingency	400,000	-	(400,000)	250,000	-	(250,000)
<b>Total revenues</b>	<b>30,007,693</b>	<b>30,659,535</b>	<b>651,842</b>	<b>4,446,944</b>	<b>4,205,055</b>	<b>(241,889)</b>
<b>Expenditures:</b>						
Current						
Instruction	13,692,533	13,648,546	(43,987)	-	-	-
Academic support	4,234,541	3,933,385	(301,156)	-	-	-
Student services	2,734,634	2,650,593	(84,041)	-	-	-
Public services	660,238	621,876	(38,362)	-	-	-
Institutional support	5,657,340	6,462,892	805,552	-	-	-
Auxiliary services	-	-	-	-	-	-
Scholarships, student grants, and waivers	3,015,000	3,648,898	633,898	-	-	-
Operation of physical facilities	-	-	-	4,085,351	3,844,538	(240,813)
Contingency	525,000	-	(525,000)	250,000	-	(250,000)
<b>Total expenditures</b>	<b>30,519,286</b>	<b>30,966,190</b>	<b>446,904</b>	<b>4,335,351</b>	<b>3,844,538</b>	<b>(490,813)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(511,593)</b>	<b>(306,655)</b>	<b>204,938</b>	<b>111,593</b>	<b>360,517</b>	<b>248,924</b>
<b>Other financing sources (uses):</b>						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other financing resources over expenditures and other financing uses</b>	<b>\$ (511,593)</b>	<b>(306,655)</b>	<b>\$ 204,938</b>	<b>\$ 111,593</b>	<b>360,517</b>	<b>\$ 248,924</b>
<b>Fund balance</b>						
Beginning		<u>\$ 9,689,557</u>			<u>\$ 768,902</u>	
Ending		<u>\$ 9,382,902</u>			<u>\$ 1,129,419</u>	

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

**Statement of Budgetary Comparison - Major Special Revenue Funds**  
**Year ended June 30, 2012**

	Restricted Purposes Funds Budget	Restricted Purposes Funds Actual	Actual Over (Under) Budget	Audit Fund Budget	Audit Fund Actual	Actual Over (Under) Budget
<b>Revenues:</b>						
Local governmental sources						
Property taxes	\$ -	\$ -	\$ -	\$ 86,440	\$ 95,243	\$ 8,803
Tuition chargeback	-	-	-	-	-	-
Other	-	2,486	2,486	-	-	-
<b>Total local government sources</b>	<b>-</b>	<b>2,486</b>	<b>2,486</b>	<b>86,440</b>	<b>95,243</b>	<b>8,803</b>
State governmental sources	2,430,143	3,126,867	696,724	-	-	-
Federal governmental sources	10,042,963	10,835,832	792,869	-	-	-
Student tuition and fees	523,800	590,914	67,114	-	-	-
Sales, services and rental of facilities	-	137,667	137,667	-	-	-
Investment earnings	-	-	-	-	-	-
Other sources	112,900	701,673	588,773	-	-	-
Contingency	2,000,000	-	(2,000,000)	-	-	-
<b>Total revenues</b>	<b>15,109,806</b>	<b>15,395,439</b>	<b>285,633</b>	<b>86,440</b>	<b>95,243</b>	<b>8,803</b>
<b>Expenditures:</b>						
Current						
Instruction	462,909	616,011	153,102	-	-	-
Academic support	1,043,438	1,230,357	186,919	-	-	-
Student services	685,788	834,573	148,785	-	-	-
Public services	1,504,870	1,360,981	(143,889)	-	-	-
Institutional support	129,453	384,832	255,379	71,170	56,100	(15,070)
Auxiliary services	51,331	143,450	92,119	-	-	-
Scholarships, student grants, and waivers	9,222,265	11,086,238	1,863,973	-	-	-
Operation of physical facilities	9,752	38,528	28,776	-	-	-
Contingency	2,000,000	-	(2,000,000)	-	-	-
<b>Total expenditures</b>	<b>15,109,806</b>	<b>15,694,970</b>	<b>585,164</b>	<b>71,170</b>	<b>56,100</b>	<b>(15,070)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>(299,531)</b>	<b>(299,531)</b>	<b>15,270</b>	<b>39,143</b>	<b>23,873</b>
<b>Other financing sources (uses):</b>						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	(1,000,000)	(1,000,000)	-	-	-
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other financing resources over expenditures and other financing uses</b>	<b>\$ -</b>	<b>(1,299,531)</b>	<b>\$ (1,299,531)</b>	<b>\$ 15,270</b>	<b>39,143</b>	<b>\$ 23,873</b>
<b>Fund balance</b>						
Beginning		\$ 1,393,815			\$ 172,765	
Ending		\$ 94,284			\$ 211,908	

Liability, Protection, and Settlement Fund Budget	Liability, Protection, and Settlement Fund Actual	Actual Over (Under) Budget	Bond & Interest Fund Budget	Bond & Interest Fund Actual	Actual Over (Under) Budget	Operations & Maintenance, Restricted Budget	Operations & Maintenance, Restricted Actual	Actual Over (Under) Budget
\$ 2,476,046	\$ 2,677,247	\$ 201,201	\$ 5,452,775	\$ 5,452,397	\$ (378)	\$ 1,680,000	\$ 1,763,407	\$ 83,407
-	-	-	-	-	-	-	-	-
-	-	-	50,000	-	-	-	-	-
<u>2,476,046</u>	<u>2,677,247</u>	<u>201,201</u>	<u>5,502,775</u>	<u>5,452,397</u>	<u>(378)</u>	<u>1,680,000</u>	<u>1,763,407</u>	<u>83,407</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	48,280	48,280	250,000	369,937	119,937
-	-	-	-	-	-	-	156,870	156,870
-	-	-	-	-	-	750,000	-	(750,000)
<u>2,476,046</u>	<u>2,677,247</u>	<u>201,201</u>	<u>5,502,775</u>	<u>5,500,677</u>	<u>47,902</u>	<u>2,680,000</u>	<u>2,290,214</u>	<u>(389,786)</u>
-	-	-	-	-	-	2,001,095	236,521	(1,764,574)
-	-	-	-	-	-	470,000	34,838	(435,162)
-	-	-	-	-	-	750,000	-	(750,000)
-	-	-	-	-	-	-	15,275	15,275
1,479,430	1,245,344	(234,086)	5,452,775	5,439,013	(13,762)	253,767	1,248,455	994,688
-	-	-	-	-	-	250,000	-	(250,000)
-	-	-	-	-	-	-	-	-
796,616	862,122	65,506	-	-	-	8,945,538	7,686,214	(1,259,324)
200,000	-	(200,000)	-	-	-	3,000,000	-	(3,000,000)
<u>2,476,046</u>	<u>2,107,466</u>	<u>(368,580)</u>	<u>5,452,775</u>	<u>5,439,013</u>	<u>(13,762)</u>	<u>15,670,400</u>	<u>9,221,303</u>	<u>(6,449,097)</u>
-	569,781	569,781	50,000	61,664	61,664	(12,990,400)	(6,931,089)	6,059,311
-	-	-	-	-	-	-	1,044,940	1,044,940
-	-	-	-	(44,940)	(44,940)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	(44,940)	(44,940)	-	1,044,940	1,044,940
<u>\$ -</u>	<u>569,781</u>	<u>\$ 569,781</u>	<u>\$ 50,000</u>	<u>16,724</u>	<u>\$ (33,276)</u>	<u>\$ (12,990,400)</u>	<u>(5,886,149)</u>	<u>\$ 7,104,251</u>
	<u>\$ 1,952,072</u>			<u>\$ 2,704,975</u>			<u>\$ 24,930,072</u>	
	<u>\$ 2,521,853</u>			<u>\$ 2,721,699</u>			<u>\$ 19,043,923</u>	

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

**Statement of Budgetary Comparison - Major Special Revenue Funds (continued)**  
**Year ended June 30, 2012**

	Working Cash Fund Budget	Working Cash Fund Actual	Actual Over (Under) Budget
<b>Revenues:</b>			
Local governmental sources			
Property taxes	\$ -	\$ -	\$ -
Tuition chargeback	-	-	-
Other	-	-	-
<b>Total local government sources</b>	<b>-</b>	<b>-</b>	<b>-</b>
State governmental sources	-	-	-
Federal governmental sources	-	-	-
Student tuition and fees	-	-	-
Sales, services and rental of facilities	-	-	-
Investment earnings	400,000	414,619	14,619
Other sources	-	-	-
Contingency	-	-	-
<b>Total revenues</b>	<b>400,000</b>	<b>414,619</b>	<b>14,619</b>
<b>Expenditures:</b>			
Current			
Instruction	-	-	-
Academic support	-	-	-
Student services	-	-	-
Public services	-	-	-
Institutional support	-	-	-
Auxiliary services	-	-	-
Scholarships, student grants, and waivers	-	-	-
Operation of physical facilities	-	-	-
Contingency	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>400,000</b>	<b>414,619</b>	<b>14,619</b>
<b>Other financing sources (uses):</b>			
Operating transfers in	-	-	-
Operating transfers out	(400,000)	-	400,000
Bond & Debt Certificate Proceeds	-	-	-
Bond premium (discount)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(400,000)</b>	<b>-</b>	<b>400,000</b>
<b>Excess (deficiency) of revenues and other financing resources over expenditures and other financing uses</b>	<b>\$ -</b>	<b>414,619</b>	<b>\$ 414,619</b>
<b>Fund balance</b>			
Beginning		<u>\$ 12,275,736</u>	
Ending		<u>\$ 12,690,355</u>	

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

**Statement of Budgetary Comparison - Proprietary Fund**  
**Year ended June 30, 2012**

	Auxiliary Fund Budget	Auxiliary Fund Actual	Actual Over (Under) Budget
<b>Revenues:</b>			
Local governmental sources			
Property taxes	\$ -	\$ -	\$ -
Tuition chargeback	-	-	-
Other	-	-	-
<b>Total local government sources</b>	<b>-</b>	<b>-</b>	<b>-</b>
State governmental sources	-	-	-
Federal governmental sources	-	-	-
Student tuition and fees	300,000	375,710	75,710
Sales, services and rental of facilities	3,309,285	3,304,242	(5,043)
Investment earnings	-	-	-
Other sources	77,000	90,169	13,169
Contingency	250,000	-	(250,000)
<b>Total revenues</b>	<b>3,936,285</b>	<b>3,770,121</b>	<b>83,836</b>
<b>Expenditures:</b>			
Current			
Instruction	-	-	-
Academic support	-	-	-
Student services	-	-	-
Public services	-	-	-
Institutional support	-	-	-
Auxiliary services	3,635,417	3,562,951	(72,466)
Scholarships, student grants, and waivers	-	-	-
Operation of physical facilities	-	-	-
Contingency	250,000	-	(250,000)
<b>Total expenditures</b>	<b>3,885,417</b>	<b>3,562,951</b>	<b>(322,466)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>50,868</b>	<b>207,170</b>	<b>406,302</b>
<b>Other financing sources (uses):</b>			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Bond & Debt Certificate Proceeds	-	-	-
Bond premium (discount)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other financing resources over expenditures and other financing uses</b>	<b>\$ 50,868</b>	<b>207,170</b>	<b>\$ 156,302</b>
<b>Fund balance</b>			
Beginning		<u>\$ 495,505</u>	
Ending		<u>\$ 702,675</u>	

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

**Notes to Management Information**

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**Note 1. Summary of Significant Accounting Policies**

Fund Accounting: In order to ensure observance of limitations and restrictions placed on the use of available resources, the accounts are maintained in accordance with the principles of fund accounting as promulgated in the *ICCB Fiscal Management Manual*. Financial statements by fund, required by the ICCB, are included as supplementary information. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified.



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