

Comprehensive

# ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2013



**CARING AND COMPASSION • RESPECT • FAIRNESS • HONESTY**

**ILLINOIS COMMUNITY COLLEGE DISTRICT 503**

Quad-Cities Campus

Moline, Illinois

East Campus

Galva, Illinois



[www.bhc.edu](http://www.bhc.edu)



**Illinois Community College District 503**  
**6600 34<sup>th</sup> Avenue**  
**Moline, Illinois 61265**  
**[www.bhc.edu](http://www.bhc.edu)**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the  
Fiscal Year Ended June 30, 2013**

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

**This page is intentionally left blank**

# Contents

---

## **Introductory Section (Unaudited)**

Letter of Transmittal	1
Principal Officials	7
Map of the District	8
Organization Chart	9
Certificate of Achievement for Excellence in Financial Reporting	10

## **Financial Section**

<b>Independent Auditor's Report</b>	13
Management's Discussion and Analysis (Unaudited)	19

### **Basic Financial Statements**

Statement of Net Position	30
Statement of Revenues, Expenses, and Changes in Net Position	31
Statement of Cash Flows	32
Statement of Fiduciary Net Position	33
Statement of Changes in Fiduciary Net Position	33
Notes to Financial Statements	35

## **Statistical Section (Unaudited)**

Statistical Narrative	49
Schedule of Net Position by Component	50
Schedule of Changes in Net Position	51
Schedule of Fund Balance by Fund	52
State Equalization Grant Funding History & Accumulated Deficit	53
State Credit Hour Grant Funding History & Accumulated Deficit	54
Assessed and Estimated Actual Value of Taxable Property	55
Property Tax Extensions and Collections	56
Representative Tax Rates	57
Principal Taxpayers	58
Mandatory Tuition and Fees	59
Ratio of Outstanding Debt by Type	60
Computation of Legal Debt Margin	61
Bond Proceeds Usage	62
Schedule of Bond Coverage	63
Direct and Overlapping General Obligation Bonded Debt	64
Demographic and Economic Statistics	66
Principal Employers	67
Faculty and Staff Headcount	68
Student Enrollment Demographic Statistics	69
Credit Hours Eligible for Funding by ICCB Reimbursement Categories	70
Schedule of Capital Assets – Instructional Facilities Information	71
Miscellaneous Statistics	72

## Contents (Continued)

---

### Special Reports Section

#### ICCB Supplemental Information

Equalized Assessed Valuations and Tax Collections	75
Schedule of Legal Debt Margin	76
Certification of Chargeback Reimbursement for Fiscal Year 2014 (unaudited)	77

#### ICCB Uniform Financial Statements

Schedule of Other Information Referred to as the Uniform Financial Statements Prescribed by the Illinois Community College Board:	
Uniform Financial Statement No. 1 – All Funds Summary	80
Uniform Financial Statement No. 2 – Summary of Fixed Assets and Debt	83
Uniform Financial Statement No. 3 – Operating Fund Revenues and Expenditures	84
Uniform Financial Statement No. 4 – Restricted Purposes Fund Revenues and Expenditures	86
Uniform Financial Statement No. 5 – Expenditures by Activity – Current Funds	88
Reconciliation of the Combining Balance Sheet to the Uniform Financial Statements	89
Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances to the Uniform Financial Statements	89

#### ICCB State Grants Financial Compliance Section

##### Independent Auditor's Report

<b>On Adult Education and Family Literacy, ICCB State Program Improvement, ICCB Career and Technical Education Innovation, and Early School Leaver Program</b>	93
--	----

##### Adult Education and Family Literacy Grant Program

Adult Education and Family Literacy Grant Program, Balance Sheet	95
Adult Education and Family Literacy Grant Program, Statement of Revenues, Expenditures, and Changes in Fund Balance	95
ICCB Compliance Statement for the State Adult Education and Family Literacy Restricted Funds	96

##### ICCB State Program Improvement

ICCB State Program Improvement, Balance Sheet	97
ICCB State Program Improvement, Statement of Revenues, Expenditures, and Changes in Fund Balance	97

##### ICCB Career and Technical Education Innovation Grant

ICCB Career and Technical Education Innovation Grant, Balance Sheet	98
ICCB Career and Technical Education Innovation Grant, Statement of Revenues, Expenditures, and Changes in Fund Balance	98

##### Early School Leaver Program

Early School Leaver Program, Balance Sheet	99
Early School Leaver Program, Statement of Revenues, Expenditures, and Changes in Fund Balance	99

Note to Financial Statements – Grant Programs	100
Background Information on State Grant Activity	101
Schedule of Findings and Questioned Costs for Certain State Grants Summary	103
Summary Schedule of Prior Year Findings and Questioned Costs for Certain State Grants	104

## Contents (Continued)

---

<b>Independent Auditor's Report On the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed And Reconciliation of Semester Credit Hours</b>	105
Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed	107
Reconciliation of Total Semester Credit Hours	108
Student Residency Verification	109
Summary of Assessed Valuations	110
<b>Federal Financial Compliance Section</b>	
<b>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</b>	113
<b>Independent Auditor's Report On Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133</b>	115
Schedule of Expenditures of Federal Awards	117
Note to Schedule of Expenditures of Federal Awards	119
Schedule of Findings and Questioned Costs	120
Corrective Action Plan	122
Summary Schedule of Prior Audit Findings	123
<b>Management Information</b>	
Combining Balance Sheet	126
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	128
Reconciliation of the Combining Balance Sheet to the Statement of Net Position	130
Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Revenues, Expenses, and Changes in Net Position	130
Statement of Budgetary Comparison – General Fund by Program	132
Statement of Budgetary Comparison – General Fund by Object	133
Statement of Budgetary Comparison – Major Special Revenue Funds by Program	134
Statement of Budgetary Comparison – Major Special Revenue Funds by Object	136
Statement of Budgetary Comparison – Proprietary Fund by Program	139
Statement of Budgetary Comparison – Proprietary Fund by Object	140
Notes to Management Information	141

**This page is intentionally left blank**



Office of the President  
309.796-5301  
www.bhc.edu

October 14, 2013

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, 2013, 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.

QUAD-CITIES CAMPUS  
6600 34<sup>th</sup> Avenue  
Moline, IL 61265-5899  
309.796.5000 800.334.1311  
www.bhc.edu

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 6,362 from 2004 to 2013. The College experienced a slight decrease in total credit hours in fiscal year 2013 of 2,197.4, which includes both restricted and unrestricted credit hours. This was a decrease of 1.6%; however, the College expects credit hours to remain relatively level in 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 issued bonds during fiscal year 2013 to allow for the construction of a Health Sciences building on the Quad Cities campus and a Welding and Skilled Trades Center near the Community Education Center in Kewanee. 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 44% of total operating revenue received in fiscal year 2013. As illustrated in the Statistical section of this document, total credit hours for all categories, which includes both restricted and unrestricted hours, decreased by 1.6% in fiscal year 2013. However, fiscal year 2014 credit hours are budgeted to remain relatively flat over fiscal year 2013 as the College looks to expand program offerings as well as improve retention and persistence rates.

State funding, which accounted for approximately 23% 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 45% 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 2014 through 2016 and focuses on four main objectives:

- Implementation of a revenue management strategy
- Development and implementation of a systematic, repeatable process for evaluating the financial contribution of all programs and services offered by the College
- Development and implementation of a sustainable process for allocating scholarships, grants, and waivers
- Identification, development, and implementation of a master plan funding strategy

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 expenses 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 expenses 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, 2013 the General Fund ending fund balance is 29.6% of fiscal year 2013 expenses.

### **Risk Management**

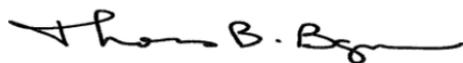
The College is self-insured for its health insurance claims. The claims are administered by an external third party administrator. In addition, the College maintains stop loss coverage of \$125,000 specific and \$6,027,455 aggregate with a major insurance carrier for medical and dental claims that exceed these thresholds. The College also maintains adequate reserves to cover potential losses and the reserves are reviewed regularly to determine appropriateness.

### **Other Information**

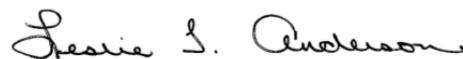
- Independent audit State statutes require an annual audit by independent certified public accountants. The accounting firm of Wipfli, LLP was selected by the College to perform the fiscal year 2013 audit. The auditor's report on the financial statements and schedules is unqualified and is included in 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, 2011 and 2012. In addition, the College has received the GFOA Distinguished Budget Presentation Award for fiscal years 2009, 2010, 2011, 2012, and 2013.
- 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



**Donna M. Frye**  
Moline  
Vice Chair



**David L. Emerick Jr.**  
Rock Island  
Chair



**Dorothy W. Beck**  
Rock Island  
Secretary



**Tim A. Black**  
Galva



**Kylee L. Fox**  
Rock Island



**John D. McCooley**  
Rock Island



**Douglas L. Strand**  
East Moline



**David E. Edge**  
Kewanee  
Student Trustee

## Executive Administration



**Dr. Thomas B. Baynum**  
President



**Dr. Bettie A. Truitt**  
Vice President for  
Instructional Services



**Chanda R. Dowell**  
Vice President  
for East Campus



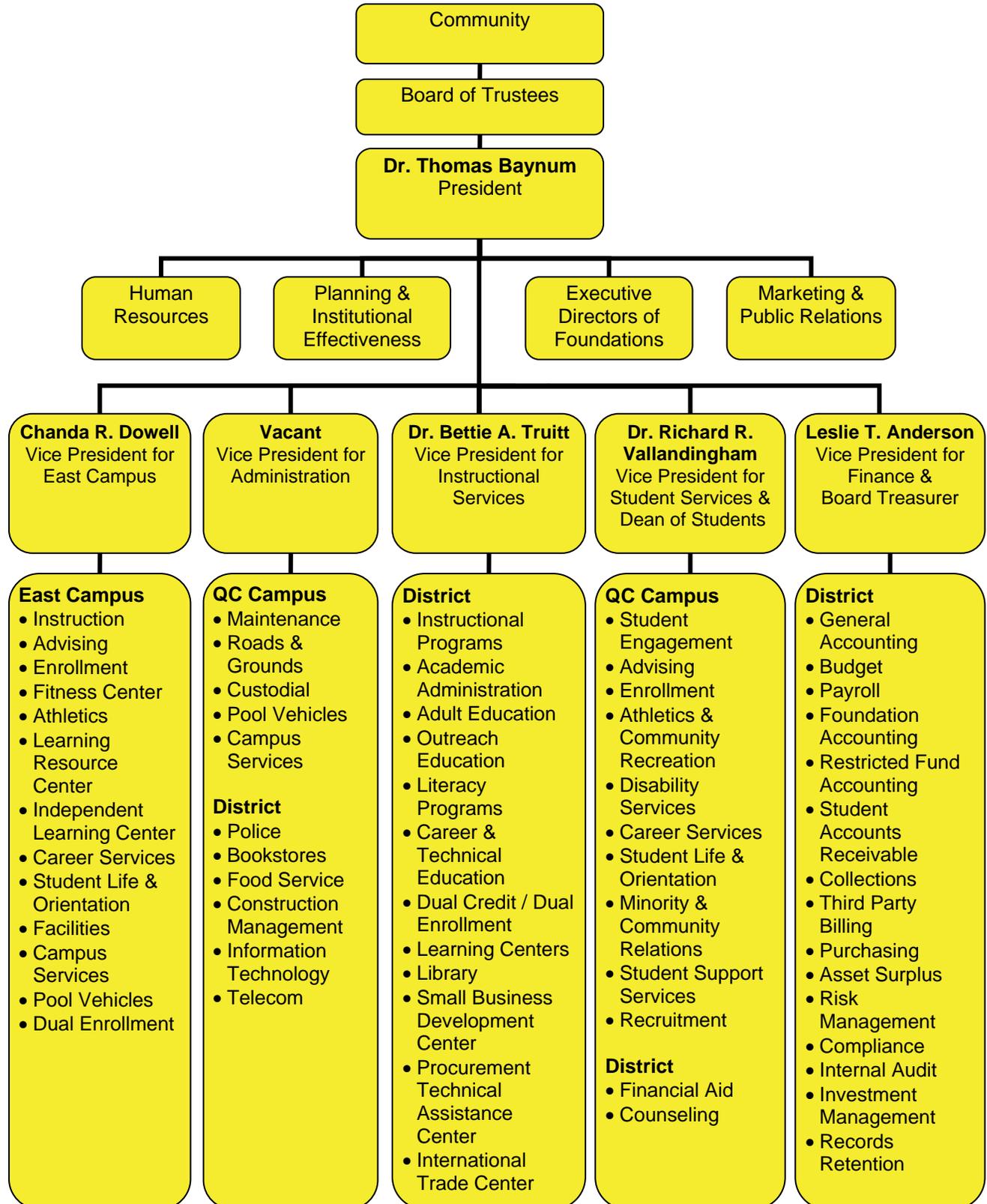
**Leslie T. Anderson**  
Vice President  
for Finance



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



## Organization Chart





Government Finance Officers Association

**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, 2012**

Executive Director/CEO

# Financial Section

**This page is intentionally left blank**

## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

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, 2013, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and aggregate discretely presented component units of Black Hawk College, Illinois Community College District #503 as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The introductory section, statistical section, the ICCB Supplemental Information, the ICCB Uniform Financial Statements, and the Management Information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The ICCB Supplemental Information and the ICCB Uniform Financial Statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the ICCB Supplemental Information and the ICCB Uniform Financial Statements are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section, statistical section, and management information 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.

### **Other Reporting Required by Governmental Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2013 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

*Wipfli LLP*

Freeport, Illinois  
September 26, 2013

**This page is intentionally left blank**

# **Management's Discussion and Analysis**

**This page is intentionally left blank**

## 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, 2013 and June 30, 2012. 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. 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 Position** 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 position at the end of the fiscal year. The Statement of Net Position 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 position section which reflects net position in three broad categories: invested in capital assets, net of related debt; restricted; and unrestricted. Net position is one indicator of the current financial condition of the College, while the change in net position 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 Position** 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 Position 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, 2013, the College recorded total operating revenues of \$17,384,760 and total operating expenses of \$54,625,108. The difference produced an operating loss of \$37,240,348. Net non-operating revenue of \$41,478,043 offsets this loss and results in an overall increase in net position of \$4,237,695.

Non-operating revenue included local property taxes of \$19,119,399, state grants and contracts of \$9,562,931, federal grants and contracts of \$10,099,071, and other net miscellaneous revenue of \$2,696,642.

Operating revenue accounted for 29% of the College's total revenue, while non-operating revenues accounted for the other 71% of the College's total revenue. Operating revenue consisted of tuition and fees, net of financial aid awards, totaling \$7,613,048, sales, services, and rentals of facilities revenues totaling \$2,236,204, and the SURS contribution provided by the state, on behalf of the College, to the State University Retirement System (SURS) totaling \$7,535,508. The comparable contribution by the state to SURS for the fiscal year ended June 30, 2012 was \$5,373,730.

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 5% in fiscal year 2013.

Overall, the College's financial position remained stable during fiscal year 2013 despite continued 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 2013 results compared to budget were favorable. Details by fund can be found in the Management Information section of this document.

### **Long-Term Debt**

The College issued \$20 million in bonds during fiscal year 2013 to expand and renovate facilities on both the Quad Cities and East Campuses. The College will break ground on a new \$15 million health sciences facility at the Quad Cities Campus during FY14 and will construct a new Welding and Skilled Trades Center near the Community Education Center in Kewanee, Illinois during FY14 as well. Remaining bond proceeds will be used to expand agriculture related facilities at the East Campus in Galva, Illinois during FY15. The unused legal debt capacity of the College is currently \$69,541,633, which represents 2.875% of the assessed valuation of the College's district less the \$32,715,000 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 in recent years. 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 decreased slightly from 2012 and 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.

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

**Management's Discussion and Analysis  
Year Ended June 30, 2013**

---

Property tax revenue accounts for 32% 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 continued. 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 2013, \$780,000 of which is due to decreased Pell Grant awards. State funding reductions consist of decreased MAP funding, lack of appropriations for Illinois Veterans, and Illinois National Guard Grants, and the reduction in other State grant awards from fiscal year 2012.

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% with an additional decrease of 1.6% during fiscal year 2013. 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.

Given the decreased enrollment trend in recent years, the College Administration and Board of Trustees have taken the appropriate measures to identify opportunities for growth. As a result the College will be constructing two new facilities during fiscal year 2014; a health sciences facility at the Quad Cities Campus, and a Welding and Skilled Trades Center in Kewanee. The addition of these two buildings will increase enrollment capacity, thus providing a greater opportunity for generating credit hours.

**Other Significant Financial Factors**

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 2013 increased 9.1% over fiscal year 2012 rates and will increase by an additional 7% for fiscal year 2014. Beginning with FY14, tuition and fees have been combined into one all-inclusive tuition rate. 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 .8% over fiscal year 2012 primarily due to the increase in EAV throughout the district. Additional information regarding tax levy trend is provided in the Statistical section.

### Comparative Net Position – Fiscal Years 2013 and 2012

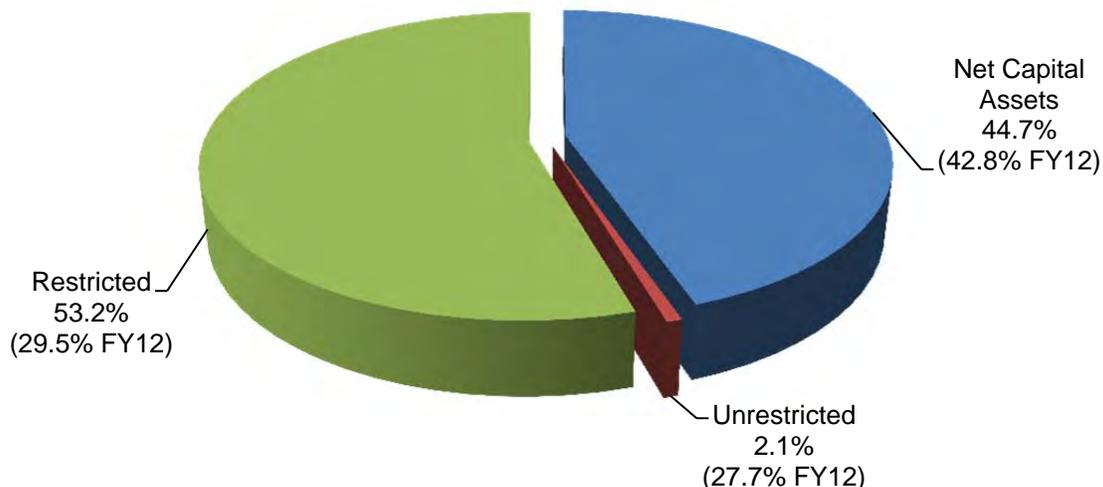
	2013	2012	Increase (Decrease)	Percent Change
Current Assets	\$ 75,066,923	\$ 63,318,537	\$11,748,386	18.6%
Non-Current Assets	47,887,133	39,384,710	8,502,423	21.6%
<b>Total Assets</b>	<b>\$122,954,056</b>	<b>\$102,703,247</b>	<b>\$20,250,809</b>	<b>19.7%</b>
Current Liabilities	\$ 9,411,607	\$ 8,601,816	\$ 809,791	9.4%
Non-Current Liabilities	30,995,859	15,070,786	15,925,073	105.7%
<b>Total Liabilities</b>	<b>\$ 40,407,466</b>	<b>\$ 23,672,602</b>	<b>\$16,734,864</b>	<b>70.7%</b>
Deferred Inflows of Resources	\$ 261,812	\$ 983,562	\$ (721,750)	-73.4%
<b>Net Position</b>				
Net Investment in Capital Assets	\$ 36,808,792	\$ 33,387,782	\$ 3,421,010	10.2%
Restricted	43,773,893	34,787,857	8,986,036	25.8%
Unrestricted	1,702,093	9,871,444	(8,169,351)	-82.8%
<b>Total Net Position</b>	<b>\$ 82,284,778</b>	<b>\$ 78,047,083</b>	<b>\$ 4,237,695</b>	<b>5.4%</b>

The College had a net position at the beginning of the fiscal year totaling \$78,047,083. The increase in net position of \$4,237,695 brought the total net position at the end of fiscal year 2013 to \$82,284,778.

Notable changes in fiscal year 2013 include the addition of the Student Services Center to Building 1 on the Quad Cities Campus and the construction of the Ag Sciences Building on the East Campus. Additionally, Non-Current Liabilities increased significantly as a result of a \$20 million bond issuance to construct a \$15 million health sciences facility at the Quad Cities Campus and a new Welding and Skilled Trades Center near the Community Education Center in Kewanee, Illinois.

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

### Net Position - Fiscal Year 2013



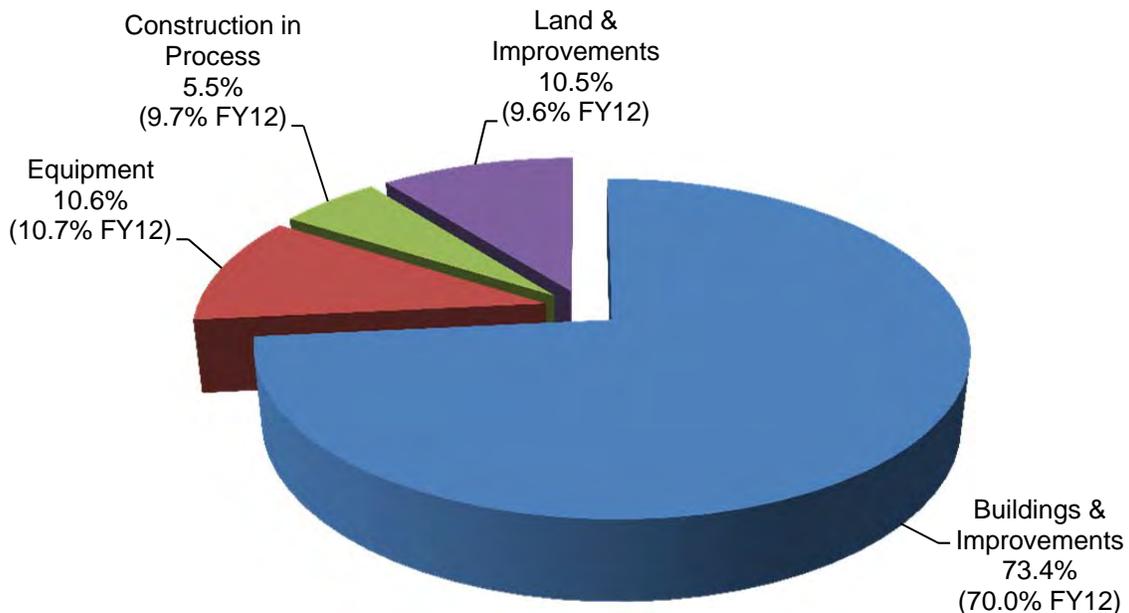
### Comparison of Net Capital Assets Fiscal Years 2013 and 2012

Capital Assets	2013	2012	Increase (Decrease)	Percent Change
Land and Improvements	\$7,480,023	\$5,857,925	\$1,622,098	27.7%
Building and Improvements	52,148,650	42,670,482	9,478,168	22.2%
Equipment	7,503,695	6,504,620	999,075	15.4%
Construction In Progress	3,896,185	5,920,458	-2,024,273	-34.2%
<b>Total Capital Assets</b>	<b>\$71,028,553</b>	<b>\$60,953,485</b>	<b>\$10,075,068</b>	<b>16.5%</b>
Less Accumulated Depreciation	23,141,420	21,568,775	1,572,645	7.3%
<b>Net Capital Assets</b>	<b>\$47,887,133</b>	<b>\$39,384,710</b>	<b>\$8,502,423</b>	<b>21.6%</b>

As of June 30, 2013, the College has recorded \$71,028,553 invested in capital assets, \$23,141,420 in accumulated depreciation and \$47,887,133 in net capital assets.

Total Capital Assets increased \$10,075,068 or 16.5% and Net Capital Assets increased \$8,502,423 or 21.6% due to the addition of the Student Services Center and Ag Sciences Building as well as several other remodeling and improvement projects during fiscal year 2013. 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 2013



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

	2013	2012	Increase (Decrease)	Percent Change
Operating Revenue:				
Tuition and Fees	\$ 7,613,048	\$ 6,609,902	\$ 1,003,146	15.2%
Sales, Services, and Rentals	2,236,204	2,481,502	(245,298)	-9.9%
Other	7,535,508	5,376,216	2,159,292	40.2%
Total Operating Revenue	<u>\$ 17,384,760</u>	<u>\$ 14,467,620</u>	<u>\$ 2,917,140</u>	<u>20.2%</u>
Less: Operating Expenses	<u>54,625,108</u>	<u>51,951,420</u>	<u>2,673,688</u>	<u>5.1%</u>
Operating Income (Loss)	<u>\$(37,240,348)</u>	<u>\$(37,483,800)</u>	<u>\$ 243,452</u>	<u>-0.6%</u>
Non-operating Revenue:				
State Grants & Contracts	\$ 9,562,931	\$ 10,578,684	\$(1,015,753)	-9.6%
Federal Grants & Contracts	10,099,071	10,875,102	(776,031)	-7.1%
Property Taxes	19,119,399	19,171,402	(52,003)	-0.3%
Other Income	2,696,642	2,903,995	(207,353)	-7.1%
Total Non-operating Revenue:	<u>\$ 41,478,043</u>	<u>\$ 43,529,183</u>	<u>\$(2,051,140)</u>	<u>-4.7%</u>
Increase in Net Position	\$ 4,237,695	\$ 6,045,383	\$(1,807,688)	-29.9%
Net Position, Beginning of Year	<u>78,047,083</u>	<u>72,001,700</u>	<u>6,045,383</u>	<u>8.4%</u>
Net Position, End of Year	<u>\$ 82,284,778</u>	<u>\$ 78,047,083</u>	<u>\$ 4,237,695</u>	<u>5.4%</u>

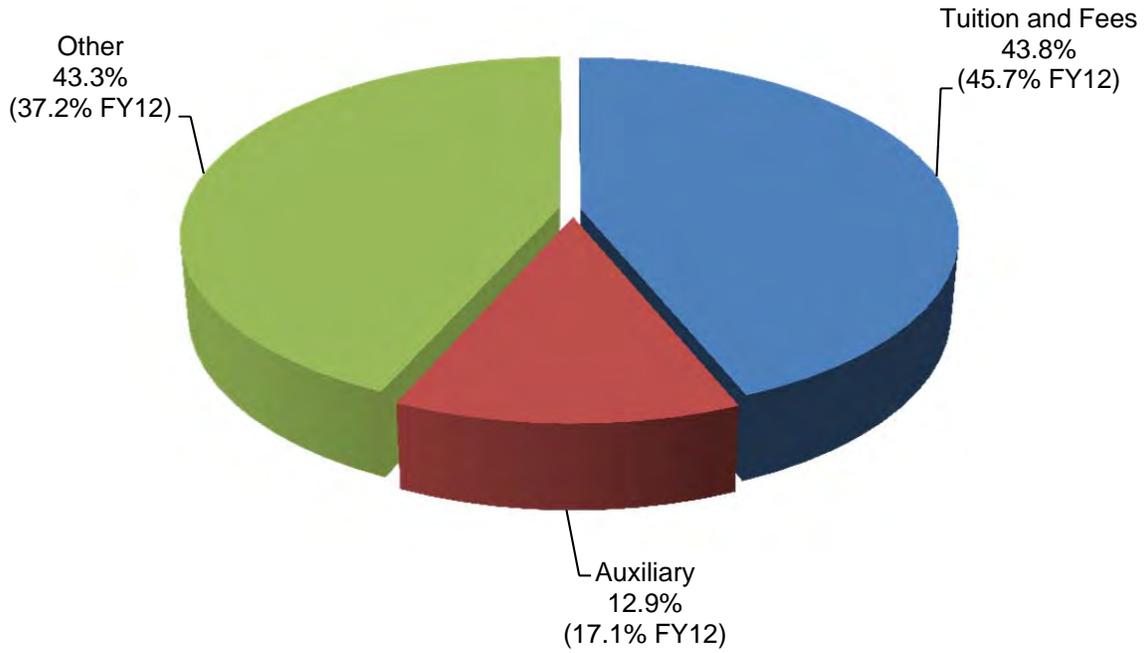
Both operating revenue and expense for fiscal year 2013 were higher than fiscal year 2012.

Tuition and fees increased \$1,003,146 or 15.2%, a portion of which can be attributed to additional improvements in the breakdown of summer tuition into the appropriate period as a result of the summer term crossing fiscal years. While enrollment decreased slightly from fiscal year 2012, higher tuition and fee rates in conjunction with the more accurate accounting for summer courses provided a net increase in tuition revenue over fiscal year 2012.

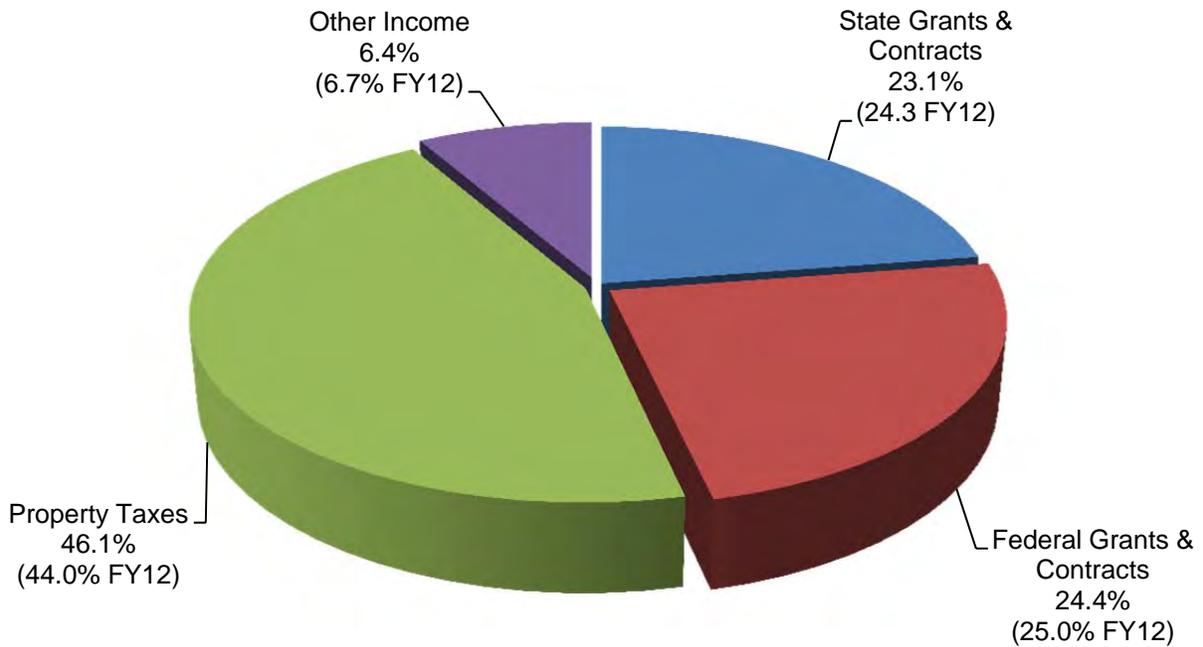
Additionally, the increase in Other Operating Revenue represents the increased SURS contribution provided by the State in fiscal year 2013, which was \$2,159,292 greater than the fiscal year 2012 amount. As explained in Note 5 in the Notes to Financial Statements, this SURS contribution is shown as operating 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 \$2,051,140. The primary driver of this decrease was the \$1,015,753 decrease in State Grants & Contracts due to decreased MAP funding, lack of appropriations for Illinois Veterans and National Guard grants, and the elimination of a few other grants received in previous fiscal years. The \$776,031 decrease in Federal Grants & Contracts is a direct result of a \$783,000 decrease in Pell Grant awards. The additional decrease of \$207,000 in other income is a direct result of lower investment earnings.

### Operating Revenues - Fiscal Year 2013



### Non-Operating Revenues - Fiscal Year 2013



### Comparison of Operating Expenses Fiscal Years 2013 and 2012

	2013	2012	Increase (Decrease)	Percent Change
Operating Expenses:				
Instruction	\$19,814,071	\$16,728,066	\$3,086,005	18.4%
Academic Support	6,244,734	5,849,304	395,430	6.8%
Student Services	4,265,652	4,050,637	215,015	5.3%
Public Service / Continuing Ed.	1,879,087	2,198,600	(319,513)	-14.5%
Sales, Services, and Rentals of Facilities	3,823,167	3,829,286	(6,119)	-0.2%
Institutional Support	10,346,257	9,905,024	441,233	4.5%
Financial Aid	2,401,499	2,747,946	(346,447)	-12.6%
Operations of Physical Facilities	4,232,592	5,217,830	(985,238)	-18.9%
Loss on Disposal of Equipment	16,664	5,451	11,213	205.7%
Depreciation	1,601,385	1,419,276	182,109	12.8%
<b>Total Operating Expenses:</b>	<b>\$54,625,108</b>	<b>\$51,951,420</b>	<b>\$2,673,688</b>	<b>5.1%</b>

Operating expenses for fiscal year 2013 increased by 5.1% from fiscal year 2012. 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 2013. One significant change includes the allocation of the SURS contribution provided by the state among the existing functions as opposed to being listed separately.

Instruction expenses increased \$3,086,005 as a result of capital improvements during the year that had a direct instructional impact as well as the allocation of the SURS contribution provided by the state.

Financial Aid decreased by \$346,447 due to decreased PELL funding.

Public Service / Continuing Ed expenses decreased \$319,513 due in part to high expenses in the Employer Training Investment Program (ETIP) and Technology Innovation and Entrepreneurship Specialty (TIES) grants during FY12, neither of which the College received in FY13.

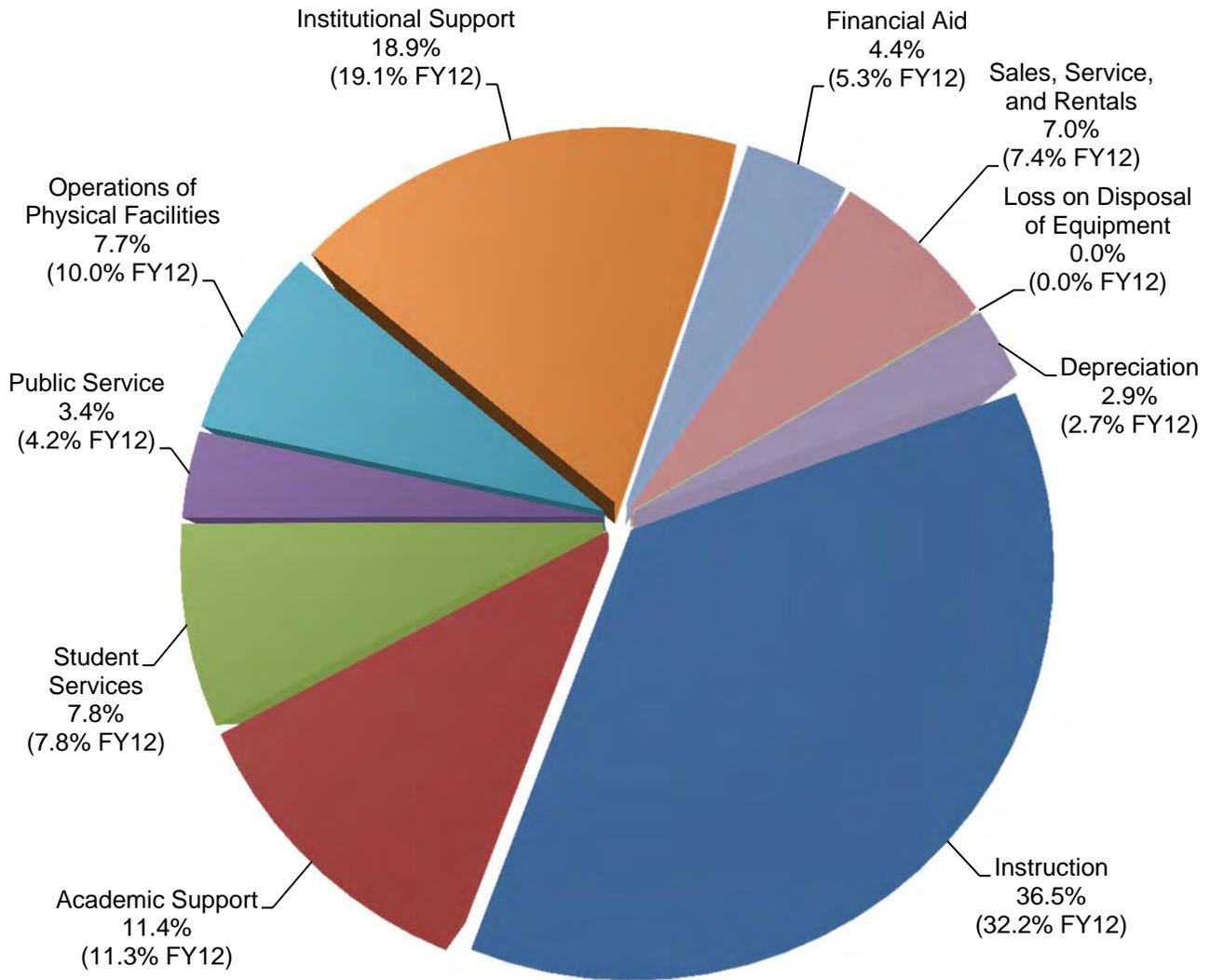
Depreciation expense increased by \$182,109 in the current year as a direct result of two building additions completed during fiscal year 2013 in addition to equipment purchases.

Operating of Physical Facilities decreased \$985,238 as a result of more closely aligning programmatic expenses to the ICCB Fiscal Management Manual requirements. The allocation of the SURS contribution provided by the state also played a role in this decrease.

In addition, a sizable increase in the SURS contribution provided by the state occurred as the fiscal year 2013 amount was \$2,161,778 greater than the fiscal year 2012 amount. As noted above, the SURS contribution is allocated among the various functions reported above and as a result contributes to the variances noted above. See also Note 5 in the Notes to Financial Statements for additional information related to this SURS contribution.

The following graphic illustration shows the operating expenses by program for fiscal year 2013 by percentage of the total with the comparable percentage for fiscal year 2012 in parenthesis. For both years, the largest percentage of College money was spent on Instruction.

### Operating Expenses - Fiscal Year 2013



**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 Position**  
**June 30, 2013**

	Primary	Component Units	
	Government	Black Hawk College Foundation	Black Hawk East College Foundation
	Black Hawk College		
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$ 55,531,552	\$ 174,095	\$ 330,912
Investments	-	2,450,552	1,520,126
Receivables:			
Property taxes, net of \$19,217	12,738,175	-	-
Federal government claims	773,999	-	-
State of Illinois claims	3,960,290	-	-
Student tuition and fees, net of \$163,160	932,517	-	-
Other	396,699	96,243	22,587
Inventory	498,536	-	-
Prepaid expenses	235,155	-	-
<b>Total current assets</b>	<b>75,066,923</b>	<b>2,720,890</b>	<b>1,873,625</b>
Noncurrent Assets:			
Capital assets:			
Land	758,221	76,693	373,519
Construction and Equipment in process	3,896,185	-	-
Building, improvements and equipment, net of \$23,141,420 and \$731,486, respectively	43,232,727	-	1,110,151
<b>Total capital assets, net of depreciation</b>	<b>47,887,133</b>	<b>76,693</b>	<b>1,483,670</b>
<b>Total noncurrent assets</b>	<b>47,887,133</b>	<b>76,693</b>	<b>1,483,670</b>
<b>Total assets</b>	<b>122,954,056</b>	<b>2,797,583</b>	<b>3,357,295</b>
<b>Liabilities</b>			
Current Liabilities:			
Accounts payable	2,480,748	12,212	21,621
Accrued liabilities:			
Payroll	955,058	-	-
Early retirement	81,397	-	-
Accrued vacation	120,000	-	-
Other	362,377	-	-
Unearned revenues:			
Student tuition and fees	235,869	-	-
Notes and bonds due in less than one year	5,150,000	-	17,495
Other liabilities	26,158	-	-
<b>Total current liabilities</b>	<b>9,411,607</b>	<b>12,212</b>	<b>39,116</b>
Noncurrent Liabilities:			
Early retirement	1,754,469	-	-
Accrued vacation	834,132	-	-
Notes and bonds payable in more than one year	28,407,258	-	496,421
<b>Total noncurrent liabilities</b>	<b>30,995,859</b>	<b>-</b>	<b>496,421</b>
<b>Total liabilities</b>	<b>40,407,466</b>	<b>12,212</b>	<b>535,537</b>
<b>Deferred Inflows of Resources</b>			
Grants and restricted funds	261,812	-	-
<b>Total deferred inflows of resources</b>	<b>261,812</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>			
Net Investment in capital assets	36,808,792	-	969,754
Restricted for audit	200,222	-	-
Restricted for liability, protection and settlement	2,402,140	-	-
Restricted for working cash	10,194,190	-	-
Restricted for bond & interest	2,973,723	-	-
Restricted for operations and maintenance	27,508,249	-	-
Restricted for grants and scholarships	495,369	2,139,906	1,748,543
Unrestricted	1,702,093	645,465	103,461
<b>Total net position</b>	<b>\$ 82,284,778</b>	<b>\$ 2,785,371</b>	<b>\$ 2,821,758</b>

See Notes to Financial Statements.

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

**Statement of Revenues, Expenses, and Changes in Net Position**  
**Year Ended June 30, 2013**

	Primary	Component Units	
	Government	Black Hawk College Foundation	Black Hawk East College Foundation
Operating Revenues:			
Student tuition and fees, net of scholarship awards	\$ 7,613,048	\$ -	\$ -
Sales, service and rental of facilities and equipment	2,236,204	-	-
SURS contribution provided by state	7,535,508	-	-
<b>Total operating revenues</b>	<b>17,384,760</b>	<b>-</b>	<b>-</b>
Operating expenses:			
Instruction	19,814,071	-	-
Academic support	6,244,734	-	-
Student services	4,265,652	-	-
Public service	1,879,087	-	-
Auxiliary services	3,823,167	-	-
Institutional support	10,346,257	243,041	265,042
Scholarships, student grants and waivers	2,401,499	91,227	102,713
Operation of physical facilities	4,232,592	-	-
Loss on disposal of equipment	16,664	-	-
Depreciation and amortization	1,601,385	-	54,659
<b>Total operating expenses</b>	<b>54,625,108</b>	<b>334,268</b>	<b>422,414</b>
<b>Operating (loss)</b>	<b>(37,240,348)</b>	<b>(334,268)</b>	<b>(422,414)</b>
Non-operating revenues (expenses):			
Property taxes	19,119,399	-	-
Personal property replacement taxes	1,346,184	-	-
State government sources	9,562,931	-	-
Federal government sources	10,099,071	-	-
Investment earnings	848,082	244,119	194,651
Other sources	1,281,102	426,961	604,700
Interest expense	(778,726)	-	(26,852)
<b>Total non-operating revenues (expenses)</b>	<b>41,478,043</b>	<b>671,080</b>	<b>772,499</b>
<b>Change in net position</b>	<b>4,237,695</b>	<b>336,812</b>	<b>350,085</b>
Net position:			
Beginning	78,047,083	2,448,559	2,471,673
Ending	<b>\$ 82,284,778</b>	<b>\$ 2,785,371</b>	<b>\$ 2,821,758</b>

See Notes to Financial Statements.

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

**Statement of Cash Flows**  
**Year Ended June 30, 2013**

	Primary Government
	Black Hawk College
Cash Flows from Operating Activities:	
Tuition and fees	\$ 7,198,585
Payments to employees	(24,302,281)
Payments to suppliers	(20,106,713)
Sales, service, and rental of facilities and equipment	2,236,204
Other receipts	-
Net cash provided by (used in) operating activities	<u>(34,974,205)</u>
Cash Flows from Non-Capital Financing Activities:	
State and federal grants and contracts	20,443,982
Personal property replacement taxes	1,346,184
Property taxes	18,853,220
Net cash provided by non-capital financing activities	<u>40,643,386</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of capital assets	(10,120,472)
Proceeds on debt	20,874,052
Debt issuance costs	(786,552)
Principal paid on debt	(4,182,742)
Interest paid on debt	(662,531)
Net cash provided by (used in) capital and related financing activities	<u>5,121,755</u>
Cash Flows from Investing Activities	
Sale of investments	4,063,339
Interest received	848,082
Net cash provided by (used in) investing activities	<u>4,911,421</u>
Net increase (decrease) in cash	15,702,357
Cash and cash equivalents:	
Beginning	39,829,195
Ending	<u>\$ 55,531,552</u>
Reconciliation of Operating Loss to Net Cash (Used in) Operating Activities:	
Operating loss	<u>\$ (37,240,348)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	1,601,385
Loss on disposal of equipment	16,664
Changes in assets and liabilities:	
(Increase) decrease in receivables	(27,244)
(Increase) decrease in inventory	210,937
(Increase) decrease in prepaid expenses	373,578
Increase (decrease) in accounts payable	323,336
Increase (decrease) in accrued expenditures	206,299
Increase (decrease) in deferred revenue	(387,219)
Increase (decrease) in other liabilities	(51,593)
<b>Total adjustments</b>	<u>2,266,143</u>
Net cash provided by (used in) operating activities	<u>\$ (34,974,205)</u>
Noncash, Capital and Related Financing Activities:	
SURS contribution paid by state	\$ 7,535,508

See Notes to Financial Statements.

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

**Statement of Fiduciary Net Position  
June 30, 2013**

---

	<b>Voluntary Employees' Benefit Association (VEBA) Health Benefit Plan</b>
<b>Assets</b>	
Cash	\$ 1,977,006
<b>Liabilities</b>	
Claims payable	1,154,284
Due to others	-
<b>Total liabilities</b>	<u>1,154,284</u>
<b>Net Position, unrestricted</b>	<u><u>\$ 822,722</u></u>

**Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2013**

---

<b>Additions:</b>	
Employer paid premiums	\$ 4,818,000
Employee paid premiums	649,626
Investment earnings	4,443
<b>Total additions</b>	<u>\$ 5,472,069</u>
<b>Deductions:</b>	
Health and dental claims	5,222,621
Administrative	576,710
<b>Total deductions</b>	<u>\$ 5,799,331</u>
<b>Change in net position</b>	(327,262)
<b>Net position:</b>	
Beginning	1,149,984
Ending	<u><u>\$ 822,722</u></u>

See Notes to Financial Statements.

**This page is intentionally left blank**

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

**Notes to Financial Statements**

---

**Note 1. Operation and Significant Accounting Policies**

**Organization:**

Black Hawk College, Illinois Community College District #503 (College) is an Illinois Community College operating under the mandates and guidelines of the Illinois Board of Higher Education and the Illinois Community College Board (ICCB). The College offers a wide range of educational opportunities, including liberal studies, business training, 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 No. 61, *The Financial Reporting Entity: Omnibus* and Statement No. 39, *Determining Whether Certain Organizations are Component Units*. GASB Statement No. 61 amends GASB Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, while Statement No. 61 and Statement No. 39 both amend 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 8-13 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, 2013, the Black Hawk College Foundation and the Black Hawk East Foundation distributed \$91,227 and \$102,713 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.

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.

**Notes to Financial Statements**

---

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

**Significant Accounting Policies (Continued):**

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 include activities that have the characteristics of exchange transactions, such as student tuition and fees and sales and services of auxiliary enterprises, net of financial aid and scholarship awards, 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 Position: Net position represents the difference between assets and liabilities. "Net investment in capital assets", 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 position is 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 position are available, the College first applies restricted resources.

**Notes to Financial Statements**

---

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

Deferred outflows/inflows: In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. At this time, the College has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents the acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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 2012 levy. Property tax revenue recorded on the financial statements relates to the 2012 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 2013 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.

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

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

**Notes to Financial Statements**

---

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

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.

Capital assets are reviewed for impairment when events or changes in circumstances suggest that the service utility of the capital asset may have significantly and unexpectedly declined. Capital assets are considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The determination of the impairment loss is dependent upon the event or circumstance in which the impairment occurred. Impairment losses, if any, are recorded in the statements of revenues, expenses, and changes in net position. There were no impairment losses recorded for the year ended June 30, 2013.

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.

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.

Receivables: Student accounts receivable are reported net of any anticipated losses due to uncollectible accounts. The College considers students accounts to be past due when a student has an account balance after the payment due date for the class. Past due accounts are subject to past due letter collection efforts and are subsequently placed with third-party collection agencies and the State of Illinois Local Debt Recovery Program (LDRP). The collectability of individual accounts is evaluated closely at the end of each fiscal year and the allowance for uncollectible accounts is adjusted to a level which, in management's judgment, is adequate to absorb potential losses inherent in the receivable portfolio.

Accounting Pronouncements: The College is applying all applicable Governmental Accounting Standards Board (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).

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

**Notes to Financial Statements**

---

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

- 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.

At June 30, 2013, the College's cash and cash equivalents balances are as follows:

Depository accounts, checking and certificates of deposit	\$55,519,652
Petty cash	<u>11,900</u>
<b>Total cash and cash equivalents</b>	<b>55,531,552</b>
Fiduciary funds	<u>1,977,006</u>
<b>Total cash and cash equivalents</b>	<b>\$57,508,558</b>
Less: Petty cash	<u>11,900</u>
<b>Total carrying amount of deposits</b>	<b><u>\$57,496,658</u></b>

As of June 30, 2013, the carrying amount of the College's deposits totaled \$57,496,658 with a bank balance of \$56,433,054. Of the \$56,433,054 bank balance, \$56,433,054 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.

As of June 30, 2013, the College did not hold any investments.

**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

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

**Notes to Financial Statements**

---

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

changes in market interest rates. The College tries to match its maturities on investments with expected cash flows. As of June 30, 2013, the College did not hold any investments.

**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 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, 2013 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, 2013:

Security & safety related salaries and benefits	\$ 854,133
Risk management & loss prevention	328,473
Insurance	1,005,246
Legal services	138,442
Security and safety related	<u>132,018</u>
Total Liability, Protection & Settlement Fund expenditures	<u>\$2,458,312</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, 2013, is as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Capital assets not being depreciated:				
Land	\$ 760,862	\$ -	\$ (2,640)	\$ 758,221
Construction in process	5,920,458	9,613,555	(11,637,828)	3,896,185
<b>Total capital assets not being depreciated</b>	<b>6,681,320</b>	<b>9,613,555</b>	<b>(11,640,468)</b>	<b>4,654,406</b>
Capital assets being depreciated:				
Buildings and improvements	42,670,482	9,478,168	-	52,148,650
Land improvements	5,097,063	1,624,738	-	6,721,802
Equipment	6,504,620	1,041,839	(42,764)	7,503,695
<b>Total capital assets being depreciated</b>	<b>54,272,165</b>	<b>12,144,745</b>	<b>(42,764)</b>	<b>66,374,147</b>
Less accumulated depreciation for:				
Buildings and improvements	15,923,091	948,138	-	16,871,229
Land improvements	773,727	118,191	-	891,918
Equipment	4,871,957	535,056	(28,740)	5,378,273
<b>Total accumulated depreciation</b>	<b>21,568,775</b>	<b>1,601,385</b>	<b>(28,740)</b>	<b>23,141,420</b>
<b>Total capital assets being depreciated, net</b>	<b>32,703,390</b>	<b>10,543,360</b>	<b>(14,024)</b>	<b>43,232,727</b>
<b>Total capital assets, net</b>	<b>\$ 39,384,710</b>	<b>\$ 20,156,915</b>	<b>\$(11,654,492)</b>	<b>\$ 47,887,133</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 35.2% 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, 2013, 2012, and 2011 were \$94,898, \$111,835, and \$107,234, 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 \$7,535,508, \$5,373,730, and \$4,293,814 for the years ended June 30, 2013, 2012, and 2011, 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, 2013, are as follows:

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
Bonds payable	\$17,740,000	\$20,000,000	\$(5,025,000)	\$32,715,000	\$5,150,000
Unamortized premium	-	874,052	(31,794)	842,258	-
Accrued vacation	846,896	227,236	(120,000)	954,132	120,000
Early retirement	1,728,557	206,976	(99,667)	1,835,866	81,397
	<u>\$20,315,453</u>	<u>\$21,308,264</u>	<u>\$(5,276,461)</u>	<u>\$36,347,256</u>	<u>\$5,351,397</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, 2013, are as follows:

Year ending June 30:	Principal	Interest	Total
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>\$12,715,000</u>	<u>\$499,625</u>	<u>\$13,214,625</u>

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

**Notes to Financial Statements**

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

General Obligation Community College Bonds, Series 2013: On March 12, 2013, the College issued \$20,000,000 in General Obligation Bonds, Series 2013A \$10 million taxable and Series 2013B \$10 million tax exempt, to refund short-term debt certificates of that amount. The debt certificates were issued and received by the College December 18, 2012. The purpose of issuing these debt certificates was to use the proceeds to construct a \$15 million health sciences facility at the Quad Cities Campus as well as utilize the remaining \$5 million to expand and renovate facilities at the East Campus and Community Education Center in Kewanee, Illinois. Principal and interest payments on the General Obligation Bonds are to be paid annually on December 1 with the final payment on December 1, 2032. Interest only payments are due June 1 of each year beginning June 1, 2013. Interest rates range from 3.00% to 4.75% over the life of the bonds.

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2013, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2014	\$ -	\$890,191	\$890,191
2015	-	729,996	729,996
2016	-	729,996	729,996
2017	835,000	709,643	1,544,643
2018	875,000	668,509	1,543,509
2019-2023	5,025,000	2,663,769	7,688,769
2024-2028	6,135,000	1,559,985	7,694,985
2029-2033	7,130,000	547,350	7,677,350
<b>Total</b>	<u>\$20,000,000</u>	<u>\$8,499,439</u>	<u>\$28,499,439</u>

The College is subject to a debt limitation of 2.875% of its assessed valuation of \$3,556,752,463. As of June 30, 2013 the College had \$69,541,633 of remaining legal debt margin.

Operating Leases: The College leases space at the Illinois Employment & Training Center for \$12,589 per month 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, 2013 was \$146,872.

The annual requirements for operating leases as of June 30, 2013, are as follows:

Year ending June 30:	
2014	\$152,327
2015	156,146
2016	160,048
2017	<u>108,433</u>
<b>Total operating leases</b>	<u>\$576,954</u>

**Notes to Financial Statements**

**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 4.25%, compounded annually, a return on assets of 4.25%, 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 \$1,835,866 as of June 30, 2013.

**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 \$6,027,455 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. One participant was lapsed from this excess coverage in FY2013. All claim handling procedures are performed by an independent claims administrator.

The College establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. At June 30, 2013, the amount of these liabilities was \$1,154,284. The following represents changes in those liabilities for the College during the past two years:

	<i>Beginning of Fiscal Year Liability</i>	<i>Current Year Claims and Changes in Estimates</i>	<i>Claim Payments</i>	<i>Balance at Fiscal Year-End</i>
FY2012	\$443,446	\$5,849,427	\$5,335,901	\$ 956,972
FY2013	\$956,972	\$6,343,709	\$6,146,397	\$1,154,284

**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.

**Notes to Financial Statements**

---

**Note 10. New Accounting Pronouncements**

GASB Statement No. 60, *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. Management has determined there is no material effect on the financial statements with regard to the adoption of this standard.

GASB Statement No. 61, *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. See Note 1 to the financial statements.

GASB Statement No. 62, *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 pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. Management has determined there is no material effect on the financial statements with regard to the adoption of this standard.

GASB Statement No. 63, *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. See the Statement of Net Position.

GASB Statement No. 64, *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. Management has determined there is no material effect on the financial statements with regard to the adoption of this standard.

GASB Statement No. 65, *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. See the Statement of Net Position. Additionally, bond issuance costs are now expensed instead of being amortized over the life of the bonds.

**Note 11. Pending Accounting Pronouncements**

GASB Statement No. 66, *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*.

**Notes to Financial Statements**

---

**Note 11. Pending Accounting Pronouncements (Continued)**

GASB Statement No. 67, *Accounting and Reporting for Pension Plans - an amendment of GASB Statement No. 25* is effective for financial statements for the fiscal year ending June 30, 2014. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* is effective for the fiscal year ending June 30, 2015. This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are administered as trusts or equivalent arrangements.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* is effective for the fiscal year ending June 30, 2015. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* is effective for the fiscal year ending June 30, 2014. This Statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this Statement requires new information to be disclosed by governments that receive nonexchange financial guarantees.

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)

**This page is intentionally left blank**

**Statistical Narrative**

---

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**

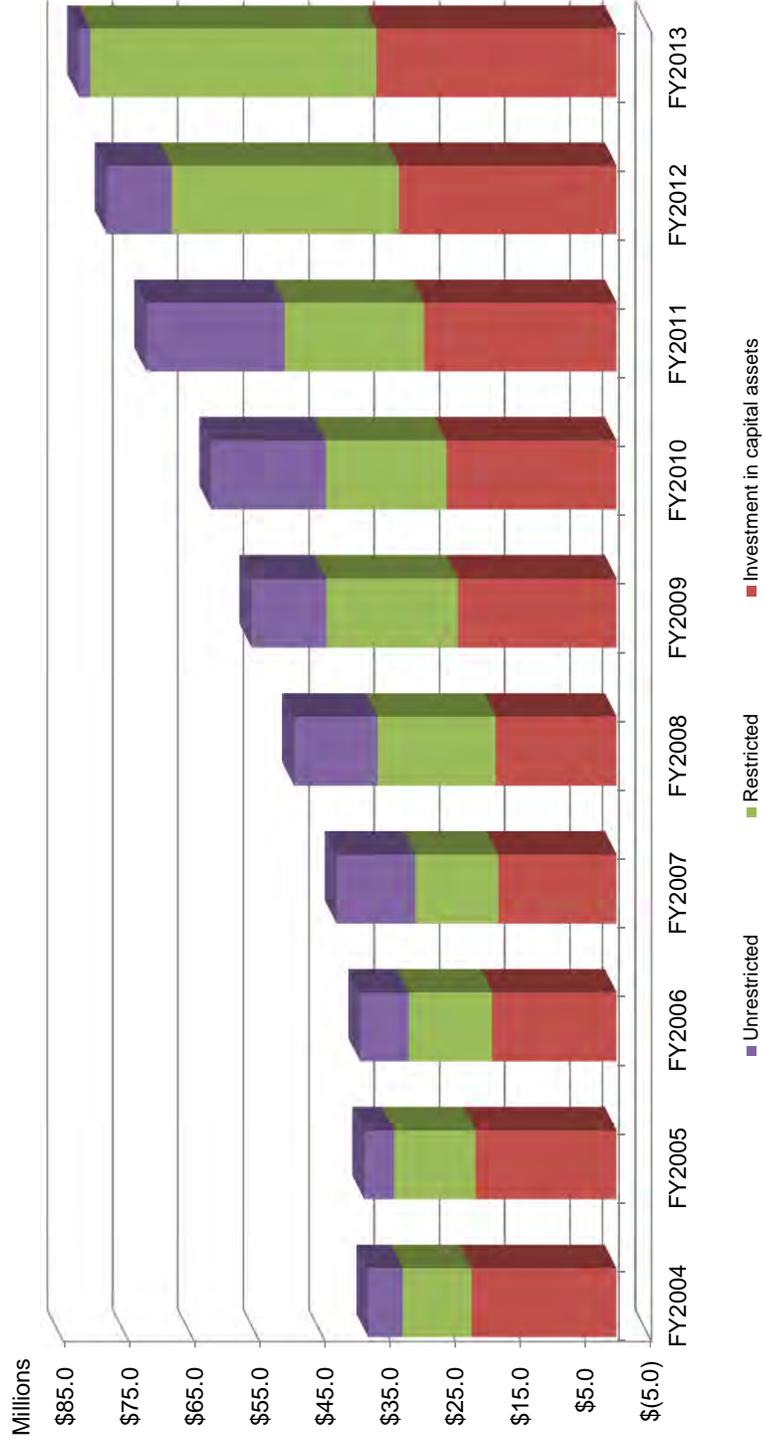
These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.

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

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

**Schedule of Net Position by Component  
FY2004 through FY2013**

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Investment in capital assets, net of related debt	\$ 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	\$ 36,808,792
Restricted	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	43,773,893
Unrestricted	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	1,702,093
<b>Total net position</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>	<b>\$ 82,284,778</b>



Source: College audited financial statements.

**Black Hawk College**  
**Illinois Community College District No. 503**  
**Schedule of Changes in Net Position**  
**FY2004 through FY2013**

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
<b>Operating Revenues:</b>										
Student tuition and fees, net of allowance	\$ 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	\$ 7,613,048
Sales, service, and rental of facilities	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	2,236,204
Tuition chargeback	65,881	43,451	39,822	38,421	(1,702)	-	-	-	-	-
SURS contribution provided by state	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	7,535,508
Other operating revenue	7,500	4,760	7,638	28,532	5,705	6,901	12,576	3,680	2,486	-
<b>Total operating revenue</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>17,384,760</b>
<b>Operating expenses:</b>										
Instruction	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	16,338,948
Academic support	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	5,264,323
Student services	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	3,498,848
Public service	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	1,590,411
Auxiliary services	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	3,641,997
Institutional support	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	9,248,562
Scholarships, student grants and waivers	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	2,359,338
SURS contribution provided by state	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	7,535,508
Operation of physical facilities	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	3,529,124
Loss on disposal of equipment	21,632	41,307	3,516	33,979	5,097	7,409	1,308,112	22,464	5,451	16,664
Depreciation	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	1,601,385
<b>Total operating expenses</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>54,625,108</b>
<b>Operating (loss)</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>(37,240,348)</b>
<b>Non-operating revenues (expenses)</b>										
Property taxes	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	19,119,399
Personal property taxes	-	-	-	-	-	1,365,164	1,104,407	1,432,216	1,317,537	1,346,184
State government sources	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	9,562,931
Federal government sources	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	10,099,071
Investment earnings	441,356	556,738	710,851	1,076,367	893,351	927,444	1,079,642	1,304,926	1,118,105	848,082
Other sources	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	1,281,102
Interest expense	(3,796)	(150,460)	(256,529)	(482,810)	(636,823)	(771,482)	(714,580)	(760,282)	(578,513)	(778,726)
<b>Total non-operating revenues (expenses)</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>41,478,043</b>
<b>Change in net position</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>4,237,695</b>
<b>Net position:</b>										
Beginning	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	78,047,083
Ending	\$ 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	\$ 82,284,778

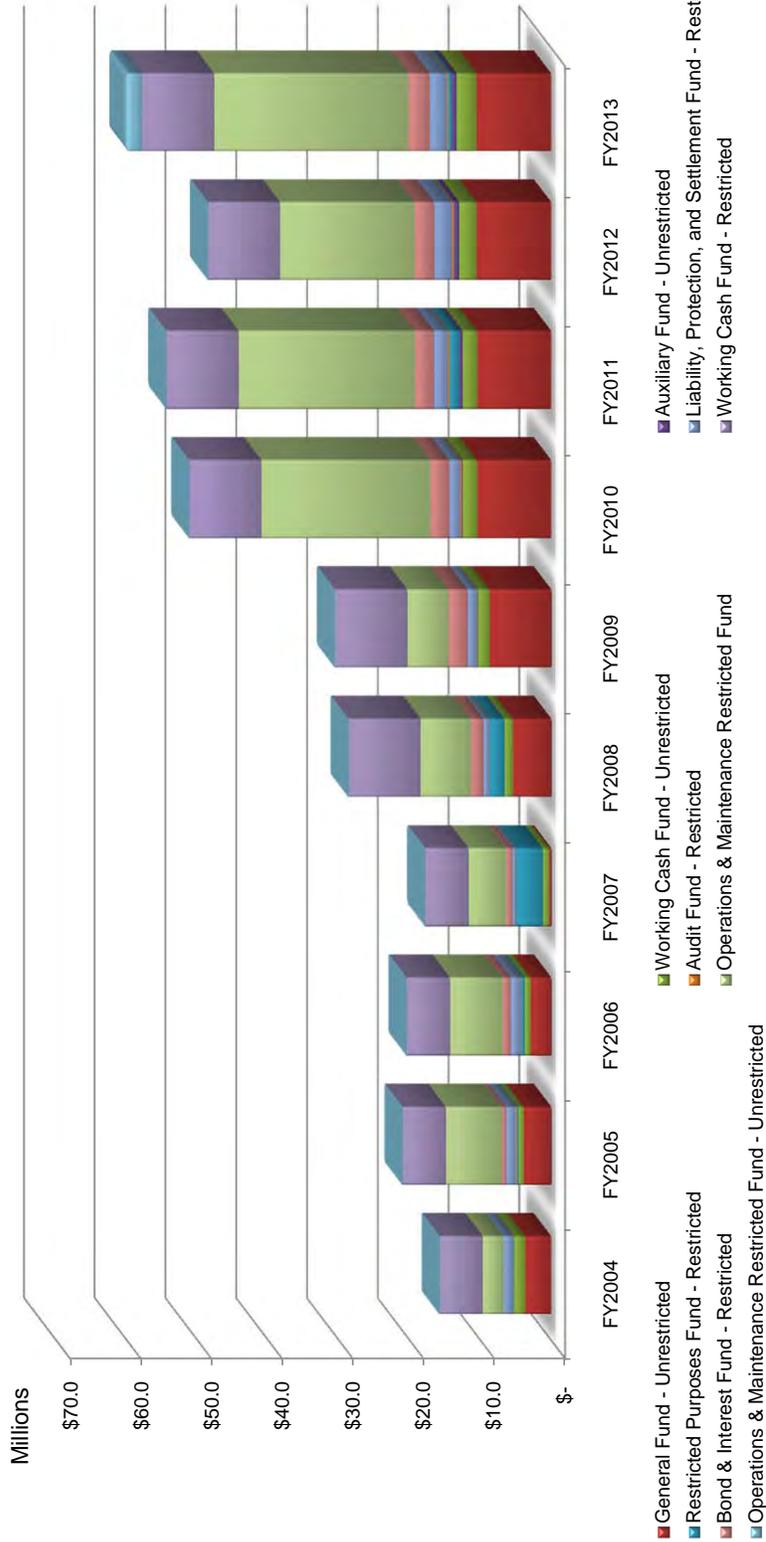
Notes:  
1. FY2004 beginning net position restated to properly account for open encumbrances associated with ICCB grants  
2. FY2007 beginning net position restated to reflect the modified accrual basis of accounting for property tax revenues  
3. FY2008 beginning net position restated to reflect the 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  
FY2004 through FY2013**

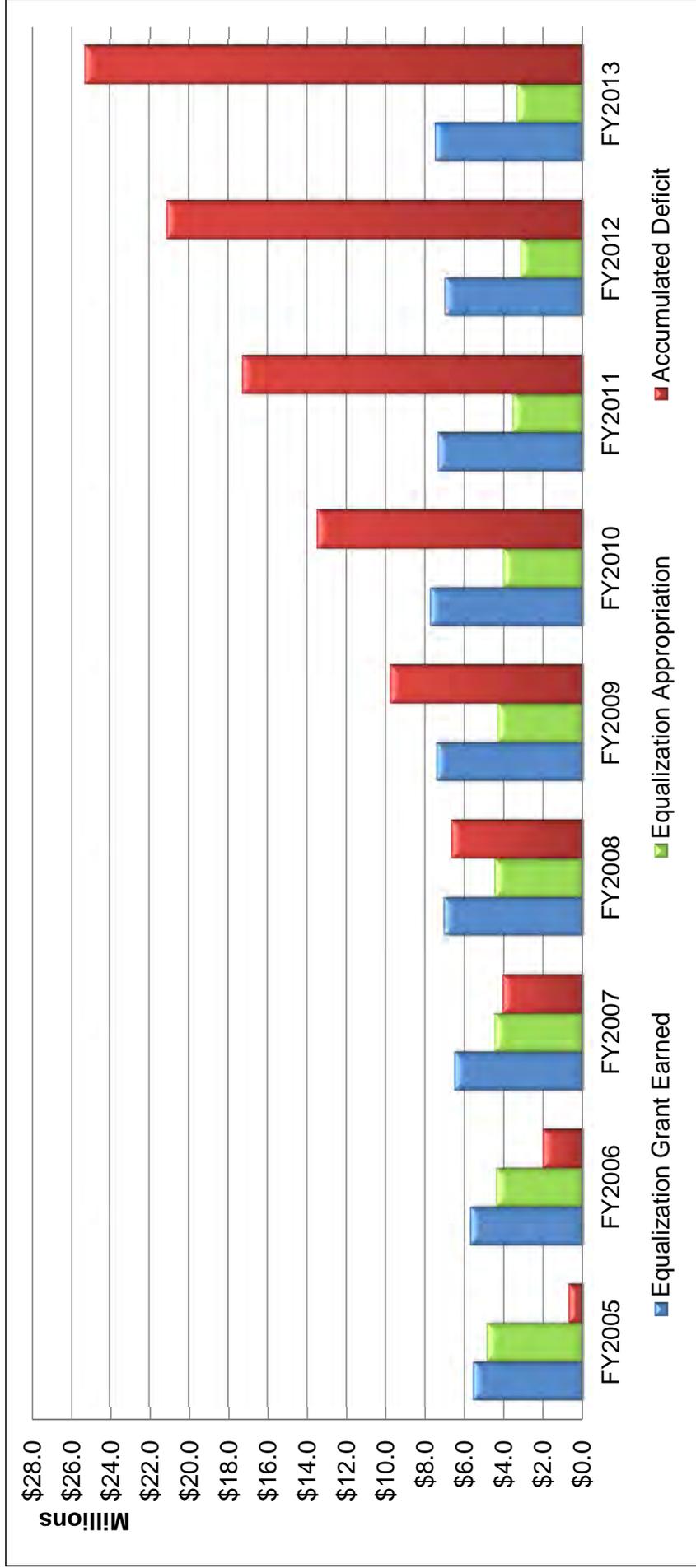
	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
General Fund - Unrestricted	\$ 3,661,544	\$ 3,857,330	\$ 2,875,581	\$ 270,482	\$ 5,410,451	\$ 8,697,966	\$ 10,458,459	\$ 10,458,459	\$ 10,512,321	\$ 10,512,321
Working Cash Fund - Unrestricted	1,542,516	778,015	864,305	924,742	1,219,790	1,625,794	2,046,194	2,081,546	2,496,165	2,848,633
Auxiliary Fund - Unrestricted	19,436	(197,743)	(270,102)	(166,048)	(132,271)	(74,423)	143,703	495,505	702,675	711,344
Restricted Purposes Fund - Restricted	95,537	221,884	459,285	3,752,088	2,026,420	137,064	37,322	1,393,815	94,284	496,369
Audit Fund - Restricted	79,482	93,978	103,090	77,900	97,557	122,132	150,245	172,765	211,908	200,222
Liability, Protection, and Settlement Fund - Restricted	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	2,402,140
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	2,973,723
Operations & Maintenance Restricted Fund	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	27,508,249
Operations & Maintenance Restricted Fund - Unrestricted	-	-	-	-	-	-	-	-	-	2,254,612
Working Cash Fund - Restricted	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	10,194,190
<b>Total Fund Balance</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>	<b>\$60,100,803</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 History & Accumulated Deficit  
FY2005 through FY2013**

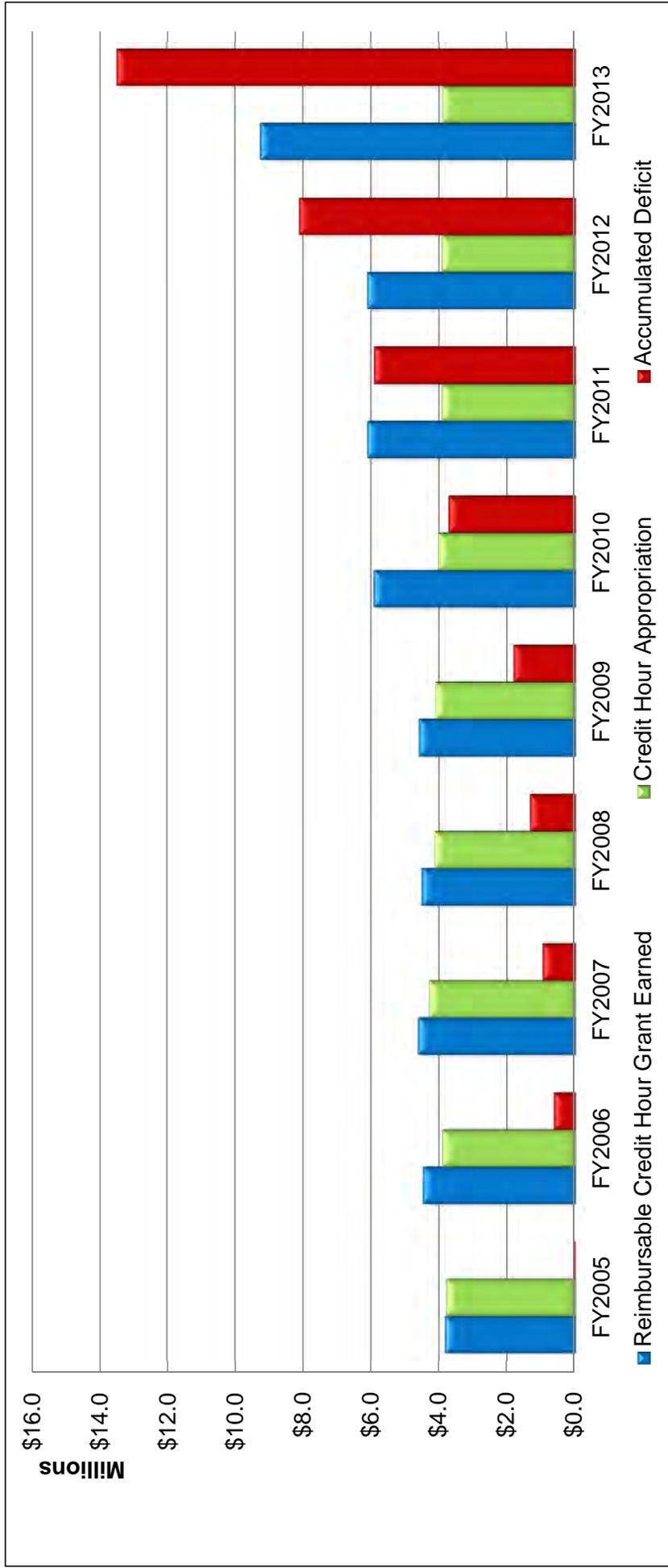


	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Equalization Grant Earned	\$ 5,595,326	\$ 5,721,705	\$ 6,523,581	\$ 7,082,701	\$ 7,446,929	\$ 7,758,564	\$ 7,372,057	\$ 7,028,293	\$ 7,500,478
Equalization Appropriation	4,873,749	4,403,116	4,488,540	4,471,959	4,341,024	4,038,587	3,576,700	3,187,173	3,348,294
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)	(4,152,184)
Percentage Received	87.10%	76.95%	68.80%	63.14%	58.29%	52.05%	48.52%	45.35%	44.64%
Accumulated Deficit	\$ 721,577	\$ 2,040,166	\$ 4,075,207	\$ 6,685,949	\$ 9,791,854	\$ 13,511,831	\$ 17,307,188	\$ 21,148,308	\$ 25,300,492

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 FY2013**



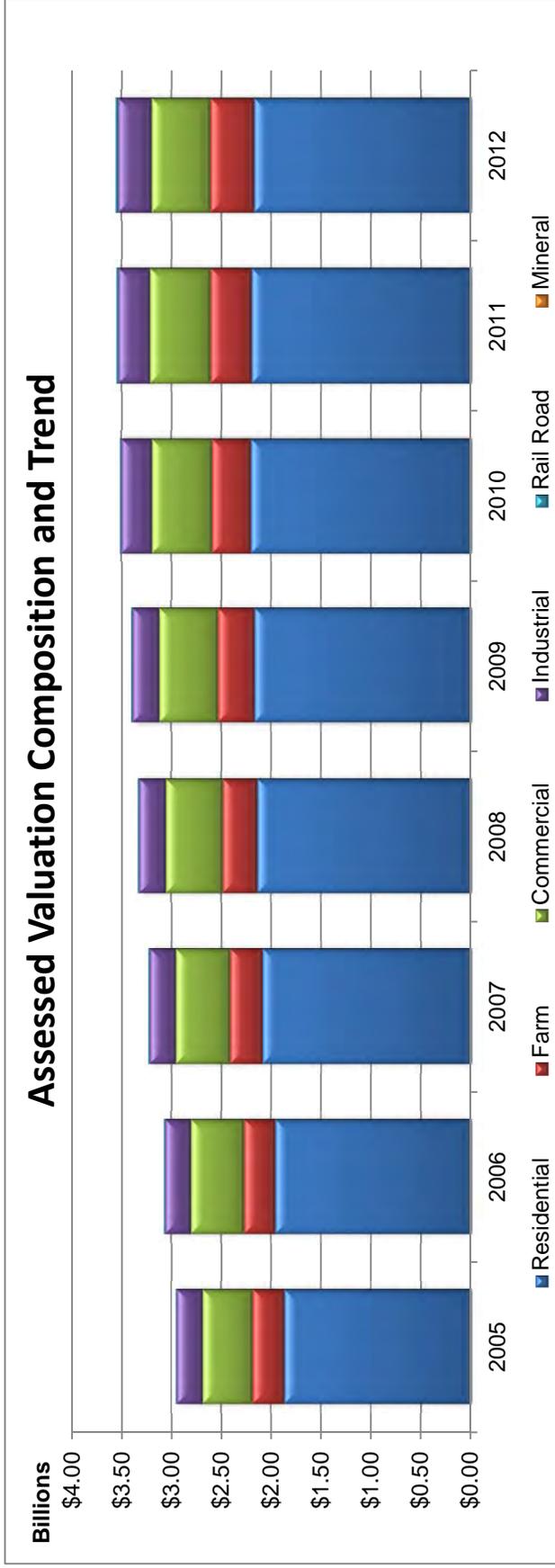
Source: ICCB System's Operating Budgets

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

Assessed and Estimated Actual Value of Taxable Property (Unaudited)  
Tax Levy Years 2003 through 2012

**Assessed Valuation by Property Type**

Levy year	Residential	Farm	Commercial	Industrial	Rail Road	Mineral	Total Assessed Valuation	Estimated Actual Value
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
2012	2,174,966,189	435,951,018	591,923,037	335,445,784	18,466,435	-	3,556,752,463	10,671,324,521



- 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 2012 is the most current information available
  3. The total direct rate applied to tax year 2012 is \$0.5403.

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 2003 through 2012

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
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%	12,462,381	19,035,803	100%
2012	2013	3,556,752,463	0.5403	19,217,134	6,378,931	33%	-	6,378,931	33%

### 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 2012 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 2003 through 2012

Taxing Districts	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	Tax Year 2012
Black Hawk College District No. 503	\$ 0.3740	\$ 0.4021	\$ 0.4145	\$ 0.4579	\$ 0.5016	\$ 0.5356	\$ 0.5337	\$ 0.5324	\$ 0.5369	\$ 0.5403
Rock Island County	0.7746	0.8040	0.7976	0.7956	0.7890	0.8480	0.8542	0.8574	0.8684	0.8872
South Moline Township	0.0656	0.0692	0.0700	0.1412	0.1416	0.1432	0.1432	0.1420	0.1318	0.1358
Road & Bridge - South Moline Township	0.0050	0.0052	0.0054	0.0058	0.0061	0.0064	0.0070	0.0070	0.0085	0.0093
Road & Bridge - City of Moline	0.0042	0.0044	0.0044	0.0042	0.0041	0.0042	0.0042	0.0042	0.0043	0.0047
South Moline Township Cemetery	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	0.0030	0.0038	0.0038	0.0038
City of Moline	1.8988	1.9116	1.9594	1.9646	2.0062	1.9966	1.9288	1.9324	1.9744	2.0268
School District No. 40	5.2612	5.1108	5.1508	5.1152	5.0586	5.0188	5.0266	5.0584	5.0600	5.0590
Metropolitan Airport Authority	0.0714	0.0750	0.0718	0.0726	0.0716	0.0734	0.0742	0.0734	0.0750	0.0750
Metropolitan Transit Authority	0.1448	0.1646	0.1652	0.1754	0.1742	0.1768	0.1812	0.1822	0.1872	0.1948
<b>Total</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>	<b>\$ 8.9367</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 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	Tax Year 2012
Black Hawk College District No. 503	\$ 0.3740	\$ 0.4021	\$ 0.4181	\$ 0.4578	\$ 0.5023	\$ 0.5356	\$ 0.5354	\$ 0.5341	\$ 0.5372	\$ 0.5406
Henry County	0.8869	0.9280	0.9439	0.9026	0.9069	0.8945	0.9173	0.9498	0.9270	0.9316
Kewanee Township	0.1769	0.2054	0.2113	0.1978	0.1756	0.1721	0.1735	0.1742	0.1774	0.1789
Kewanee Township Road District	0.2222	0.2227	0.2207	0.2188	0.2084	0.2179	0.2180	0.2163	0.2167	0.2168
City of Kewanee	2.3196	2.5402	2.5760	2.1251	2.7294	2.3552	2.2611	2.3865	2.4857	2.6888
Kewanee Park District	0.9993	1.1338	1.0752	1.1009	1.0474	1.0881	1.0573	1.0518	1.0692	1.0891
Kewanee Library District	0.5834	0.6336	0.6395	0.6362	0.6862	0.6965	0.7524	0.7627	0.7680	0.8065
Kewanee Airport	0.0136	0.0163	0.0145	0.0139	0.0128	0.0127	0.0116	0.0121	0.0123	0.0131
Kewanee School District No. 229	4.0955	4.3047	4.2700	4.4177	4.4650	4.5351	4.5267	4.5174	4.3535	4.0950
<b>Total</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>	<b>\$ 10.5604</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

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

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

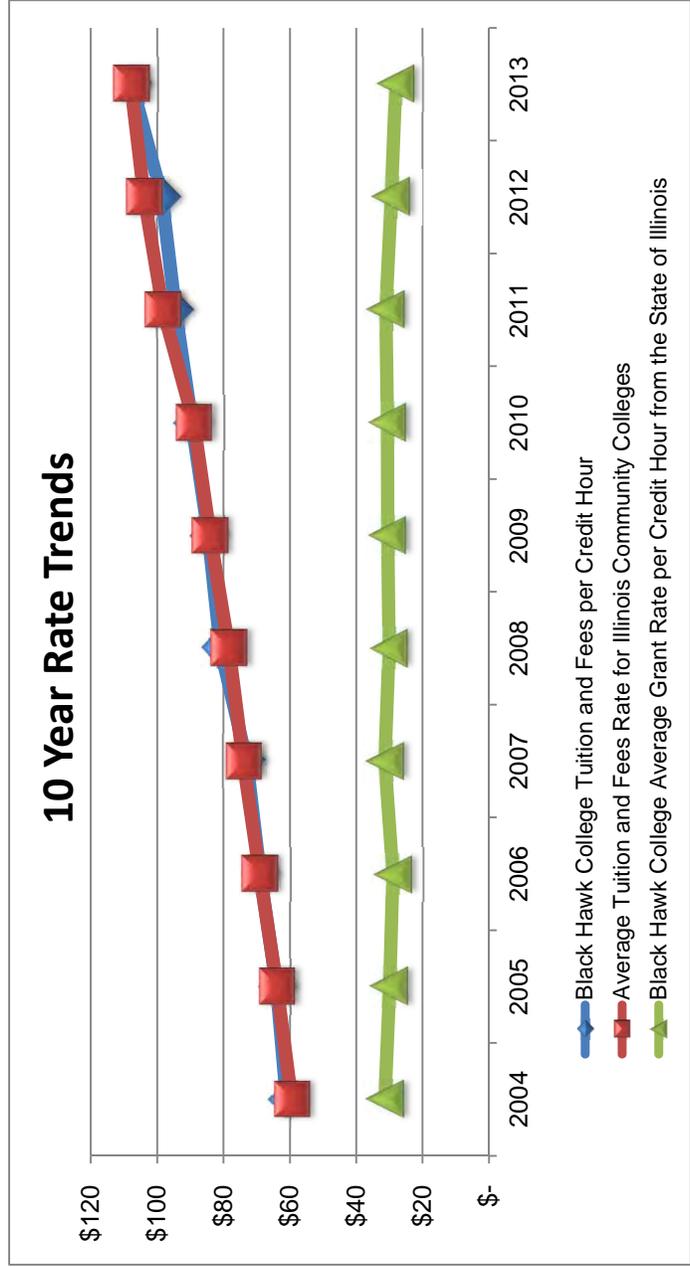
	2003				2012			
Taxpayer	Equalized Assessed Valuation	Rank	Percent of District's EAV	Taxpayer	Equalized Assessed Valuation	Rank	Percent of District's EAV	
Commonwealth Edison	\$ 76,107,947	1	3.78%	Commonwealth Edison	\$ 155,000,000	1	0.043752	
Deere and Company	25,153,545	2	1.25%	Deere and Company	29,382,059	2	0.008294	
SDG Macerich Properties	14,169,977	3	0.70%	Patriot Renewable Fuels	22,957,028	3	0.00648	
J. I. Case	5,704,594	4	0.28%	DNC Gaming/Jumers Casino	21,956,462	4	0.006198	
Minnesota Mining & Manufacturing	5,213,237	5	0.26%	Big River Resources Galva	21,947,145	5	0.006195	
Thoms-Proestler Company	4,816,290	6	0.24%	SDG Macerich/Southpark Mall	12,415,425	6	0.003505	
Barjan Products, LLC	4,425,893	7	0.22%	Modern Woodmen of America	8,293,405	7	0.002341	
Cordova Energy	4,331,206	8	0.22%	Financial District - Kone	5,362,961	8	0.001514	
Tyson Foods	4,130,478	9	0.21%	Fed Ex Freight	5,025,042	9	0.001418	
Modern Woodmen of America	3,392,286	10	0.17%	Walmart - Silvis	4,895,401	10	0.001382	
	<u>\$ 147,445,453</u>		<u>7.33%</u>		<u>\$ 287,234,928</u>		<u>8.11%</u>	

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

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

Mandatory Tuition and Fees (Unaudited)  
FY2004 through FY2013

Fiscal Year	Black Hawk College Tuition and Fees per Credit Hour	Average Tuition and Fees Rate for Illinois Community Colleges	Black Hawk College Average Grant Rate per Credit Hour from the State of Illinois	Black Hawk College Total Unrestricted and Restricted Credit Hours
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
2013	107.50	107.89	28.09	135,791



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)  
FY2004 through FY2013

Fiscal Year	General Obligation Bonds		Installment Contracts	Total Outstanding Debt		Estimated Actual Taxable Property Value	Percentage of Actual Value	Total Outstanding Debt Per Capita
2004	-	-	89,538	89,538	8,612,219,736	0.001%	0.34	
2005	5,300,000	143,375	143,375	5,443,375	8,478,987,204	0.064%	20.63	
2006	4,800,000	103,393	103,393	4,903,393	8,855,028,173	0.055%	18.59	
2007	8,600,000	60,995	60,995	8,660,995	9,214,526,232	0.094%	32.83	
2008	15,380,000	24,560	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	
2013	32,715,000	-	-	32,715,000	10,671,324,521	0.307%	145.99	

Notes:

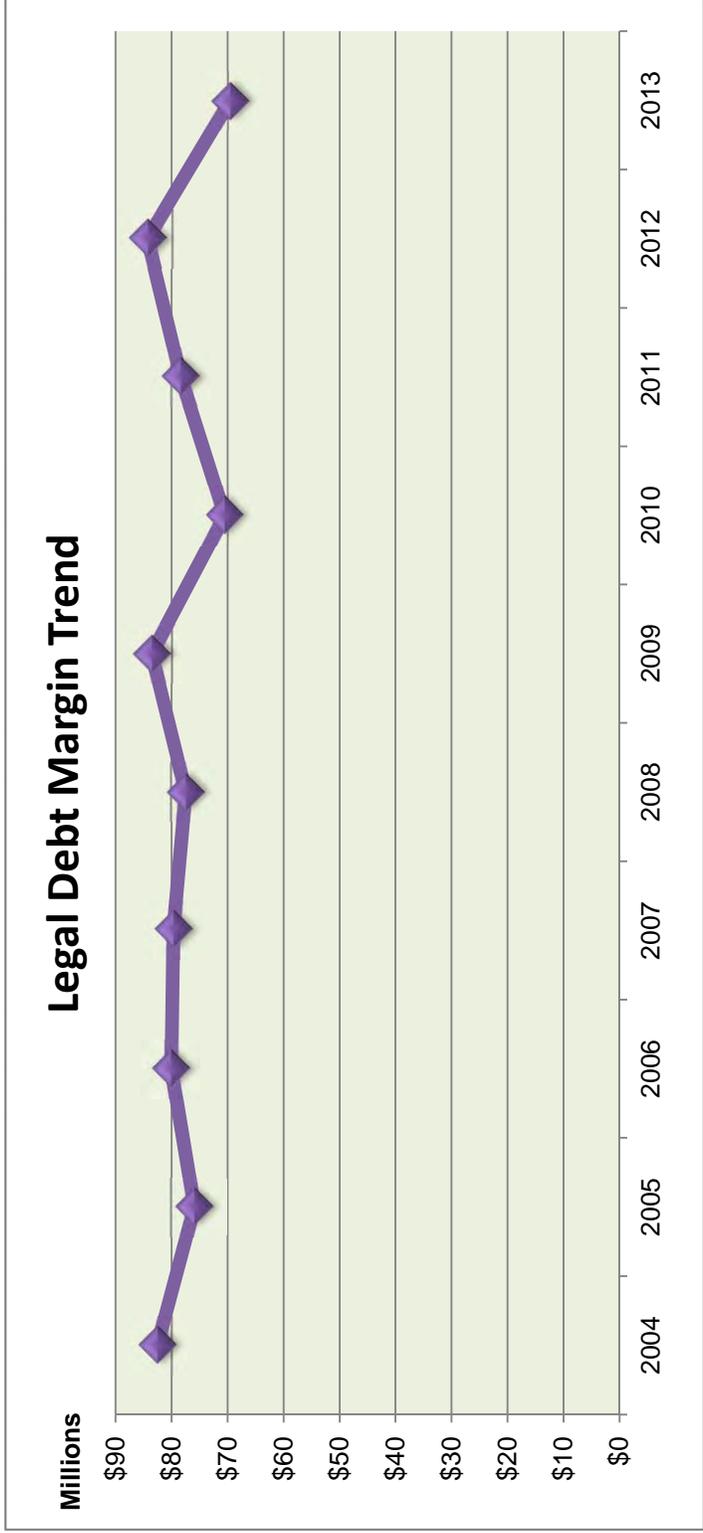
1. Details of the College's outstanding debt can be found in the notes to the financial statements.
2. Total Outstanding Debt Per Capita is calculated by using the 2010 U.S. Census population for each of the nine counties, included either in part or whole, in the district adjusted by the percentage of 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)  
FY2004 through FY2013

Fiscal Year	Assessed Value	Debt Limit: 2.875% of Assessed Value	Less applicable Debt: General Obligation Bonds	Legal Debt Margin
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
2013	3,556,752,463	102,256,633	32,715,000	69,541,633

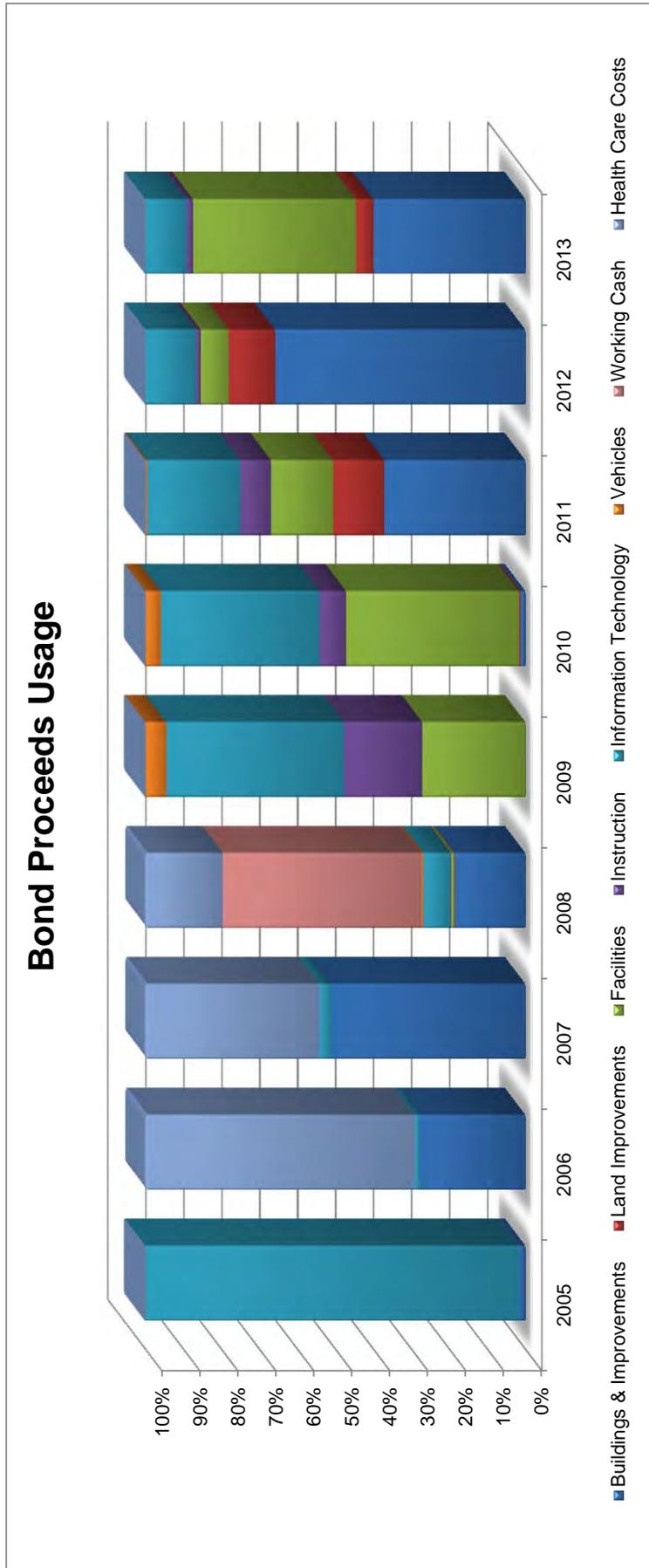


Sources: Bureau, Henderson, Henry, Knox, Marshall, Mercer, Rock Island, Stark and Whiteside County Clerk's Office and College records

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

Use of Bond Issuance Proceeds (Unaudited)  
FY2004 through FY2013

Purpose	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Buildings & Improvements	N/A	\$ 7,843	\$ 625,324	\$ 1,788,579	\$ 1,461,284	\$ -	\$ 26,604	\$ 990,583	\$ 4,379,666	\$ 3,567,963
Land Improvements	N/A	-	-	-	7,300	-	11,726	359,872	803,531	404,588
Facilities	N/A	-	-	-	68,408	511,727	972,659	434,725	494,661	3,821,944
Instruction	N/A	-	-	-	15,909	388,952	148,970	215,168	83,700	151,212
Information Technology	N/A	432,896	30,714	112,726	558,500	882,422	894,804	652,498	883,528	962,605
Vehicles	N/A	-	-	-	44,785	102,292	86,851	13,479	-	-
Working Cash	N/A	-	-	-	4,100,000	-	-	-	-	-
Health Care Costs	N/A	-	1,600,000	1,600,000	1,600,000	-	-	-	-	-
<b>Total</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>	<b>\$ 8,908,312</b>

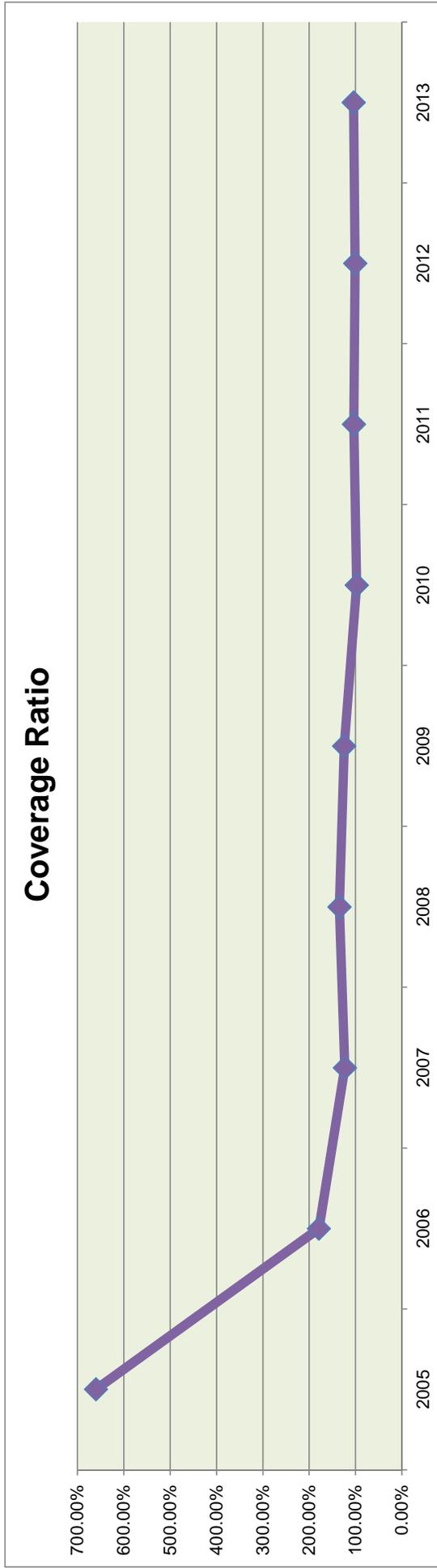


The College issued new bonds during fiscal years 2004, 2006, 2008, 2010, and 2012.  
Source: College records

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

**Schedule of Bond Coverage (Unaudited)  
Most Recent Ten Fiscal Years**

Fiscal Year	Property Taxes Collected		Interest Earned		Net Revenue Available for Debt Service		2004 Bonds		2006 Bonds		2008 Bonds		2010 Bonds		2013 Bonds		Coverage Ratio	
							Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		Total
2004	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A
2005	732,435	284	732,719	111,000	1,160,043	147,645	-	-	-	-	-	-	-	-	-	-	111,000	660.11%
2006	1,150,348	9,695	1,160,043	147,645	1,819,202	157,513	500,000	1,000,000	-	-	-	-	-	-	-	-	647,645	179.12%
2007	1,800,339	18,863	1,819,202	157,513	3,246,068	319,333	1,000,000	1,220,000	319,333	600,000	323,597	-	-	-	-	-	1,476,846	123.18%
2008	3,214,755	31,313	3,246,068	115,539	4,747,697	228,689	1,200,000	1,265,000	323,597	1,700,000	144,337	205,000	341,700	-	-	-	2,403,473	135.06%
2009	4,707,582	40,115	4,747,697	70,395	5,228,126	74,479	1,315,000	1,315,000	228,689	2,500,000	306,770	1,250,000	190,117	-	-	-	3,810,784	124.59%
2010	5,466,013	62,113	5,528,126	20,547	5,499,507	-	-	-	74,479	4,145,000	189,039	400,000	563,349	-	-	-	5,656,913	97.72%
2011	5,444,629	49,787	5,494,416	-	5,502,183	-	-	-	-	3,000,000	50,000	1,860,000	528,513	-	-	-	5,297,388	103.82%
2012	5,452,396	1,171	5,453,567	-	5,453,567	-	-	-	-	-	-	5,025,000	419,263	-	-	-	5,438,513	101.17%
2013	5,895,161	-	5,895,161	-	-	-	-	-	-	-	-	-	-	216,257	-	-	5,660,520	104.17%



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	67,500,000	100.000%	67,500,000
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	5,600,000	100.000%	5,600,000
City of Colona	-	100.000%	-
Village of Cordova	-	100.000%	-
City of East Moline	855,000	100.000%	855,000
City of Galva	-	100.000%	-
City of Geneseo	-	100.000%	-
Village of Hampton	-	100.000%	-
City of Kewanee	-	100.000%	-
Village of Milan	-	100.000%	-
City of Moline	-	100.000%	-
City of Rock Island	41,940,000	100.000%	41,940,000
City of Silvis	1,680,000	100.000%	1,680,000
Carbon Cliff Special Service Area #3	225,000	100.000%	225,000
Silvis Special Service Area #1	-	100.000%	-
Cambridge Fire District	1,460,000	100.000%	1,460,000
Coal Valley Fire District	-	100.000%	-
(Hammond) Henry Hospital District	4,370,000	100.000%	4,370,000
Illini Hospital (Ambulance) District	-	100.000%	-
Kewanee Library District	165,000	100.000%	165,000
Geneseo Park District	-	100.000%	-
Kewanee Park District	510,000	100.000%	510,000
Community Unit School District #1	1,585,000	100.000%	1,585,000

**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	-	100.000%	-
High School District #30	1,825,000	100.000%	1,825,000
School District #34	4,065,000	100.000%	4,065,000
School District #36	1,270,000	100.000%	1,270,000
School District #37	1,454,476 <sup>5</sup>	100.000%	1,454,476
Community Unit School District #40	15,930,000	100.000%	15,930,000
School District #41	53,570,000	100.000%	53,570,000
Community Unit School District #100 (Riverdale)	2,560,000	100.000%	2,560,000
Community Unit School District #100 (Stark)	7,155,000	100.000%	7,155,000
School District #190	955,000	100.000%	955,000
Community Unit School District #200	3,086,874 <sup>5</sup>	30.400%	938,342
Community Unit School District #203	245,000	4.810%	11,775
Community Unit School District #223	4,663,253 <sup>5</sup>	100.000%	4,663,253
Community Unit School District #224	610,000	97.460%	594,502
Community Unit School District #225	3,010,000	98.340%	2,960,064
Community Unit School District #227	1,530,000 <sup>6</sup>	100.000%	1,530,000
Community Unit School District #228	8,375,000	99.570%	8,339,220
Community Unit School District #229	950,000 <sup>6</sup>	100.000%	950,000
Community Unit School District #230	620,000	99.950%	619,682
Community Unit School District #300	870,000	98.290%	855,097
<b>Total Overlapping General Obligation Bonded Debt</b>			<b>\$ 236,136,411</b>

Notes:

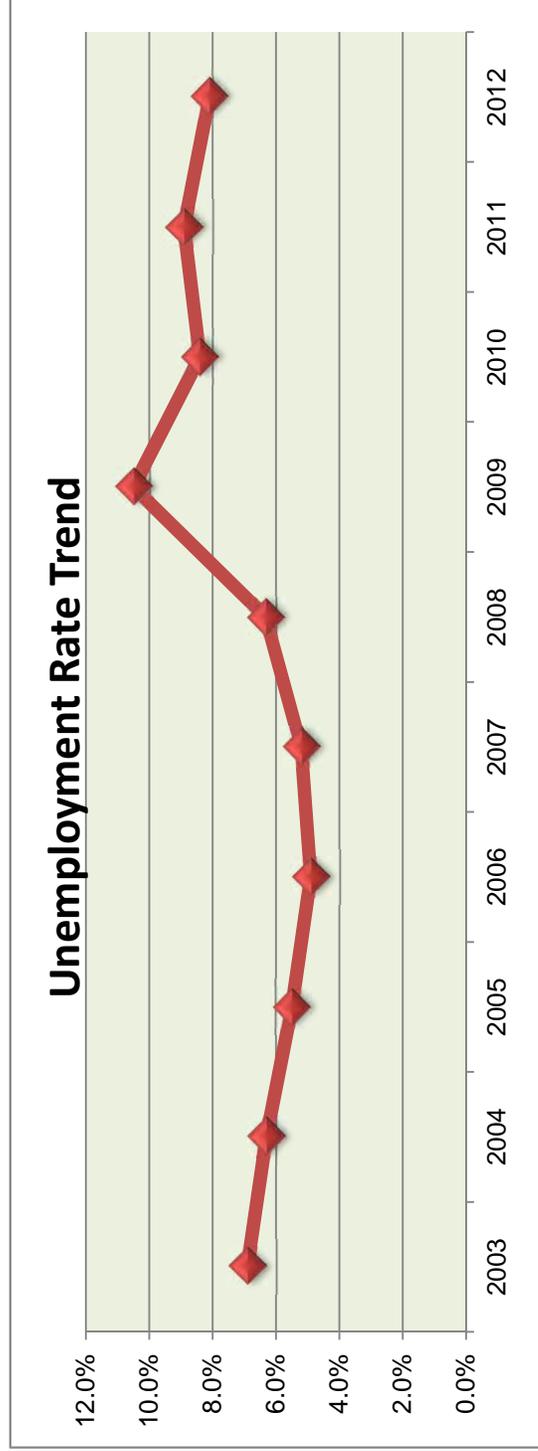
1. Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds that are expected to be paid from sources other than general taxation.
2. Includes Public Building Commission debt applicable to the County and secured by lease rentals payable from ad valorem taxes levied 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 December 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 2003 through 2012

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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	14,593,243	38,394	8.9%
2012	383,563	N/A	N/A	8.1%



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)  
FY2003-FY2012

Rock Island County							
2003			2012				
Employer	Product/Service	Employees	Percentage of Total Employment	Employer	Product/Service	Employees	Percentage of Total Employment
Deere & Co.	Construction and agricultural equipment	7,317	10.43%	Rock Island Arsenal	Defense manufacturing	7,900	11.08%
Rock Island Arsenal	Defense manufacturing	6,000	8.55%	Deere & Co.	Construction and agricultural equipment	5,800	8.13%
Kone, Inc.	Corporate headquarters, elevators, escalators and autowalks installation and maintenance for vertical transportation industry	600	0.86%	Trinity Regional Health System	Health care system	2,573	3.61%
Trinity Regional Health System	Health care system	2,500	3.56%	Tyson Fresh Meats	Food processing	2,500	3.51%
Illini Hospital	Hospital	950	1.35%	Group O Companies	Third party logistics	1,100	1.54%
Case New Holland	Agriculture & industrial equipment	816	1.16%	Export Packaging (XPAC)	Supply chain management and logistics	1,000	1.40%
IBP	Meat packing	2,300	3.28%	Genesis Medical Center - Silvis	Hospital	970	1.36%
Modern Woodman	Fraternal life insurance company	430	0.61%	Rock Island County	County administration	841	1.18%
3M	Adhesives & specialty chemicals	423	0.60%	Black Hawk College	Community College	825	1.16%
Norcross Safety Products	Rubber and waterproof footwear	471	0.67%	Exelon	Utility/energy delivery	700	0.98%

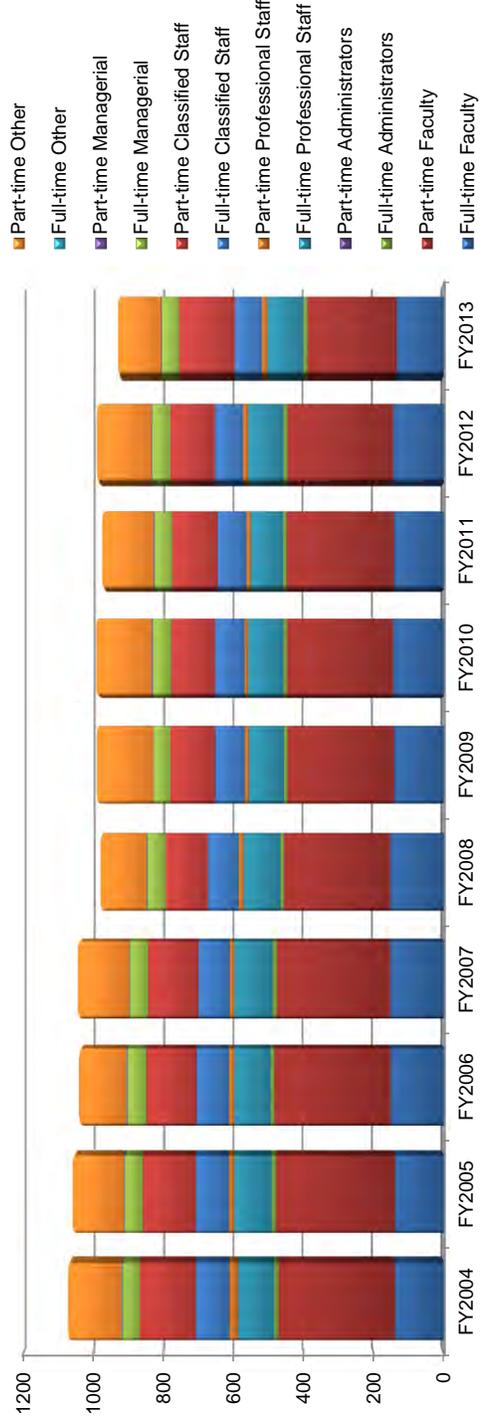
City of Kewanee							
2003			2012				
Employer	Product/Service	Employees	Percentage of Total Employment	Employer	Product/Service	Employees	Percentage of Total Employment
Great Dane Trailers	Manufactures semi-truck trailers	500	7.88%	Kewanee Youth Center	Youth Center	300	5.31%
Kewanee Hospital	Hospital	400	6.30%	Kewanee Hospital	Hospital	300	5.31%
Excelled Sheepskin & Leather Coat Co.	Manufactures leather products	200	3.15%	Wai Mart	Retail	300	5.31%
Compaction America	Manufactures self-propelled compactors	150	2.36%	Peterson Health Care	Nursing home/assisted living	280	4.96%
Kewanee Corp.	Manufactures metal doors & frames	100	1.58%	Great Dane Trailers	Manufactures semi-truck trailers	250	4.43%
				Kewanee Community School District #229	Elementary/secondary school district	250	4.43%
				Bomag Americas	Manufactures soil compactors/ashpalt	200	3.54%
				Excelled Sheepskin & Leather Coat Co.	Manufactures/Distributes coats & jackets	150	2.66%
				Henry County Health Department	County government health department	150	2.66%
				Menard, Inc.	Retail - Building materials/home improv.	150	2.66%
				Black Hawk College East Campus	Community College	100	1.77%

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)  
FY2004 through FY2013

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
<b>Faculty</b>										
Full-time	141	141	153	154	154	143	145	143	145	136
Part-time	330	337	330	322	301	303	302	306	300	253
<b>Administrators</b>										
Full-time	13	13	11	12	10	9	10	9	12	12
Part-time	0	0	0	0	0	0	0	0	0	0
<b>Managerial</b>										
Full-time	49	50	53	52	51	49	52	51	52	51
Part-time	2	2	2	0	1	1	2	2	2	1
<b>Professional Staff</b>										
Full-time	102	107	103	109	106	101	101	92	101	102
Part-time	25	15	15	12	13	12	10	13	14	16
<b>Classified Staff</b>										
Full-time	95	93	93	90	88	83	84	82	80	77
Part-time	159	151	142	143	120	127	125	128	127	157
<b>Other</b>										
Full-time	1	2	2	1	1	1	1	1	0	0
Part-time	154	147	135	148	133	160	159	147	156	124
<b>Total Employees</b>										
Full-time	401	406	415	418	410	386	393	378	390	378
Part-time	670	652	624	625	568	603	598	596	599	551
<b>Grand Total</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>	<b>929</b>

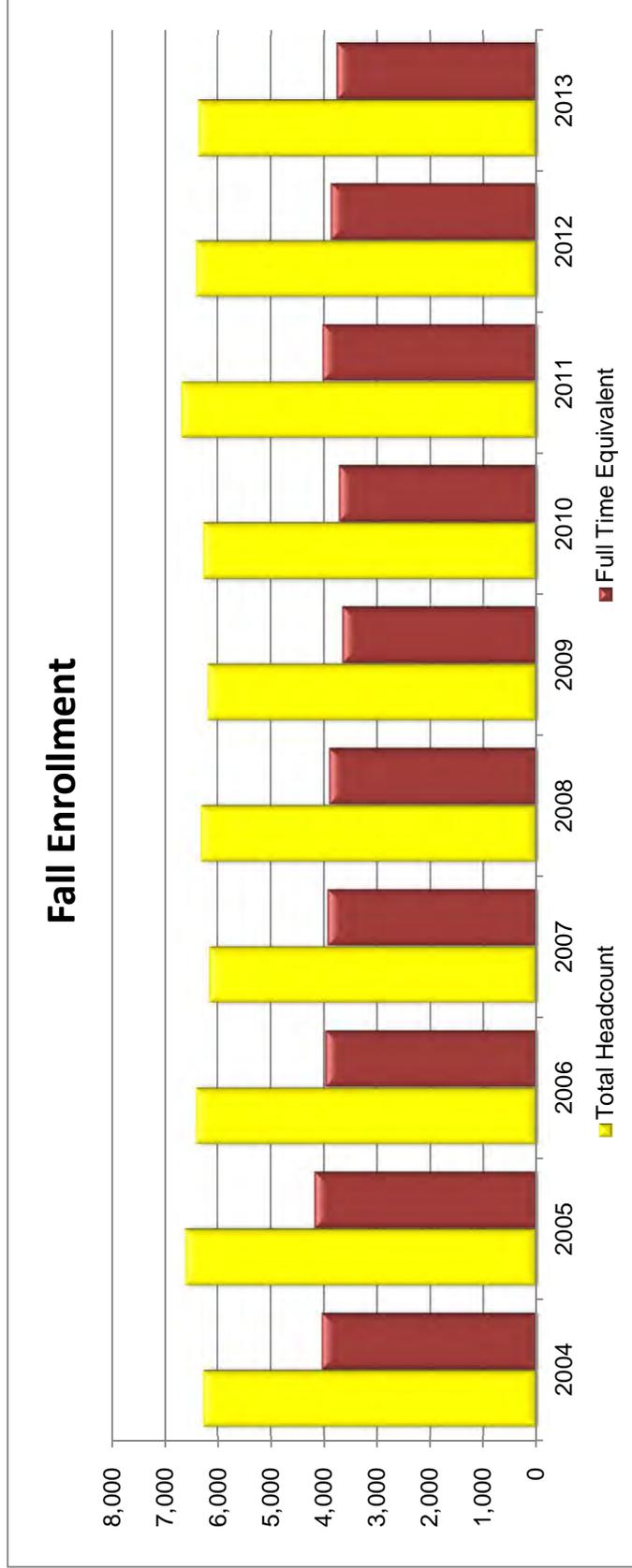


Source: ICCB Salary Survey C1 Report

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

Student Enrollment Demographic Statistics (Unaudited)  
FY2004 through FY2013

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
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
2013	3,761	6,360	2,594	3,766	2,631	3,729	2,150	921	373	1,949	304	27.2

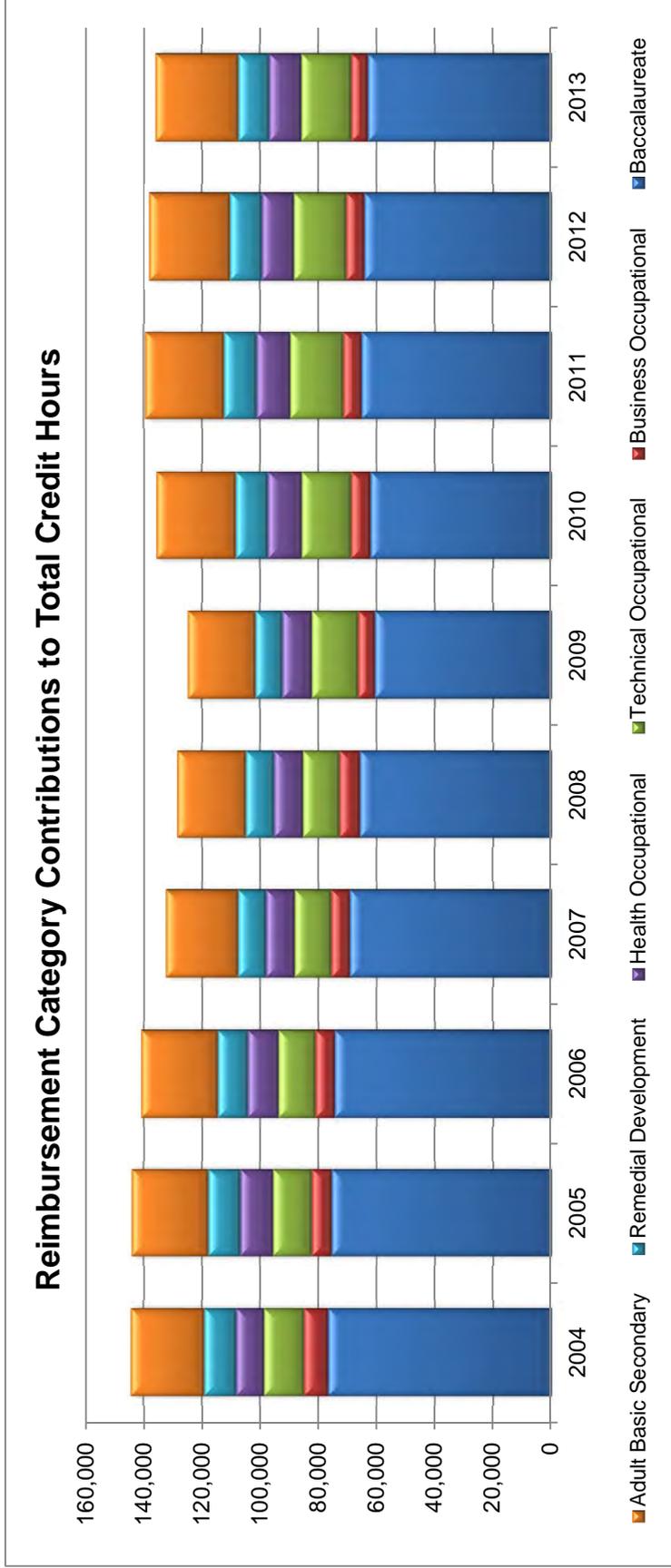


Source: ICCB E1 Report  
NR = Not Recorded

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

Credit Hours Eligible for Funding by Illinois Community College Board Reimbursement Categories (Unaudited)  
FY2004 through FY2013

Category	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	% Change 2004 vs. 2013
Baccalaureate	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	63,117.0	-17.78%
Business Occupational	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	5,660.4	-31.10%
Technical Occupational	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	17,165.0	24.46%
Health Occupational	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	11,012.9	15.02%
Remedial Development	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	10,521.0	-3.53%
Adult Basic Secondary	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	28,314.9	12.81%
<b>Total</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>135,791.2</b>	<b>-5.93%</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)  
FY2004 through FY2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Buildings - Permanent	17	18	18	18	19	19	19	19	21	21
Total acres	267.8	267.8	267.8	267.8	271.9	271.9	271.9	271.9	272.8	273.0
<b>Net Assignable Square Feet:</b>										
Classrooms and general use	69,068	75,921	76,868	76,251	74,977	71,702	71,968	71,831	78,033	79,463
Laboratory	89,396	85,299	83,439	97,016	130,723	128,713	128,713	129,373	137,122	141,793
Office	59,130	60,466	61,044	60,553	61,034	59,693	59,225	59,601	62,340	71,249
Study	24,480	24,864	24,864	24,307	24,491	24,307	24,307	24,307	24,873	24,944
Special use (Athletics, PE)	64,297	65,833	66,073	45,448	45,448	47,353	45,448	45,448	45,569	64,217
General use (Theater)	37,346	37,652	37,305	36,882	36,138	32,977	34,882	33,181	35,193	34,121
Support functions	32,420	32,444	32,035	31,274	29,874	29,014	29,216	29,154	33,357	35,958
Total	376,137	382,479	381,628	371,731	402,685	393,759	393,759	392,895	416,487	451,745

**Parking capacity:**

On campus parking spots	1,826	1,826	1,826	1,826	1,920	1,920	1,920	1,920	1,935	2,004
Acres	20	20	20	20	21	21	21	21	21	22

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, 2013

**Year Founded** 1946

### District Data

Population (approximation) 224,000

### 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 2023

### Degree and Certificates Awarded in Fiscal Year 2013

Associate in Arts	233
Associate in Science	122
Associate in Liberal Studies	0
Associate in Applied Science	211
Associate in Arts in Teaching	3
Certificates	368

Source: College records

# ICCB Supplemental Information

**This page is intentionally left blank**

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

**Equalized Assessed Valuations and Tax Collections**

	Tax Levy Year		
	2012	2011	2010
Equalized assessed valuations:			
Bureau County	\$ 20,972,410	\$ 20,093,388	\$ 20,084,506
Henderson County	2,153,854	2,123,177	2,108,005
Henry County	771,178,621	756,965,531	744,715,274
Knox County	11,895,820	11,219,776	10,660,206
Marshall County	101,819	110,849	109,845
Mercer County	227,172,035	222,354,896	222,998,604
Rock Island County	2,377,980,495	2,397,690,456	2,376,747,388
Stark County	89,397,772	85,568,081	83,538,657
Whiteside County	55,899,637	54,718,409	52,039,981
	<u>\$ 3,556,752,463</u>	<u>\$ 3,550,844,563</u>	<u>\$ 3,513,002,466</u>
Tax rates (per \$100 of assessed valuation):			
Education Fund	0.1200	0.1200	0.1196
Operations and Maintenance Fund	0.0700	0.0700	0.0698
Bond and Interest Fund	0.1794	0.1538	0.1554
Liability, Protection, and Settlement Fund	0.0514	0.0782	0.0736
Audit Fund	0.0012	0.0028	0.0026
Operations and Maintenance, restricted	0.0500	0.0500	0.0500
Equity	0.0683	0.0621	0.0614
	<u>0.5403</u>	<u>0.5369</u>	<u>0.5324</u>
Tax extensions:			
Education Fund	\$ 5,871,416	\$ 5,672,261	\$ 5,582,020
Operations and Maintenance Fund	3,315,676	3,279,418	3,228,590
Bond and Interest Fund	6,380,814	5,461,199	5,459,206
Liability, Protection, and Settlement Fund	1,828,171	2,776,760	2,585,570
Audit Fund	42,681	99,424	91,338
Operations and Maintenance, restricted	1,778,376	1,775,422	1,756,501
	<u>\$ 19,217,134</u>	<u>\$ 19,064,484</u>	<u>\$ 18,703,225</u>
Less tax collections (cumulative through June 30, 2013):			
Education Fund	\$ 1,959,807	\$ 5,663,727	\$ 5,572,410
Operations and Maintenance Fund	1,106,733	3,274,485	3,223,031
Bond and Interest Fund	2,106,161	5,452,984	5,449,807
Liability, Protection, and Settlement Fund	602,395	2,772,583	2,581,118
Audit Fund	11,878	99,274	91,181
Operations and Maintenance, restricted	591,957	1,772,750	1,753,477
	<u>\$ 6,378,931</u>	<u>\$ 19,035,803</u>	<u>\$ 18,671,024</u>
Taxes receivable:			
Tax receivable	\$ 12,838,203	\$ -	\$ -
Written off	(80,811)	(28,681)	(32,202)
Allowance for uncollectible taxes	(19,217)	-	-
	<u>\$ 12,738,175</u>	<u>\$ (28,681)</u>	<u>\$ (32,202)</u>
Taxes receivable by fund:			
Education Fund	\$ 3,844,453	\$ -	\$ -
Operations and Maintenance Fund	2,197,559	-	-
Bond and Interest Fund	4,268,273	-	-
Liability, Protection, and Settlement Fund	1,212,892	-	-
Audit Fund	30,359	-	-
Operations and Maintenance, restricted	1,184,639	-	-
	<u>\$ 12,738,175</u>	<u>\$ -</u>	<u>\$ -</u>
Percentage of extensions collected	33.19%	99.85%	99.83%

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

**Schedule of Legal Debt Margin**

**Legal Debt Margin**

---

Assessed valuation, 2012 levy	<u>\$ 3,556,752,463</u>
Debt limit, 2.875% of assessed valuation	\$ 102,256,633
Bonded indebtedness	<u>(32,715,000)</u>
<b>Legal debt margin</b>	<u><u>\$ 69,541,633</u></u>

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

**Certification of Chargeback Reimbursement for Fiscal Year 2014**

**All Fiscal Year 2013 Noncapital Audited Operating  
Expenditures from the Following Funds**

1 Education Fund	\$ 31,457,789
2 Operations and Maintenance Fund	4,063,062
3 Operations and Maintenance Fund - restricted	-
4 Bond and Interest Fund	5,661,021
5 Public Building Commission Rental Fund	-
6 Restricted Purposes Fund	13,783,186
7 Audit Fund	82,262
8 Liability, Protection, and Settlement Fund	2,458,312
9 Auxiliary Enterprises Fund (Subsidy Only)	<u>-</u>
<b>10 Total noncapital expenditures</b>	<b>\$ 57,505,632</b>
11 Depreciation on capital outlay expenditures (equipment, buildings and fixed equipment paid) from sources other than state and federal funds	<u>1,490,465</u>
<b>12 Total costs included (line 10 plus line 11)</b>	<b><u>58,996,097</u></b>
13 Total certified semester credit hours for FY 2013	<u>135,791.20</u>
<b>14 Per capita cost (line 12 divided by line 13)</b>	<b><u>434.46</u></b>
15 All fiscal year 2013 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>11,457,175</u>
16 Fiscal year 2013 state and federal grants per semester credit hour (line 15 divided by line 13)	<u>84.37</u>
17 District's average ICCB grant rate (excluding equalization grants) for fiscal year 2014	<u>28.25</u>
18 District's student tuition and fee rate per semester credit hour for fiscal year 2014	<u>115.00</u>
19 Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17 and 18)	<u><u>\$ 206.84</u></u>

Approved: Thomas B. Bogn Date: September 25, 2013

Approved: Jessie J. Anderson Date: September 25, 2013

**This page is intentionally left blank**

# 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, 2013**

	Education Fund	Operation and Maintenance Fund	Bond & Interest Fund
Fund balance, beginning	\$ 9,382,902	\$ 1,129,419	\$ 2,721,699
Revenues:			
Local tax revenue	5,710,033	3,286,292	5,912,910
All Other Local Revenue	1,221,826	134,618	-
ICCB grants	6,922,554	626,875	-
All other state revenue	3,867	-	-
Federal revenue	59,381	-	-
Student tuition and fees	16,767,777	84,140	-
All other revenue	1,044,218	170,824	135
<b>Total revenues</b>	<b>31,729,656</b>	<b>4,302,749</b>	<b>5,913,045</b>
Expenditures:			
Instruction	13,630,315	-	-
Academic support	4,007,456	-	-
Student services	2,726,649	-	-
Public service	778,885	-	-
Auxiliary services	-	-	-
Operations and maintenance	-	4,063,062	-
Institutional support	5,468,933	-	5,661,021
Scholarships, student grants and waivers	4,845,551	-	-
<b>Total expenditures</b>	<b>31,457,789</b>	<b>4,063,062</b>	<b>5,661,021</b>
<b>Net transfers</b>	<b>(271,867)</b>	<b>(239,687)</b>	<b>-</b>
Fund balance, end of year	<b>\$ 9,382,902</b>	<b>\$ 1,129,419</b>	<b>\$ 2,973,723</b>

Operations and Maintenance - Restricted	Auxiliary Enterprises Fund	Restricted Purpose Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
\$ 19,043,923	\$ 702,675	\$ 94,284	\$ 12,690,355	\$ 211,908	\$ 2,521,853	\$ 48,499,018
1,774,561	-	-	-	70,575	2,288,704	19,043,075
20,874,052	-	-	-	-	-	22,230,496
-	-	592,150	-	-	-	8,141,579
-	-	1,417,485	-	-	-	1,421,352
-	-	10,039,690	-	-	-	10,099,071
-	355,431	904,170	-	-	-	18,111,518
462,561	3,234,063	1,040,671	352,468	1	49,895	6,354,836
23,111,174	3,589,494	13,994,166	352,468	70,576	2,338,599	85,401,927
2,215,653	-	617,391	-	-	-	16,463,359
6,889	-	1,272,563	-	-	-	5,286,908
16,955	-	755,244	-	-	-	3,498,848
-	-	829,526	-	-	-	1,608,411
-	3,580,825	99,919	-	-	-	3,680,744
8,006,118	-	16,682	-	-	943,736	13,029,598
2,468,070	-	179,896	-	82,262	1,514,576	15,374,758
-	-	10,011,965	-	-	-	14,857,516
12,713,685	3,580,825	13,783,186	-	82,262	2,458,312	73,800,142
321,449	-	190,105	-	-	-	-
\$ 29,762,861	\$ 711,344	\$ 495,369	\$ 13,042,823	\$ 200,222	\$ 2,402,140	\$ 60,100,803

**This page is intentionally left blank**

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

**Uniform Financial Statement No. 2 - Summary of Capital Assets and Debt**  
**Year ended June 30, 2013**

	Capital Asset/Debt July 1, 2012	Additions	Deletions	Capital Asset/Debt June 30, 2013
<b>Capital Assets:</b>				
Land	\$ 5,857,925	\$ 1,624,738	\$ (2,640)	\$ 7,480,023
Building and improvements	42,670,482	9,478,168	-	52,148,650
Equipment	6,504,620	1,041,839	(42,764)	7,503,695
Other	5,920,458	9,613,555	(11,637,828)	3,896,185
	<u>60,953,485</u>	<u>21,758,300</u>	<u>(11,683,232)</u>	<u>71,028,553</u>
Accumulated depreciation	(21,568,775)	(1,601,385)	28,740	(23,141,420)
<b>Total capital assets</b>	<u>\$ 39,384,710</u>	<u>\$ 20,156,915</u>	<u>\$ (11,654,492)</u>	<u>\$ 47,887,133</u>
 <b>Capital Debt:</b>				
Bonds payable	\$ 17,740,000	\$ 20,000,000	\$ (5,025,000)	\$ 32,715,000
<b>Total capital debt</b>	<u>\$ 17,740,000</u>	<u>\$ 20,000,000</u>	<u>\$ (5,025,000)</u>	<u>\$ 32,715,000</u>

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

**Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures**  
**Year ended June 30, 2013**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
<b>Operating revenue by source:</b>			
<b>Local government:</b>			
Local taxes	\$ 5,710,033	\$ 3,286,292	\$ 8,996,325
Corporate personal property replacement tax	1,211,566	134,618	1,346,184
Chargeback revenue	10,260	-	10,260
	6,931,859	3,420,910	10,352,769
<b>State government:</b>			
ICCB credit hour grants	3,291,093	626,875	3,917,968
ICCB equalization grants	3,348,294	-	3,348,294
ICCB - Career and Technical Education	283,167	-	283,167
Other state revenue	3,867	-	3,867
	6,926,421	626,875	7,553,296
<b>Federal government:</b>			
Department of Education	55,143	-	55,143
Other	4,238	-	4,238
	59,381	-	59,381
<b>Student tuition and fees:</b>			
Tuition	15,514,733	-	15,514,733
Fees	1,253,044	84,140	1,337,184
	16,767,777	84,140	16,851,917
<b>Other sources:</b>			
Sales and service fees	681,194	10,622	691,816
Facilities revenue	35,111	140,765	175,876
Investment revenue	201,725	60	201,785
Other	126,188	19,377	145,565
	1,044,218	170,824	1,215,042
<b>Total revenues</b>	<b>31,729,656</b>	<b>4,302,749</b>	<b>36,032,405</b>
Less nonoperating item, tuition chargeback revenue	(10,260)	-	(10,260)
<b>Adjusted revenues</b>	<b>\$ 31,719,396</b>	<b>\$ 4,302,749</b>	<b>\$ 36,022,145</b>

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

**Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures (Continued)**  
**Year ended June 30, 2013**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
<b>Operating expenditures by program:</b>			
Instruction	\$ 13,630,315	\$ -	\$ 13,630,315
Academic support	4,007,456	-	4,007,456
Student services	2,726,649	-	2,726,649
Public service	778,885	-	778,885
Operations and maintenance	-	4,063,062	4,063,062
Institutional support	5,468,933	-	5,468,933
Scholarships, student grants and waivers	4,845,551	-	4,845,551
<b>Total expenditures</b>	<b>31,457,789</b>	<b>4,063,062</b>	<b>35,520,851</b>
Less nonoperating item, tuition chargeback	(10,260)	-	(10,260)
Transfers, net	271,867	239,687	511,554
<b>Adjusted expenditures</b>	<b>\$ 31,719,396</b>	<b>\$ 4,302,749</b>	<b>\$ 36,022,145</b>
<b>By object:</b>			
Salaries	\$ 19,705,513	\$ 1,637,438	\$ 21,342,951
Employee benefits	4,082,466	516,652	4,599,118
Contractual services	954,359	470,732	1,425,091
General materials and supplies	1,486,461	258,233	1,744,694
Conference and meeting expenses	217,957	3,844	221,801
Fixed charges	17,232	166,396	183,628
Utilities	2,723	994,479	997,202
Capital outlay	79,235	13,515	92,750
Other	4,911,843	1,773	4,913,616
<b>Total expenditures</b>	<b>31,457,789</b>	<b>4,063,062</b>	<b>35,520,851</b>
Less nonoperating item, tuition chargeback	(10,260)	-	(10,260)
Transfers, net	271,867	239,687	511,554
<b>Adjusted expenditures</b>	<b>\$ 31,719,396</b>	<b>\$ 4,302,749</b>	<b>\$ 36,022,145</b>

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

**Uniform Financial Statement No. 4 - Restricted Purposes Fund Revenues and Expenditures**  
**Year ended June 30, 2013**

Revenues by source:	
Local government	\$ <u>                  -</u>
State government:	
ICCB:	
Adult Education and Family Literacy	491,706
Early School Leaver	74,451
State Program Improvement	22,993
CTE Innovation	3,000
Illinois State Board of Education:	
Truancy and Alternative Education	173,166
Growing Agricultural Science Teachers	12,615
Illinois Department of Commerce and Economic Opportunity:	
Digital Divide	37,310
Procurement Technical Assistance Center	39,000
Small Business Development Center/ITC	77,071
TIES	33,364
Illinois Department of Health & Human Services	
Department of Vocational Rehab	40,352
Illinois Student Assistance Center	
Monetary Assistance Program	850,395
Secretary of State, LIFE	154,212
<b>Total state government</b>	<u>2,009,635</u>
Federal government:	
Department of Education	
Student Aid Programs:	
Federal Work Study (FWS)	149,800
Pell Grant	8,194,510
Supplemental Educational Opportunity Grant (SEOG)	138,939
Strengthening Institutions - Title III	234,895
Carl D. Perkins Vocational and Applied Technology Program	307,515
Adult Education & Family Literacy Leadership - ICAPS	10,000
Career & Technical Education - ICAPS	10,000
Local Programs of Study Implementation	10,000
Special Student Services	354,943
Adult Education and Family Literacy, Federal Basic Program	192,309
Adult Education English Language/Civics	37,318
Department of Labor	
TEAM	75,390
ESL for Seaford Employees	27,337
Department of Health and Human Services	
Refugee Social Services	30,030
Other Sources:	
Department of Defense	35,000
Small Business Administration	73,794
Veteran's Administration	157,910
	<u>10,039,690</u>

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

**Uniform Financial Statement No. 4 - Restricted Purposes Fund Revenues and Expenditures (Continued)**  
**Year ended June 30, 2013**

---

Revenues by source (Continued):

Other sources:

Gifts from donors for scholarships	449,312
Student Fees	904,170
Student clubs and internal restricted funds	591,359
<b>Total other</b>	<u>1,944,841</u>
<b>Total Restricted Purposes Fund Revenues</b>	<u><u>\$ 13,994,166</u></u>

Expenditures by program:

Instruction	\$ 617,391
Academic support	1,272,563
Student services	755,244
Public service/continuing education	829,526
Auxiliary services	99,919
Operations and maintenance	16,682
Institutional support	179,896
Scholarships, student grants and waivers	10,011,965
<b>Total expenditures by program</b>	<u><u>\$ 13,783,186</u></u>

Expenditures by object:

Salaries	\$ 1,672,824
Employee benefits	465,446
Contractual services	784,310
General materials and supplies	587,431
Conference and meeting expenses	106,182
Fixed charges	20,154
Utilities	103,275
Capital outlay	35,839
Other	10,007,725
<b>Total expenditures by object</b>	<u><u>\$ 13,783,186</u></u>

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

**Uniform Financial Statement No. 5 - Expenditures by Activity - Current Funds**  
**Year ended June 30, 2013**

Instruction	\$ 14,247,706
Academic support:	
Library center	599,037
Instructional materials center	245,050
Educational materials center	6,191
Academic computing support	1,803,804
Academic administration and planning	2,436,517
Other	189,420
<b>Total academic support</b>	<u>5,280,019</u>
Student services:	
Admissions and records	663,043
Counseling and career guidance	1,488,308
Financial aid administration	474,566
Social and cultural development	4,832
Other	851,144
<b>Total student services</b>	<u>3,481,893</u>
Public service/continuing education:	
Community education	282,182
Customized training (instructional)	490,517
Community services	362,560
Other	473,152
<b>Total public service/continuing education</b>	<u>1,608,411</u>
Auxiliary services	<u>3,680,744</u>
Operations and maintenance of plant:	
Maintenance	887,980
Custodial services	1,028,574
Grounds	439,790
Campus security	960,888
Utilities	1,168,479
Administration	537,769
<b>Total operations and maintenance</b>	<u>5,023,480</u>
Institutional support:	
Executive office	1,021,178
Fiscal operations	874,461
Community relations	1,202,793
Administrative support services	1,117,515
Board of Trustees	39,413
General institution	1,997,987
Administrative data processing	310,024
Other	682,296
<b>Total institutional support</b>	<u>7,245,667</u>
Scholarships, student grants and waivers	<u>14,857,516</u>
<b>Total current funds expenditures</b>	<u><u>\$ 55,425,436</u></u>

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

**Reconciliation of the Combining Balance Sheet to the Uniform Financial Statements  
Year ended June 30, 2013**

---

Fund Balances - Uniform Financial Statements	\$ 60,100,803
Capital assets in the Investment in Plant Fund	47,887,133
Long-term debt in the General Long Term Debt Fund	<u>(32,715,000)</u>
Fund Balances - All Fund Types	<u><u>\$ 75,272,936</u></u>

**Reconciliation of the Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances to the Uniform Financial Statements  
Year ended June 30, 2013**

---

Change in Fund Balances - Uniform Financial Statements	\$ 11,601,785
Additions to buildings and equipment	10,120,472
Depreciation and loss of disposal of assets	<u>(1,618,049)</u>
Net Effect	<u>8,502,423</u>
Payment on long-term debt	5,025,000
Issuance of long-term debt	<u>(20,000,000)</u>
Net Effect	<u>(14,975,000)</u>
SURS revenue provided by state	7,535,508
SURS expenditure provided by state	<u>(7,535,508)</u>
Net Effect	<u>-</u>
Change in Fund Balances - All Fund Types	<u><u>\$ 5,129,208</u></u>

**This page is intentionally left blank**

# **ICCB State Grants Financial Compliance Section**

**This page is intentionally left blank**

**Independent Auditor's Report  
On 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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the 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 and for the year ended June 30, 2013, and the related notes to the financial statements, as listed in the table of contents.

**Management's Responsibility for the Schedule**

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

**Auditor's Responsibility**

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 grant policy 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 from material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the 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, 2013, and the changes in financial position thereof and for the year ended in accordance with accounting principles generally accepted in the United States of America.

### **Compliance**

In connection with our audit, nothing came to our attention that caused us to believe that Black Hawk College, Illinois Community College #503 failed to materially comply with the provisions of laws, regulations, contracts and grants between Black Hawk College and the State of Illinois and the Illinois Community College Board. However, our audit was not directed primarily toward obtaining knowledge of all such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the College's noncompliance with the above referenced laws, regulations, contracts and grants. We also believe that the College is materially in compliance with the provisions of laws, contracts, and ICCB policy guidelines with respect to restricted grants.

### **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Adult Education and Family Literacy, ICCB State Program Improvement, ICCB Career and Technical Education Innovation, and Early School Leaver Program Grants and do not purport to, and do not, present fairly the financial position of Black Hawk College, Illinois Community College District #503, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Wipfli LLP*

Freeport, Illinois  
September 26, 2013

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

**Adult Education and Family Literacy Grant Program**  
**Balance Sheet**  
**June 30, 2013**

	State Basic	Public Aid	Performance	Total
<b>Assets</b>				
Cash	\$ -	\$ -	\$ -	\$ -
Receivable from ICCB	16,701	8,691	15,584	40,976
Due from other funds	-	-	-	-
<b>Total assets</b>	<u>\$ 16,701</u>	<u>\$ 8,691</u>	<u>\$ 15,584</u>	<u>\$ 40,976</u>
<b>Liabilities</b>				
Accounts payable	\$ 264	\$ -	\$ -	\$ 264
Accrued salaries	7,155	2,482	962	10,599
Due to other funds	9,282	6,209	14,622	30,113
<b>Total liabilities</b>	<u>\$ 16,701</u>	<u>\$ 8,691</u>	<u>\$ 15,584</u>	<u>\$ 40,976</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, 2013**

	State Basic	Public Aid	Performance	Total
Revenues, state sources	\$ 200,409	\$ 104,282	\$ 187,014	\$ 491,705
Expenditures:				
Current year's grant:				
Instruction	144,300	51,213	50	195,563
Social work services	-	-	-	-
Guidance services	20,193	17,946	60,047	98,186
Assessment and testing	-	16,232	4,424	20,656
Transportation	-	-	-	-
Literacy services	-	-	2,369	2,369
Improvement of Instructional Services	3,992	667	4,827	9,486
General administration	12,710	8,442	7,927	29,079
Workforce coordination	-	-	-	-
Data and information services	16,893	6,961	106,272	130,126
Operation of plant services	2,320	2,821	1,098	6,239
<b>Total expenditures</b>	<u>200,409</u>	<u>104,282</u>	<u>187,014</u>	<u>491,705</u>
<b>Revenues over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:				
Beginning, July 1, 2012				-
Ending, June 30, 2013				<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, 2013**

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	144,300	72.00%
General Administration (9% Maximum Allowed)	12,710	6.34%

State Public Assistance	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	51,213	49.11%
General Administration (9% Maximum Allowed)	8,442	8.10%

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

**ICCB State Program Improvement  
Balance Sheet  
June 30, 2013**

---

<b>Assets</b>	
Receivable	\$ 15
<b>Total assets</b>	<u>\$ 15</u>
<b>Liabilities</b>	
Due to other funds	\$ 15
	<u>\$ 15</u>
<b>Fund balance, encumbered</b>	-
<b>Total liabilities and fund balance</b>	<u>\$ 15</u>

**ICCB State Program Improvement  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year Ended June 30, 2013**

---

Revenues, state sources	<u>\$ 22,993</u>
Expenditures:	
Salaries	1,803
Employee benefits	26
Supplies and materials	21,164
<b>Total expenditures</b>	<u>22,993</u>
 <b>Revenues over (under) expenditures</b>	 -
Fund balance:	
Beginning, July 1, 2012	-
Ending, June 30, 2013	<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, 2013**

---

<b>Assets</b>	
Cash	\$ -
Receivable from ICCB	-
<b>Total assets</b>	<u>\$ -</u>
<b>Liabilities</b>	
Accrued salaries	\$ -
Deferred revenue	-
<b>Total liabilities</b>	<u>\$ -</u>
Fund balance, encumbered	-
<b>Total liabilities and 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, 2013**

---

Revenues, state sources	<u>\$ 3,000</u>
Expenditures:	
Salaries	870
Benefits	67
Contractual Services	2,063
Materials and supplies	-
Travel and conferences	-
<b>Total expenditures</b>	<u>3,000</u>
<b>Revenues over (under) expenditures</b>	-
Fund balance:	
Beginning, July 1, 2012	-
Ending, June 30, 2013	<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, 2013**

---

<b>Assets</b>	
Cash	\$ 1,929
Receivable	-
<b>Total assets</b>	<u>\$ 1,929</u>
<b>Liabilities</b>	
Accounts payable	\$ 1,929
Accrued salaries	-
<b>Total liabilities</b>	<u>\$ 1,929</u>
<b>Fund balance, encumbered</b>	-
<b>Total liabilities and fund balance</b>	<u><u>\$ 1,929</u></u>

**Early School Leaver Program  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year Ended June 30, 2013**

---

Revenues, state sources	<u>\$ 74,451</u>
Expenditures:	
Salaries	52,559
Benefits	18,892
Contractual Services	9
Supplies and Materials	2,116
Travel	875
Student tuition and fees	-
<b>Total expenditures</b>	<u>74,451</u>
<b>Revenues over (under) expenditures</b>	-
Fund balance:	
Beginning, July 1, 2012	-
Ending, June 30, 2013	<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**

---

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

**General:**

The accompanying statements include only those transactions resulting from the Adult Education and Family Literacy, ICCB State Program Improvement, Career and Technical Education Innovation, 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, 2013. 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, 2013.

**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.

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

**Background Information on State Grant Activity**

---

**Unrestricted Grants**

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

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**

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

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

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

**Background Information on State Grant Activity**

---

**Statewide Initiatives**

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

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, 2013**

---

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, 2013**

---

None

**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

**Report on Schedule**

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, 2013.

**Management's Responsibility for the Schedule**

Management is responsible for the preparation and fair presentation of this schedule in accordance with the guidelines of the Illinois Community College Board's Fiscal Management Manual; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the schedule 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 require that we plan and perform the audit to obtain reasonable assurance about whether the schedules are free from material misstatement.

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

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

**Opinion**

In our opinion, the Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed and Reconciliation of Semester Credit Hours referred to above 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, 2013, in conformity with the guidelines of the Illinois Community College Board's Fiscal Management Manual.

**Other Matter**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Black Hawk College, Illinois Community College District #503 as of and for the year ended June 30, 2013, and our report thereon dated September 26, 2013, expressed as an unmodified opinion on those financial statements.

*Wipfli LLP*

Freeport, Illinois  
September 26, 2013

**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, 2013**

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	5,274.8	-	28,740.6	-	29,101.6	-	63,117.0	-
Business Occupational	473.0	-	2,377.9	-	2,809.5	-	5,660.4	-
Technical Occupational	1,672.9	-	7,222.2	-	8,269.9	-	17,165.0	-
Health Occupational	940.7	-	4,637.1	-	5,435.1	-	11,012.9	-
Remedial Developmental	834.0	-	5,770.0	-	3,917.0	-	10,521.0	-
Adult Basic/Secondary Education	3,710.0	52.2	2,797.5	9,705.4	9,515.3	2,534.5	16,022.8	12,292.1
<b>Total</b>	<b>12,905.4</b>	<b>52.2</b>	<b>51,545.3</b>	<b>9,705.4</b>	<b>59,048.4</b>	<b>2,534.5</b>	<b>123,499.1</b>	<b>12,292.1</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	130,928.3	63.0	130,991.3
	Dual Credit	Dual Enrollment	
Reimbursable Semester Credit Hours (All terms)	9,287.0	236.0	
District Prior Year Equalized Assessed Valuation			3,556,752,463

The District Has No Correctional Semester Credit Hours This Year.

Approved: Thomas B. Bogn  
Chief Executive Officer

Approved: Leslie J. Anderson  
Chief Financial Officer

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

**Reconciliation of Total Semester Credit Hours for the Year Ended June 30, 2013**

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	63,117.0	63,117.0	-	-	-	-
Business Occupational	5,660.4	5,660.4	-	-	-	-
Technical Occupational	17,165.0	17,165.0	-	-	-	-
Health Occupational	11,012.9	11,012.9	-	-	-	-
Remedial Developmental	10,521.0	10,521.0	-	-	-	-
Adult Basic/Secondary Ed.	16,022.8	16,022.8	-	12,292.1	12,292.1	-
<b>Total</b>	<b>123,499.1</b>	<b>123,499.1</b>	<b>-</b>	<b>12,292.1</b>	<b>12,292.1</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	130,928.3	130,928.3	-
Out-of-District on Chargeback or Contractual Agreement	63.0	63.0	-
Dual Credit	9,287.0	9,287.0	-
Dual Enrollment	236.0	236.0	-

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
2012	\$ 3,556,752,463
2011	3,550,844,563
2010	3,513,002,466

# **Federal Financial Compliance Section**

**This page is intentionally left blank**

**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 in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities, and the aggregate discretely presented component units of Black Hawk College, Illinois Community College District #503 (College) as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated September 26, 2013.

**Internal Control Over Financial Reporting**

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

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

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

## **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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

*Wipfli LLP*

Freeport, Illinois  
September 26, 2013

**Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required By OMB Circular A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited Black Hawk College, Illinois Community College District #503's (College) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2013. 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.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination on the College's compliance.

## Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

## Report Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 over compliance 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. However, material weaknesses may exist that have not been identified.

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

The accompanying schedule of expenditures of federal awards on pages 118 through 124 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Black Hawk College, Illinois Community College District #503. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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.

*Wipfli LLP*

Freeport, Illinois  
September 26, 2013

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

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2013**

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		\$ 8,195,204
Federal Supplemental Educational Opportunity Grant	84.007		138,939
Federal Direct Student Loans	84.268		3,525,840
Federal Work-Study Program	84.033		149,800
<b>Total student financial aid cluster</b>			<u>12,009,783</u>
Federal Strengthen Institution Program	84.031	P031A090064	234,894
TRIO - Student Support Services	84.042A	P042A100151-12	66,582
TRIO - Student Support Services	84.042A	P042A100151-12	288,361
<b>Total TRIO cluster</b>			<u>354,943</u>
<b>Total direct programs</b>			<u>\$12,599,620</u>
Passed through Illinois Community College Board:			
Adult Education State Grant Program (Fed Basic)	84.002A	50301	192,309
Adult Education and Family Literacy Leadership (ICAPS)	84.002A	AEL ICAPS 50313	10,000
Adult Education State Grant Program (EL Civics)	84.002A	50301	37,318
			<u>239,627</u>
Vocational Education (Perkins)	84.048	CTE50313	301,769
Career and Technical Education (ICAPS)	84.048	CTE ICAPS 50313	10,000
Local Programs of Study Implementation	84.048	CTEL 13 POSI 503	10,000
Vocational Education (Perkins Innovation/Strand III)	84.048	CTEL 13 503	5,746
			<u>327,515</u>
<b>Total pass through programs from Illinois Community College Board</b>			<u>567,142</u>
<b>Total U.S. Department of Education:</b>			<u>\$13,166,762</u>
<b>U.S. Department of Health and Human Services</b>			
Passed through Illinois Department of Human Services			
Refugee Social Services Program	93.566		30,029
<b>Total U.S. Department of Health and Human Services:</b>			<u>30,029</u>
<b>U.S. Department of Defense</b>			
Passed through Illinois Department of Commerce and Economic Opportunity:			
Procurement Technical Assistance Center	12.002	13-601109	35,000
<b>Total U.S. Department of Defense:</b>			<u>35,000</u>

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

**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2013**

Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title	Federal CFDA Number	Grant Identifying Number	Federal Expenditures
<b>U.S. Department of Veterans Affairs</b>			
VA Rehabilitation	64.116		41,070
Veteran's Educational Assistance	64.120		116,840
<b>Total U.S. Department of Veterans Affairs</b>			157,910
<b>Small Business Administration</b>			
Passed through Illinois Department of Commerce and Economic Opportunity:			
Small Business Development Center/ITC	59.037	12-561119	15,489
Small Business Development Center/ITC	59.037	13-181119	18,825
			34,314
Passed through Illinois Department of Commerce and Community Affairs:			
Small Business Development Center/ITC	59.037	12-561119	19,765
Small Business Development Center/ITC	59.037	13-181119	19,715
			39,480
<b>Total Small Business Administration:</b>			73,794
<b>U.S. Department of Labor</b>			
Passed through Illinois Department of Employment:			
WIA - Training Employee Academic Mastery	17.259	#12Y-BHC TEAM	75,390
Passed through Illinois Department of Commerce and Economic Opportunity:			
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282		27,337
			27,337
<b>Total U.S. Department of Labor:</b>			102,727
<b>Total Expenditures of Federal Awards:</b>			\$13,566,222

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, 2013**

---

**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, 2013. 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 position 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, 2013, the College had no sub-recipients of federal funds.

**Note 4. Nonmonetary Assistance**

For the year ended June 30, 2013, 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, 2013.

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

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2013**

---

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

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards:**

Internal control over major programs:

- Material weakness identified?  Yes  No
- Significant deficiency identified that is not considered to be a material weakness  Yes  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  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
84.042A	TRIO – Student Support Services
84.048	Vocational Education (Perkins)

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

Auditee qualified as low risk auditee?  Yes  No

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

**Schedule of Findings and Questioned Costs  
Year Ending June 30, 2013**

---

**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, 2013.

**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, 2013**

---

N/A

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

**Summary Schedule of Prior Audit Findings  
June 30, 2013**

---

Comment	Status	Corrective Action or Other Explanation
None		

**This page is intentionally left blank**

# Management Information

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

**Combining Balance Sheet**  
**June 30, 2013**

<b>Assets</b>	Education Fund	Operations & Maintenance Fund	Auxiliary Enterprises Fund	Restricted Purposes Funds	Audit Fund
Cash and cash equivalents	\$ 6,836,981	\$ 552,920	\$ -	\$ 532,710	\$ 192,349
Investments	-	-	-	-	-
Receivables, net of allowance for uncollectibles:					
Property Taxes	3,844,453	2,197,559	-	-	30,359
Federal government claims	-	-	-	773,999	-
State government claims	2,465,517	248,961	-	245,812	-
Student tuition and fees	932,517	-	-	-	-
Other	68,284	-	317,604	7,476	-
Due from other funds	649,725	13,890	10,660	136,271	-
Inventory	-	-	498,536	-	-
Prepaid expenses	158,263	12,589	8,288	33,016	-
Capital assets:					
Land	-	-	-	-	-
Construction and Equipment in process	-	-	-	-	-
Building, improvements and equipment net of \$23,141,420 depreciation	-	-	-	-	-
Total assets	<u>\$ 14,955,740</u>	<u>\$ 3,025,919</u>	<u>\$ 835,088</u>	<u>\$ 1,729,284</u>	<u>\$ 222,708</u>
<b>Liabilities and Fund Balance</b>					
Accounts payable	\$ 524,214	\$ 110,539	\$ 25,762	\$ 209,467	\$ -
Accrued expenses					
Payroll	926,541	-	-	28,517	-
Early retirement	81,397	-	-	-	-
Accrued vacation	723,587	97,015	32,104	49,029	-
Other	8,636	1	-	14,136	-
Due to other funds	135,823	14,606	63,794	664,444	1,145
Deferred revenue					
Property taxes	2,935,708	1,657,838	-	-	21,341
Student tuition and fees	227,014	-	2,084	6,771	-
Other	-	2,050	-	259,762	-
Other liabilities	9,918	14,451	-	1,789	-
Bonds payable	-	-	-	-	-
Leases payable	-	-	-	-	-
Total liabilities	<u>5,572,838</u>	<u>1,896,500</u>	<u>123,744</u>	<u>1,233,915</u>	<u>22,486</u>
Fund balance					
Restricted	-	-	-	495,369	200,222
Unrestricted	9,382,902	1,129,419	711,344	-	-
Total fund balance	<u>9,382,902</u>	<u>1,129,419</u>	<u>711,344</u>	<u>495,369</u>	<u>200,222</u>
Total liabilities and fund balance	<u>\$ 14,955,740</u>	<u>\$ 3,025,919</u>	<u>\$ 835,088</u>	<u>\$ 1,729,284</u>	<u>\$ 222,708</u>

See Note to Supplemental Information.

Liability, Protection, and Settlement Fund	Working Cash Fund	Bond & Interest Fund	Operations & Maintenance Restricted	Investment in Plant Fund	General Long Term Debt Fund	Total
\$ 2,158,456	\$ 12,980,657	\$ 2,147,762	\$ 30,129,717	\$ -	\$ -	\$ 55,531,552
-	-	-	-	-	-	-
1,212,892	-	4,268,273	1,184,639	-	-	12,738,175
-	-	-	-	-	-	773,999
-	-	-	1,000,000	-	-	3,960,290
-	-	-	-	-	-	932,517
3,335	-	-	-	-	-	396,699
13,614	62,166	5,041	144,240	-	-	1,035,607
-	-	-	-	-	-	498,536
14,680	-	-	8,319	-	-	235,155
-	-	-	-	7,480,023	-	7,480,023
-	-	-	-	3,896,185	-	3,896,185
-	-	-	-	36,510,925	-	36,510,925
<u>\$ 3,402,977</u>	<u>\$ 13,042,823</u>	<u>\$ 6,421,076</u>	<u>\$ 32,466,915</u>	<u>\$ 47,887,133</u>	<u>\$ -</u>	<u>\$ 123,989,663</u>
\$ 19,176	\$ -	\$ -	\$ 1,591,590	\$ -	\$ -	\$ 2,480,748
-	-	-	-	-	-	955,058
-	-	-	-	-	-	81,397
52,397	-	-	-	-	-	954,132
-	-	245,962	93,642	-	-	362,377
15,178	-	10,984	129,633	-	-	1,035,607
914,086	-	3,190,407	889,189	-	-	9,608,569
-	-	-	-	-	-	235,869
-	-	-	-	-	-	261,812
-	-	-	-	-	-	26,158
-	-	-	-	-	32,715,000	32,715,000
-	-	-	-	-	-	-
<u>1,000,837</u>	<u>-</u>	<u>3,447,353</u>	<u>2,704,054</u>	<u>-</u>	<u>32,715,000</u>	<u>48,716,727</u>
2,402,140	10,194,190	2,973,723	27,508,249	-	-	43,773,893
-	2,848,633	-	2,254,612	47,887,133	(32,715,000)	31,499,043
<u>2,402,140</u>	<u>13,042,823</u>	<u>2,973,723</u>	<u>29,762,861</u>	<u>47,887,133</u>	<u>(32,715,000)</u>	<u>75,272,936</u>
<u>\$ 3,402,977</u>	<u>\$ 13,042,823</u>	<u>\$ 6,421,076</u>	<u>\$ 32,466,915</u>	<u>\$ 47,887,133</u>	<u>\$ -</u>	<u>\$ 123,989,663</u>

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

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year ended June 30, 2013**

	Education Fund	Operations and Maintenance Fund	Auxiliary Fund	Restricted Funds	Audit Fund
<b>Revenues:</b>					
Local governmental sources					
Property taxes	\$ 5,710,033	\$ 3,286,292	\$ -	\$ -	\$ 70,575
Personal Property Replacement Tax	1,211,566	134,618	-	-	-
Other	10,260	-	-	-	-
<b>Total local government sources</b>	<b>6,931,859</b>	<b>3,420,910</b>	<b>-</b>	<b>-</b>	<b>70,575</b>
State governmental sources	6,926,421	626,875	-	2,009,635	-
Federal governmental sources	59,381	-	-	10,039,690	-
Student tuition and fees	16,767,777	84,140	355,431	904,170	-
Sales, services and rental of facilities and equipment	716,305	151,387	3,148,986	219,234	-
Investment earnings	201,725	60	-	-	1
Other sources	126,188	19,377	85,077	821,437	-
Additions to buildings and equipment, current funds	-	-	-	-	-
Payment of long-term debt	-	-	-	-	-
SURS contribution provided by state	-	-	-	7,535,508	-
<b>Total revenues</b>	<b>31,729,656</b>	<b>4,302,749</b>	<b>3,589,494</b>	<b>21,529,674</b>	<b>70,576</b>
<b>Expenditures:</b>					
Instruction	13,630,315	-	-	617,391	-
Academic support	4,007,456	-	-	1,272,563	-
Student services	2,726,649	-	-	755,244	-
Public services	778,885	-	-	829,526	-
Institutional support	5,468,933	-	-	179,896	82,262
Auxiliary services	-	-	3,580,825	99,919	-
Scholarships, student grants, and waivers	4,845,551	-	-	10,011,965	-
SURS contribution provided by state	-	-	-	7,535,508	-
Depreciation	-	-	-	-	-
Loss on disposal of assets	-	-	-	-	-
Operation of physical facilities	-	4,063,062	-	16,682	-
<b>Total expenditures</b>	<b>31,457,789</b>	<b>4,063,062</b>	<b>3,580,825</b>	<b>21,318,694</b>	<b>82,262</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>271,867</b>	<b>239,687</b>	<b>8,669</b>	<b>210,980</b>	<b>(11,686)</b>
<b>Other financing sources (uses):</b>					
Bond proceeds	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-
Operating transfers in	-	-	-	190,105	-
Operating transfers out	(271,867)	(239,687)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(271,867)</b>	<b>(239,687)</b>	<b>-</b>	<b>190,105</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other financing resources over expenditures and other financing uses</b>	<b>-</b>	<b>-</b>	<b>8,669</b>	<b>401,085</b>	<b>(11,686)</b>
<b>Fund balance</b>					
Beginning	9,382,902	1,129,419	702,675	94,284	211,908
Ending	\$ 9,382,902	\$ 1,129,419	\$ 711,344	\$ 495,369	\$ 200,222

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
\$ 2,288,704	\$ -	\$ 5,912,910	\$ 1,774,561	\$ -	\$ -	\$ 19,043,075
-	-	-	-	-	-	1,346,184
-	-	-	-	-	-	10,260
2,288,704	-	5,912,910	1,774,561	-	-	20,399,519
-	-	-	-	-	-	9,562,931
-	-	-	-	-	-	10,099,071
-	-	-	-	-	-	18,111,518
-	-	-	-	-	-	4,235,912
49,895	352,468	135	243,798	-	-	848,082
-	-	-	218,763	-	-	1,270,842
-	-	-	-	10,120,472	-	10,120,472
-	-	-	-	-	5,025,000	5,025,000
-	-	-	-	-	-	7,535,508
2,338,599	352,468	5,913,045	2,237,122	10,120,472	5,025,000	87,208,855
-	-	-	2,215,653	-	-	16,463,359
-	-	-	6,889	-	-	5,286,908
-	-	-	16,955	-	-	3,498,848
-	-	-	-	-	-	1,608,411
1,514,576	-	5,661,021	2,468,070	-	-	15,374,758
-	-	-	-	-	-	3,680,744
-	-	-	-	-	-	14,857,516
-	-	-	-	-	-	7,535,508
-	-	-	-	1,601,385	-	1,601,385
-	-	-	-	16,664	-	16,664
943,736	-	-	8,006,118	-	-	13,029,598
2,458,312	-	5,661,021	12,713,685	1,618,049	-	82,953,699
(119,713)	352,468	252,024	(10,476,563)	8,502,423	5,025,000	4,255,156
-	-	-	20,000,000	-	(20,000,000)	-
-	-	-	874,052	-	-	874,052
-	-	-	321,449	-	-	511,554
-	-	-	-	-	-	(511,554)
-	-	-	21,195,501	-	(20,000,000)	874,052
(119,713)	352,468	252,024	10,718,938	8,502,423	(14,975,000)	5,129,208
2,521,853	12,690,355	2,721,699	19,043,923	39,384,710	(17,740,000)	70,143,728
\$ 2,402,140	\$ 13,042,823	\$ 2,973,723	\$ 29,762,861	\$ 47,887,133	\$ (32,715,000)	\$ 75,272,936

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

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

---

Fund Balances - All Fund Types	\$ 75,272,936
50% of the 2011 tax levy recognized in FY 2012	<u>9,608,569</u>
Long-term portion of early retirement liability	<u>(1,754,469)</u>
Unamortized bond premium	<u>(842,258)</u>
Net Assets of Statement of Net Position	<u><u>\$ 82,284,778</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 Position**

---

Net Increase in Fund Balances	\$ 5,129,208
Reduction in student tuition and fees	(12,498,178)
Reduction in financial aid	<u>12,498,178</u>
Net Effect	<u>-</u>
Additions to buildings and equipment, current funds	10,120,472
Expended for capital assets	<u>(10,120,472)</u>
Net Effect	<u>-</u>
Long-term debt retired	5,025,000
Additions to general long-term debt fund	<u>(5,025,000)</u>
Net Effect	<u>-</u>
Unamortized bond premium	<u>(842,258)</u>
Increase in long-term early retirement liability	<u>(125,579)</u>
50% of the 2011 tax levy recognized in FY 2012	9,608,569
50% of the 2010 tax levy recognized in FY 2011	<u>(9,532,245)</u>
Net Effect	<u>76,324</u>
Change in Net Position	<u><u>\$ 4,237,695</u></u>

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

**This page is intentionally left blank**

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

**Statement of Budgetary Comparison - General Fund by Program**  
**Year ended June 30, 2013**

	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	\$ 5,673,254	\$ 5,710,033	\$ 36,779	\$ 3,280,414	\$ 3,286,292	\$ 5,878
Personal property taxes	1,080,000	1,211,566	131,566	120,000	134,618	14,618
Other	-	10,260	10,260	-	-	-
<b>Total local government sources</b>	<b>6,753,254</b>	<b>6,931,859</b>	<b>178,605</b>	<b>3,400,414</b>	<b>3,420,910</b>	<b>20,496</b>
State governmental sources	6,812,644	6,926,421	113,777	627,724	626,875	(849)
Federal governmental sources	38,000	59,381	21,381	-	-	-
Student tuition and fees	16,652,688	16,767,777	115,089	85,000	84,140	(860)
Sales, services and rental of facilities	628,260	716,305	88,045	132,640	151,387	18,747
Investment earnings	250,000	201,725	(48,275)	-	60	60
Other sources	16,600	126,188	109,588	25,300	19,377	(5,923)
Contingency	400,000	-	(400,000)	250,000	-	(250,000)
<b>Total revenues</b>	<b>31,551,446</b>	<b>31,729,656</b>	<b>178,210</b>	<b>4,521,078</b>	<b>4,302,749</b>	<b>(218,329)</b>
<b>Expenditures:</b>						
Current						
Instruction	14,374,213	13,630,315	(743,898)	-	-	-
Academic support	4,826,418	4,007,456	(818,962)	-	-	-
Student services	2,904,252	2,726,649	(177,603)	-	-	-
Public services	761,891	778,885	16,994	-	-	-
Institutional support	4,950,980	5,468,933	517,953	-	-	-
Auxiliary services	-	-	-	-	-	-
Scholarships, student grants, and waivers	4,015,000	4,845,551	830,551	-	-	-
Operation of physical facilities	-	-	-	4,299,770	4,063,062	(236,708)
Contingency	525,000	-	(525,000)	265,000	-	(265,000)
<b>Total expenditures</b>	<b>32,357,754</b>	<b>31,457,789</b>	<b>(899,965)</b>	<b>4,564,770</b>	<b>4,063,062</b>	<b>(501,708)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(806,308)</b>	<b>271,867</b>	<b>1,078,175</b>	<b>(43,692)</b>	<b>239,687</b>	<b>283,379</b>
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	(271,867)	(271,867)	-	(239,687)	(239,687)
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(271,867)</b>	<b>(271,867)</b>	<b>-</b>	<b>(239,687)</b>	<b>(239,687)</b>
<b>Excess (deficiency) of revenues and other financing resources over expenditures and other financing uses</b>	<b>\$ (806,308)</b>	<b>-</b>	<b>\$ 806,308</b>	<b>\$ (43,692)</b>	<b>-</b>	<b>\$ 43,692</b>
<b>Fund balance</b>						
Beginning		<u>\$ 9,382,902</u>			<u>\$ 1,129,419</u>	
Ending		<u>\$ 9,382,902</u>			<u>\$ 1,129,419</u>	

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

**Statement of Budgetary Comparison - General Fund by Object**  
**Year ended June 30, 2013**

	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	\$ 5,673,254	\$ 5,710,033	\$ 36,779	\$ 3,280,414	\$ 3,286,292	\$ 5,878
Personal property taxes	1,080,000	1,211,566	131,566	120,000	134,618	14,618
Other	-	10,260	10,260	-	-	-
<b>Total local government sources</b>	<b>6,753,254</b>	<b>6,931,859</b>	<b>178,605</b>	<b>3,400,414</b>	<b>3,420,910</b>	<b>20,496</b>
State governmental sources	6,812,644	6,926,421	113,777	627,724	626,875	(849)
Federal governmental sources	38,000	59,381	21,381	-	-	-
Student tuition and fees	16,652,688	16,767,777	115,089	85,000	84,140	(860)
Sales, services and rental of facilities	628,260	716,305	88,045	132,640	151,387	18,747
Investment earnings	250,000	201,725	(48,275)	-	60	60
Other sources	16,600	126,188	109,588	25,300	19,377	(5,923)
Contingency	400,000	-	(400,000)	250,000	-	(250,000)
<b>Total revenues</b>	<b>31,551,446</b>	<b>31,729,656</b>	<b>178,210</b>	<b>4,521,078</b>	<b>4,302,749</b>	<b>(218,329)</b>
<b>Expenditures:</b>						
Current						
Salaries	20,594,201	19,705,513	(888,688)	1,717,222	1,637,438	(79,784)
Benefits	3,833,679	4,082,466	248,787	525,282	516,652	(8,630)
Contractual Services	1,357,964	954,359	(403,605)	453,574	470,732	17,158
Supplies & Materials	1,619,195	1,486,461	(132,734)	298,500	258,233	(40,267)
Fixed Charges	22,900	17,232	(5,668)	160,172	166,396	6,224
Utilities	5,500	2,723	(2,777)	1,114,850	994,479	(120,371)
Capital Outlay	-	79,235	79,235	-	13,515	13,515
Other	4,399,315	5,129,800	730,485	30,170	5,617	(24,553)
Contingency	525,000	-	(525,000)	265,000	-	(265,000)
<b>Total expenditures</b>	<b>32,357,754</b>	<b>31,457,789</b>	<b>(899,965)</b>	<b>4,564,770</b>	<b>4,063,062</b>	<b>(501,708)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(806,308)</b>	<b>271,867</b>	<b>1,078,175</b>	<b>(43,692)</b>	<b>239,687</b>	<b>283,379</b>
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	(271,867)	(271,867)	-	(239,687)	(239,687)
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(271,867)</b>	<b>(271,867)</b>	<b>-</b>	<b>(239,687)</b>	<b>(239,687)</b>
<b>Excess (deficiency) of revenues and other financing resources over expenditures and other financing uses</b>	<b>\$ (806,308)</b>	<b>-</b>	<b>\$ 806,308</b>	<b>\$ (43,692)</b>	<b>-</b>	<b>\$ 43,692</b>
Fund balance						
Beginning		<u>\$ 9,382,902</u>			<u>\$ 1,129,419</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 by Program  
Year ended June 30, 2013**

	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	\$ -	\$ -	\$ -	\$ 94,992	\$ 70,575	\$ (24,417)
Tuition chargeback	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total local government sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94,992</b>	<b>70,575</b>	<b>(24,417)</b>
State governmental sources	2,413,563	2,009,635	(403,928)	-	-	-
Federal governmental sources	15,955,322	10,039,690	(5,915,632)	-	-	-
Student tuition and fees	975,000	904,170	(70,830)	-	-	-
Sales, services and rental of facilities	-	219,234	219,234	-	-	-
Investment earnings	-	-	-	-	1	1
Other sources	127,945	821,437	693,492	-	-	-
Contingency	2,000,000	-	(2,000,000)	-	-	-
<b>Total revenues</b>	<b>21,471,830</b>	<b>13,994,166</b>	<b>(7,477,664)</b>	<b>94,992</b>	<b>70,576</b>	<b>(24,416)</b>
<b>Expenditures:</b>						
Current						
Instruction	523,268	617,391	94,123	-	-	-
Academic support	1,922,450	1,272,563	(649,887)	-	-	-
Student services	809,746	755,244	(54,502)	-	-	-
Public services	998,121	829,526	(168,595)	-	-	-
Institutional support	203,062	179,896	(23,166)	80,000	82,262	2,262
Auxiliary services	85,152	99,919	14,767	-	-	-
Scholarships, student grants, and waivers	14,912,725	10,011,965	(4,900,760)	-	-	-
Operation of physical facilities	17,306	16,682	(624)	-	-	-
Contingency	2,000,000	-	(2,000,000)	-	-	-
<b>Total expenditures</b>	<b>21,471,830</b>	<b>13,783,186</b>	<b>(7,688,644)</b>	<b>80,000</b>	<b>82,262</b>	<b>2,262</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>210,980</b>	<b>210,980</b>	<b>14,992</b>	<b>(11,686)</b>	<b>(26,678)</b>
Other financing sources (uses):						
Operating transfers in	-	190,105	190,105	-	-	-
Operating transfers out	-	-	-	-	-	-
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>190,105</b>	<b>190,105</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>401,085</b>	<b>\$ 401,085</b>	<b>\$ 14,992</b>	<b>(11,686)</b>	<b>\$ (26,678)</b>
<b>Fund balance</b>						
Beginning		<u>\$ 94,284</u>			<u>\$ 211,908</u>	
Ending		<u>\$ 495,369</u>			<u>\$ 200,222</u>	

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
\$ 2,769,370	\$ 2,288,704	\$ (480,666)	\$ 5,456,825	\$ 5,912,910	\$ 456,085	\$ 1,800,000	\$ 1,774,561	\$ (25,439)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>2,769,370</u>	<u>2,288,704</u>	<u>(480,666)</u>	<u>5,456,825</u>	<u>5,912,910</u>	<u>456,085</u>	<u>1,800,000</u>	<u>1,774,561</u>	<u>(25,439)</u>
-	-	-	-	-	-	580,000	-	(580,000)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	49,895	49,895	-	135	135	160,000	243,798	83,798
-	-	-	-	-	-	-	218,763	218,763
-	-	-	-	-	-	1,000,000	-	(1,000,000)
<u>2,769,370</u>	<u>2,338,599</u>	<u>(430,771)</u>	<u>5,456,825</u>	<u>5,913,045</u>	<u>456,220</u>	<u>3,540,000</u>	<u>2,237,122</u>	<u>(1,302,878)</u>
-	-	-	-	-	-	500,000	2,215,653	1,715,653
-	-	-	-	-	-	1,000,000	6,889	(993,111)
-	-	-	-	-	-	500,000	16,955	(483,045)
-	-	-	-	-	-	-	-	-
2,157,590	1,514,576	(643,014)	5,456,825	5,661,021	204,196	500,000	2,468,070	1,968,070
-	-	-	-	-	-	300,000	-	(300,000)
-	-	-	-	-	-	-	-	-
1,161,780	943,736	(218,044)	-	-	-	14,289,605	8,006,118	(6,283,487)
-	-	-	-	-	-	1,000,000	-	(1,000,000)
<u>3,319,370</u>	<u>2,458,312</u>	<u>(861,058)</u>	<u>5,456,825</u>	<u>5,661,021</u>	<u>204,196</u>	<u>18,089,605</u>	<u>12,713,685</u>	<u>(5,375,920)</u>
<u>(550,000)</u>	<u>(119,713)</u>	<u>430,287</u>	<u>-</u>	<u>252,024</u>	<u>252,024</u>	<u>(14,549,605)</u>	<u>(10,476,563)</u>	<u>4,073,042</u>
-	-	-	-	-	-	-	321,449	321,449
-	-	-	-	-	-	(250,000)	-	250,000
-	-	-	-	-	-	20,000,000	20,000,000	-
-	-	-	-	-	-	-	874,052	874,052
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,750,000</u>	<u>21,195,501</u>	<u>1,445,501</u>
<u>\$ (550,000)</u>	<u>(119,713)</u>	<u>\$ 430,287</u>	<u>\$ -</u>	<u>252,024</u>	<u>\$ 252,024</u>	<u>\$ 5,200,395</u>	<u>10,718,938</u>	<u>\$ 5,518,543</u>
	<u>\$ 2,521,853</u>			<u>\$ 2,721,699</u>		<u>\$ 19,043,923</u>		
	<u>\$ 2,402,140</u>			<u>\$ 2,973,723</u>		<u>\$ 29,762,861</u>		

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

**Statement of Budgetary Comparison - Major Special Revenue Funds by Object**  
**Year ended June 30, 2013**

	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	\$ -	\$ -	\$ -	\$ 94,992	\$ 70,575	\$ (24,417)
Tuition chargeback	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total local government sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94,992</b>	<b>70,575</b>	<b>(24,417)</b>
State governmental sources	2,413,563	2,009,635	(403,928)	-	-	-
Federal governmental sources	15,955,322	10,039,690	(5,915,632)	-	-	-
Student tuition and fees	975,000	904,170	(70,830)	-	-	-
Sales, services and rental of facilities	-	219,234	219,234	-	-	-
Investment earnings	-	-	-	-	1	1
Other sources	127,945	821,437	693,492	-	-	-
Contingency	2,000,000	-	(2,000,000)	-	-	-
<b>Total revenues</b>	<b>21,471,830</b>	<b>13,994,166</b>	<b>(7,477,664)</b>	<b>94,992</b>	<b>70,576</b>	<b>(24,416)</b>
<b>Expenditures:</b>						
Current						
Salaries	1,611,544	1,672,824	61,280	-	-	-
Benefits	374,899	465,446	90,547	-	-	-
Contractual Services	1,670,527	784,310	(886,217)	80,000	82,262	2,262
Supplies & Materials	615,518	587,431	(28,087)	-	-	-
Conference & Meetings	84,777	106,182	21,405	-	-	-
Fixed Charges	34,622	20,154	(14,468)	-	-	-
Utilities	101,707	103,275	1,568	-	-	-
Capital Outlay	65,511	35,839	(29,672)	-	-	-
Other	14,912,725	10,007,725	(4,905,000)	-	-	-
Contingency	2,000,000	-	(2,000,000)	-	-	-
<b>Total expenditures</b>	<b>21,471,830</b>	<b>13,783,186</b>	<b>(7,688,644)</b>	<b>80,000</b>	<b>82,262</b>	<b>2,262</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>210,980</b>	<b>210,980</b>	<b>14,992</b>	<b>(11,686)</b>	<b>(26,678)</b>
Other financing sources (uses):						
Operating transfers in	-	190,105	190,105	-	-	-
Operating transfers out	-	-	-	-	-	-
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>190,105</b>	<b>190,105</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>401,085</b>	<b>\$ 401,085</b>	<b>\$ 14,992</b>	<b>(11,686)</b>	<b>\$ (26,678)</b>
Fund balance						
Beginning		\$ 94,284			\$ 211,908	
Ending		\$ 495,369			\$ 200,222	

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
\$ 2,769,370	\$ 2,288,704	\$ (480,666)	\$ 5,456,825	\$ 5,912,910	\$ 456,085	\$ 1,800,000	\$ 1,774,561	\$ (25,439)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>2,769,370</u>	<u>2,288,704</u>	<u>(480,666)</u>	<u>5,456,825</u>	<u>5,912,910</u>	<u>456,085</u>	<u>1,800,000</u>	<u>1,774,561</u>	<u>(25,439)</u>
-	-	-	-	-	-	580,000	-	(580,000)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	49,895	49,895	-	135	135	160,000	243,798	83,798
-	-	-	-	-	-	-	218,763	218,763
-	-	-	-	-	-	1,000,000	-	(1,000,000)
<u>2,769,370</u>	<u>2,338,599</u>	<u>(430,771)</u>	<u>5,456,825</u>	<u>5,913,045</u>	<u>456,220</u>	<u>3,540,000</u>	<u>2,237,122</u>	<u>(1,302,878)</u>
839,624	822,760	(16,864)	-	-	-	-	-	-
915,392	897,014	(18,378)	-	-	-	-	-	-
371,345	236,124	(135,221)	-	-	-	500,000	737,294	237,294
31,100	84,742	53,642	-	-	-	-	951,430	951,430
10,200	4,870	(5,330)	-	-	-	-	-	-
450,000	334,600	(115,400)	5,456,825	5,661,021	204,196	-	175,000	175,000
11,850	7,275	(4,575)	-	-	-	-	-	-
689,859	40,636	(649,223)	-	-	-	16,589,605	10,031,484	(6,558,121)
-	30,291	30,291	-	-	-	-	818,477	818,477
-	-	-	-	-	-	1,000,000	-	(1,000,000)
<u>3,319,370</u>	<u>2,458,312</u>	<u>(861,058)</u>	<u>5,456,825</u>	<u>5,661,021</u>	<u>204,196</u>	<u>18,089,605</u>	<u>12,713,685</u>	<u>(5,375,920)</u>
(550,000)	(119,713)	430,287	-	252,024	252,024	(14,549,605)	(10,476,563)	4,073,042
-	-	-	-	-	-	-	321,449	321,449
-	-	-	-	-	-	(250,000)	-	250,000
-	-	-	-	-	-	20,000,000	20,000,000	-
-	-	-	-	-	-	-	874,052	874,052
-	-	-	-	-	-	<u>19,750,000</u>	<u>21,195,501</u>	<u>1,445,501</u>
<u>\$ (550,000)</u>	<u>(119,713)</u>	<u>\$ 430,287</u>	<u>\$ -</u>	<u>252,024</u>	<u>\$ 252,024</u>	<u>\$ 5,200,395</u>	<u>10,718,938</u>	<u>\$ 5,518,543</u>
	<u>\$ 2,521,853</u>			<u>\$ 2,721,699</u>			<u>\$ 19,043,923</u>	
	<u>\$ 2,402,140</u>			<u>\$ 2,973,723</u>			<u>\$ 29,762,861</u>	

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

**Statement of Budgetary Comparison - Major Special Revenue Funds by Object (continued)**  
**Year ended June 30, 2013**

	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	300,000	352,468	52,468
Other sources	-	-	-
Contingency	-	-	-
<b>Total revenues</b>	<b>300,000</b>	<b>352,468</b>	<b>52,468</b>
<b>Expenditures:</b>			
Current			
Salaries	-	-	-
Benefits	-	-	-
Contractual Services	-	-	-
Supplies & Materials	-	-	-
Conference & Meeting	-	-	-
Fixed Charges	-	-	-
Utilities	-	-	-
Capital Outlay	-	-	-
Other	-	-	-
Contingency	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>300,000</b>	<b>352,468</b>	<b>52,468</b>
<b>Other financing sources (uses):</b>			
Operating transfers in	-	-	-
Operating transfers out	(600,000)	-	600,000
Bond & Debt Certificate Proceeds	-	-	-
Bond premium (discount)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(600,000)</b>	<b>-</b>	<b>600,000</b>
<b>Excess (deficiency) of revenues and other financing resources over expenditures and other financing uses</b>	<b>\$ (300,000)</b>	<b>352,468</b>	<b>\$ 652,468</b>
<b>Fund balance</b>			
Beginning		<u>\$ 12,690,355</u>	
Ending		<u>\$ 13,042,823</u>	

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

**Statement of Budgetary Comparison - Proprietary Fund by Program**  
**Year ended June 30, 2013**

	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	405,000	355,431	(49,569)
Sales, services and rental of facilities	3,193,600	3,148,986	(44,614)
Investment earnings	-	-	-
Other sources	74,300	85,077	10,777
Contingency	250,000	-	(250,000)
<b>Total revenues</b>	<b>3,922,900</b>	<b>3,589,494</b>	<b>(333,406)</b>
<b>Expenditures:</b>			
Current			
Instruction	-	-	-
Academic support	-	-	-
Student services	-	-	-
Public services	-	-	-
Institutional support	-	-	-
Auxiliary services	3,672,900	3,580,825	(92,075)
Scholarships, student grants, and waivers	-	-	-
Operation of physical facilities	-	-	-
Contingency	250,000	-	(250,000)
<b>Total expenditures</b>	<b>3,922,900</b>	<b>3,580,825</b>	<b>(342,075)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>8,669</b>	<b>8,669</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>\$ -</b>	<b>8,669</b>	<b>\$ 8,669</b>
<b>Fund balance</b>			
Beginning		<u>\$ 702,675</u>	
Ending		<u>\$ 711,344</u>	

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

**Statement of Budgetary Comparison - Proprietary Fund by Object**  
**Year ended June 30, 2013**

	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	405,000	355,431	(49,569)
Sales, services and rental of facilities	3,193,600	3,148,986	(44,614)
Investment earnings	-	-	-
Other sources	74,300	85,077	10,777
Contingency	250,000	-	(250,000)
<b>Total revenues</b>	<b>3,922,900</b>	<b>3,589,494</b>	<b>(333,406)</b>
<b>Expenditures:</b>			
Current			
Salaries	633,714	585,207	(48,507)
Benefits	136,752	128,266	(8,486)
Contractual Services	207,858	165,914	(41,944)
Supplies & Materials	2,448,075	2,420,665	(27,410)
Conference & Meeting	235,031	212,450	(22,581)
Fixed Charges	1,150	9,632	8,482
Utilities	-	-	-
Capital Outlay	-	38,747	38,747
Other	10,320	19,944	9,624
Contingency	250,000	-	(250,000)
<b>Total expenditures</b>	<b>3,922,900</b>	<b>3,580,825</b>	<b>(342,075)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>8,669</b>	<b>8,669</b>
Other financing sources (uses):			
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>\$ -</b>	<b>8,669</b>	<b>\$ 8,669</b>
Fund balance			
Beginning		\$ 702,675	
Ending		\$ 711,344	

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

**Notes to Management Information**

---

**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.



**APPRECIATION OF DIVERSITY • INTEGRITY • RESPONSIBILITY**



[www.bhc.edu](http://www.bhc.edu)

**QUAD-CITIES CAMPUS**

6600 34th Avenue  
Moline, Illinois 61265  
309-796-5000

**EAST CAMPUS**

26230 Black Hawk Road  
Galva, Illinois 61434  
309-854-1700