

Comprehensive
ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2015



CARING AND COMPASSION • RESPECT • FAIRNESS • HONESTY

ILLINOIS COMMUNITY COLLEGE DISTRICT 503

Quad-Cities Campus
Moline, Illinois

East Campus
Galva, Illinois



www.bhc.edu



**Illinois Community College District 503
6600 34th Avenue
Moline, Illinois 61265
www.bhc.edu**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the
Fiscal Year Ended June 30, 2015**

**Prepared by:
Finance Division
Steven J. Frommelt, Vice President for Finance and Administration
Dena M. Grunewald, Director of Accounting**

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Office of the President
309-796-5301

October 14, 2015

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, 2015, 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, basic financial statements, notes to the financial statements and required supplementary information. The statistical section includes selected unaudited financial and demographic information, generally presented on a multi-year basis. The special reports section includes Uniform Financial Statements, grants and enrollment audits required by the Illinois Community College Board (ICCB) and corresponding auditor's reports, as well as the Schedule of Expenditures of Federal Awards, related notes, and corresponding auditor's reports. The management information section contains financial information by fund as well as budget to actual information utilized by the Board of Trustees and College management.

The College maintains its accounts and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) as set forth by Governmental and Financial Accounting Standards Boards (GASB and FASB) and the Illinois Community College Board (ICCB). The financial records of the District are maintained on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal obligation to pay.

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Improving Life Through Learning

The notes to the financial statements explain in further detail the financial statements as well as 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 College operates two primary campuses as well as other instructional centers throughout the District and serves a population of approximately 225,000. 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. In addition to these full-service campuses, BHC operates facilities including the Outreach Center, the Illinois workNet Center, and the Industrial Training Lab Extension Center, all in Moline, the Adult Learning Center in Rock Island, and the East Campus Community Education Center and Welding and Skilled Trades Center in Kewanee.

Based on U.S. Bureau of Labor Statistics, local unemployment rates at 5.8% is slightly higher than the national rate of 5.3% as of the end of June. The local unemployment rate is down from 6.1% just a year earlier. Even with lower unemployment rates, the College budgeted for stable enrollment in fiscal year 2015.

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. State funding continues to be a concern as the State of Illinois continues to operate without an approved budget since July 2015.

Mission, Vision, and Goals

Black Hawk College enriches the community by providing 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 the mission and vision of the College:

- **Student Growth** – 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.
- **Valuing People** – Black Hawk College will enhance its competitive advantage by recruiting, developing and retaining diverse and talented employees.

Major Initiatives

The College's current strategic planning process focuses on developing new strategic priorities, along with their supporting goals and objectives, for 2015-2017. During the spring of 2014, the planning process engaged faculty, staff and community members in focus groups culminating with the Strategic Planning Committee meetings in June and July 2014 that resulted in a following strategic plan. Feedback was sought from the community and the final plan went before the Board of Trustees and accepted in November 2014.

The College has also completed several major operational initiatives during fiscal year 2015. These initiatives include:

- Black Hawk College was notified by the Higher Learning Commission on July 9, 2014 that it had been approved for reaccreditation.
- Implementation of the Facilities Master Plan:
 - Health Sciences Center construction - complete
 - Human Resources & Planning and Institutional Effectiveness (PIE) renovations completed
 - East Campus Welding and Skilled Trades Center construction - complete

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 76% of total operating revenue received in fiscal year 2015. As illustrated in the Statistical section of this document, total credit hours for all categories, which includes both restricted and unrestricted hours, decreased by 7.3% or 9,458 total credit hours in fiscal year 2015. While this trend is budgeted to level off in fiscal year 2015, preliminary results for the fall indicate similar reductions. The College is working to expand new program offerings in an effort to offset any further decline in enrollment.

State funding, which accounted for approximately 38% of total non-operating revenue received, continues to be problematic for the College as the level of state funding continues to decline, delays in receipt of allocated funds remain constant and the State is currently operating without an approved budget. The College anticipates State funding levels will continue to decline in future years. The average ICCB credit hour reimbursement rate remains markedly lower than rates realized more than a decade ago. Performance based funding has been received from ICCB in recent years, however the exact impact of funding formula changes is still unknown at this time. These funding concerns prompted the College to raise tuition and fee rates in fiscal year 2015 as well as reduce spending.

Property taxes, which accounted for approximately 39% 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 steadily been increasing over the past several years despite the uncertain national economic climate and subsequent impact on property values.

Financial Planning

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

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

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 operating within a balanced budget.

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 expenses in these funds, which include the Education and Operations & Maintenance fund. 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, 2015 the General Fund ending fund balance is 35.5% of fiscal year 2015 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 \$135,000 specific and \$5,952,035 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 2015 audit. The auditor's report on the financial statements and schedules is unqualified and is included in the financial section of this report.

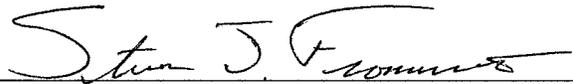
- Awards The College received the Certificate of Achievement for Excellence in Financial Reporting (CAFR) from the Government Finance Officers Association (GFOA) for the fiscal years 2009, 2010, 2011, 2012, 2013 and 2014. In addition, the College has received the GFOA Distinguished Budget Presentation Award for fiscal years 2009, 2010, 2011, 2012, 2013, 2014 and 2015.
- 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 Finance and Accounting staff as well as others connected with the annual audit process. Our sincere appreciation goes out to each individual making contribution in the preparation of this report.

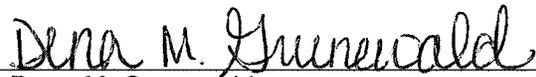
Respectfully submitted,



Bettie A. Truitt, Ph.D.
President



Steven J. Frommelt
Vice President for Finance and Administration



Dena M. Grunewald
Director of Accounting



Illinois Community College District No. 503 Board of Trustees



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Dr. Bettie A. Truitt
President



Betsey A. Morthland
Interim Executive Dean for
East Campus and Academic Dean



Dr. Lee J. Weimer
Interim Vice President for
Instruction and Student Services



Steven J. Frommelt
Vice President for Finance and
Administration and Board Treasurer

Black Hawk College District



Legend

Black Hawk College District

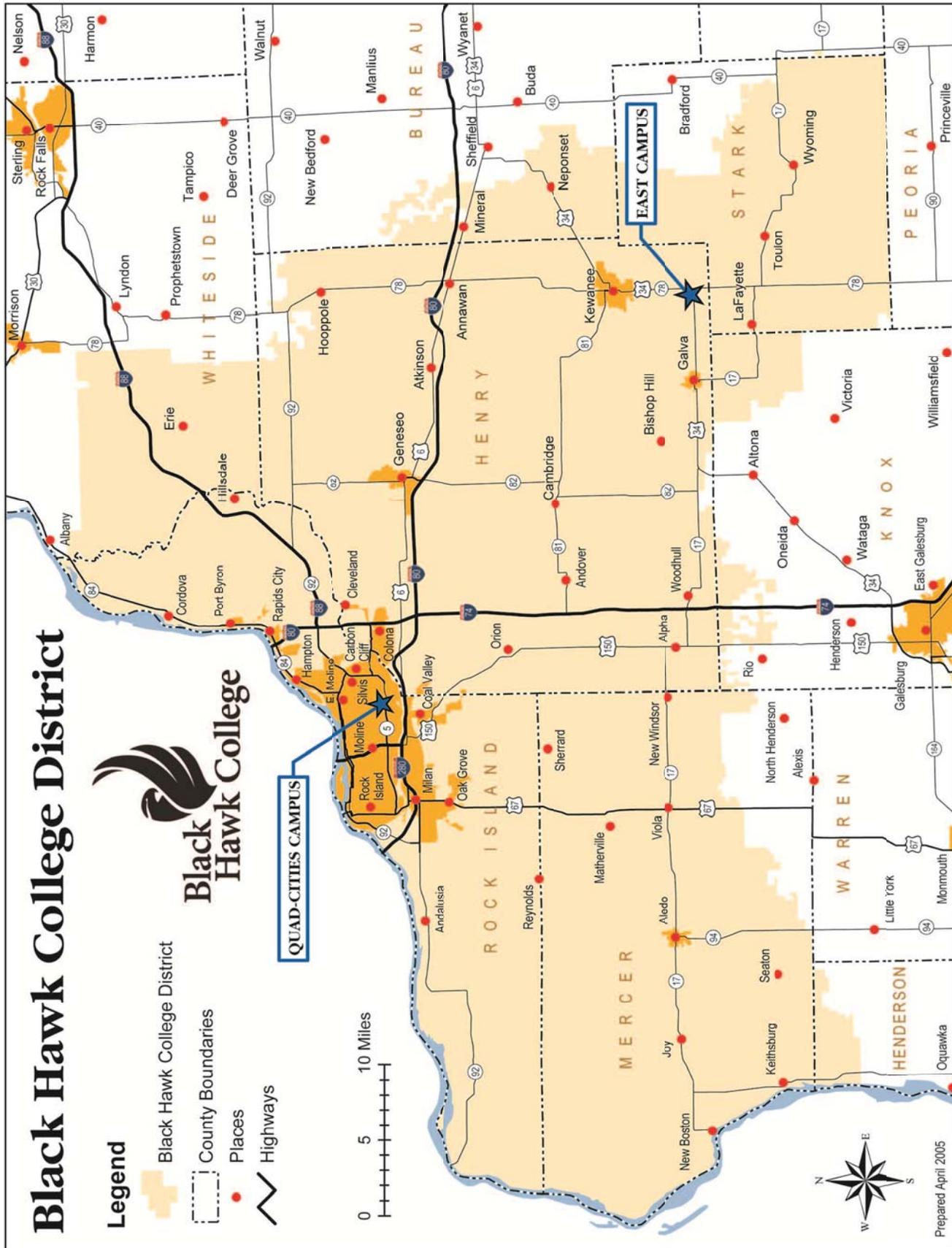
County Boundaries

Places

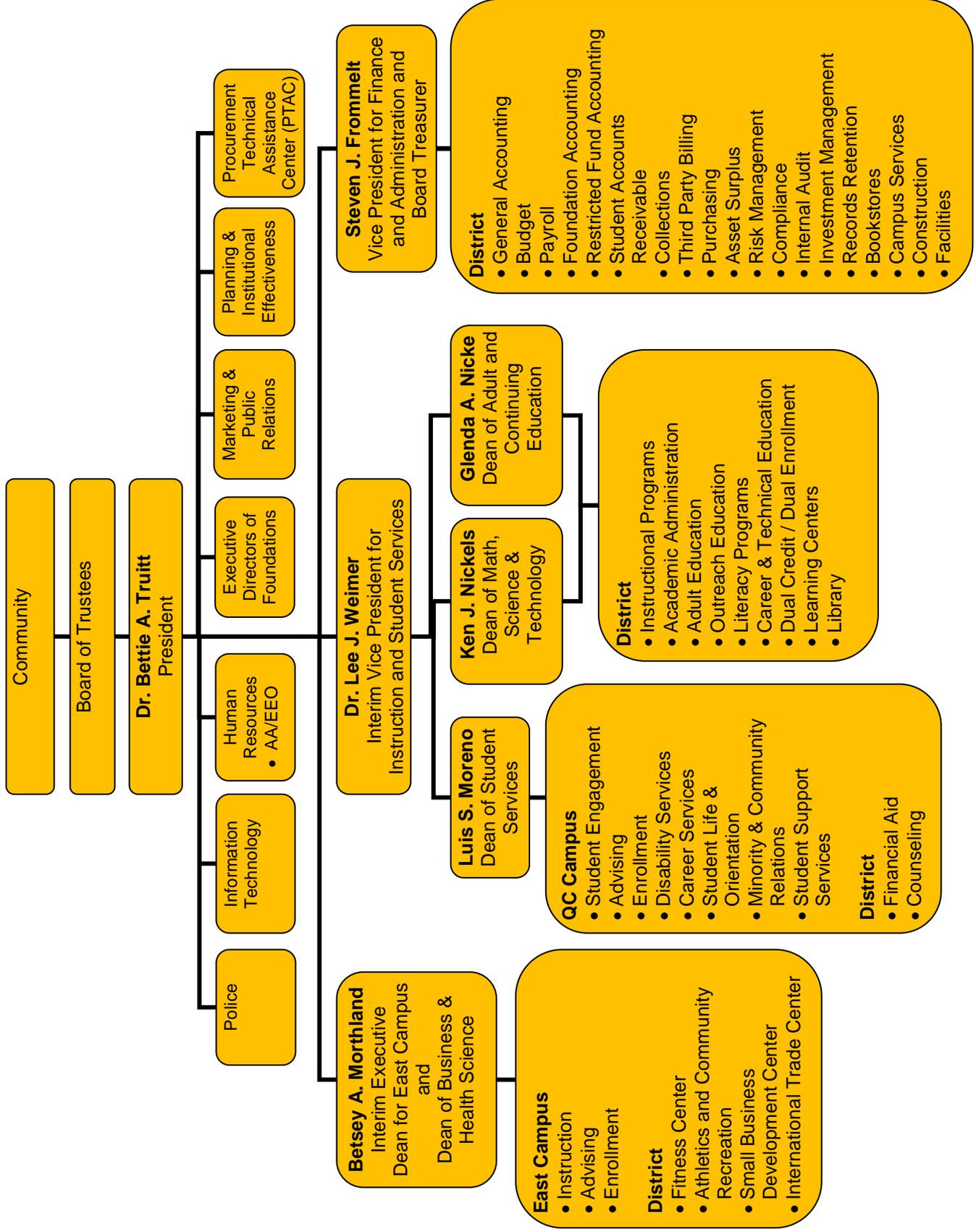
Highways



Prepared April 2005



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, 2014

Executive Director/CEO

Financial Section

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component units of Black Hawk College, Illinois Community College District #503 (College) as of and for the year ended June 30, 2015, 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. The financial statements of Black Hawk College Foundation and Black Hawk East College Foundation were not audited in accordance with *Government Auditing Standards*.

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 opinions.

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 discretely presented component units of Black Hawk College, Illinois Community College District #503 as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

Emphasis of Matter

The College adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB 68*, during the year ended June 30, 2015. Statement No. 68 and No. 71 changed the footnotes related to the retirement system the College participates in. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the SURS Pension Information, 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, as listed in the table of contents 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 or provide any assurance on them.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2015 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
October 9, 2015

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Management's Discussion and Analysis

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Management's Discussion and Analysis

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, 2015 and June 30, 2014. 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, deferred outflows of resources, liabilities, deferred inflows of resources 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 plus deferred outflows of resources and total liabilities plus deferred inflows of resources is reflected in the net position section which reflects net position in three broad categories: net investment in capital assets; 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. For example, property taxes and state funding are reported as non-operating revenues.

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.

Management's Discussion and Analysis

Financial Highlights

For the year ended June 30, 2015, the College recorded total operating revenues of \$10,330,809 and total operating expenses of \$52,484,595. The difference produced an operating loss of \$42,153,786. Net non-operating revenue of \$49,847,441 offsets this loss and results in an overall increase in net position of \$7,693,655.

Non-operating revenue included local property taxes of \$19,623,307, state grants and contracts of \$19,205,104, federal grants and contracts of \$9,290,411, and other net miscellaneous revenue of \$1,728,619. Within the state grants and contracts non-operating revenue line, the SURS contribution provided by the state, on behalf of the College, to the State University Retirement System (SURS) totaled \$8,971,695. The comparable contribution by the state to SURS for the fiscal year ended June 30, 2014 was \$8,068,818.

Operating revenue accounted for 17% of the College's total revenue, while non-operating revenues accounted for the other 83% of the College's total revenue. Operating revenue consisted of tuition and fees, net of financial aid awards, totaling \$7,900,764 and sales, services, and rentals of facilities revenues totaling \$2,430,045.

Operating expenses accounted for 98% of the College's total expenses, while non-operating expenses accounted for the remaining 2%. The SURS contribution provided by the state was allocated among the existing functions of operating expenses and increased by \$902,877 from fiscal year 2014. Despite the increase in SURS expense, total operating expenses consisting of instruction, academic support, student services, public service, financial aid, operations of physical facilities, institutional support and other categories decreased by 3.8% in fiscal year 2015 from prior year.

Overall, the College's financial position remained stable during fiscal year 2015 despite continued delays in State funding and a decrease in enrollment. Enrollment, credit hour, and State funding trend information are provided in the Statistical section of this document. Additionally, overall fiscal year 2015 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 \$9,355,000 in bonds during fiscal year 2015 for construction of a new facility as well as for a district-wide technology refresh. The unused legal debt capacity of the College is currently \$71,424,885, which represents 2.875% of the assessed valuation of the College's district less the \$32,649,100 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 from 2014 to a level that still exceeds the national average. Additional information regarding unemployment rate trends can be found in the Statistical section of this document.

Management's Discussion and Analysis

Property tax revenue accounts for 39% of total non-operating 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 continues to slightly grow each year as overall property values continue to increase. 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 remains cautious with expenditures and will remain dedicated to maintaining acceptable reserves to minimize disruption.

Declining enrollment continues to be the trend with a 7.3% decrease in fiscal year 2015 compared to a 4.6% decrease during fiscal year 2014. 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. Construction was recently completed for both the Health Sciences Center at the Quad Cities Campus and the 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 2015 increased 12% over fiscal year 2014 rates. Fiscal year 2016 tuition rates are anticipated to remain the same. Additional information regarding the tuition and fee rate trend is provided in the Statistical section of this document.

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 2015 tax levy increased 1.9% over fiscal year 2014 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 2015 and 2014

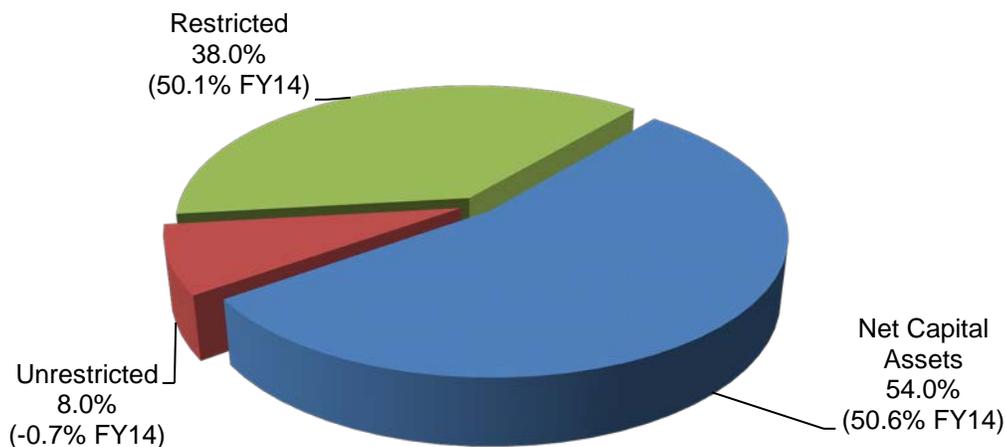
	2015	2014	Increase (Decrease)	Percent Change
Current Assets	\$ 67,694,223	\$ 69,470,701	\$ (1,776,478)	-2.6%
Non-Current Assets	69,321,803	53,291,027	16,030,776	30.1%
Total Assets	\$ 137,016,026	\$ 122,761,728	\$ 14,254,298	11.6%
Deferred Outflows of Resources	\$ 90,997	\$ -	\$ 90,997	N/A
Current Liabilities	\$ 11,423,423	\$ 8,799,938	\$ 2,623,485	29.8%
Non-Current Liabilities	29,345,506	25,501,692	3,843,814	15.1%
Total Liabilities	\$ 40,768,929	\$ 34,301,630	\$ 6,467,299	18.9%
Deferred Inflows of Resources	\$ 10,100,648	\$ 10,016,362	\$ 84,286	0.8%
Net Position				
Net Investment in Capital Assets	\$ 46,629,046	\$ 39,682,320	\$ 6,946,726	17.5%
Restricted	32,748,174	39,325,155	(6,576,981)	-16.7%
Unrestricted	6,860,226	(463,684)	7,323,910	-1579.5%
Total Net Position	\$ 86,237,446	\$ 78,543,791	\$ 7,693,655	9.8%

The College had a net position at the beginning of the fiscal year, as restated, totaling \$78,543,791. The increase in net position of \$7,693,655 brought the total net position at the end of fiscal year 2015 to \$86,237,446.

Notable changes in fiscal year 2015 include construction on the Health Sciences Center at the Quad Cities Campus and the 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 2015



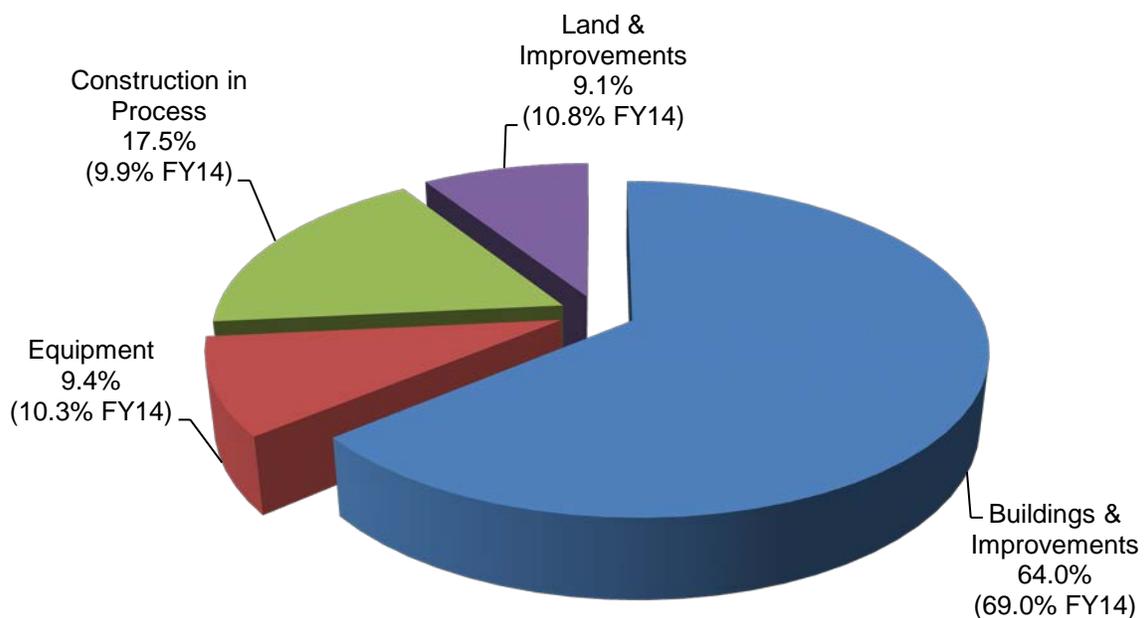
Comparison of Net Capital Assets Fiscal Years 2015 and 2014

Capital Assets	2015	2014	Increase (Decrease)	Percent Change
Land and Improvements	\$8,725,423	\$8,406,448	\$318,975	3.8%
Building and Improvements	61,269,683	53,781,507	7,488,176	13.9%
Equipment	9,025,670	7,991,300	1,034,370	12.9%
Construction In Progress	16,724,738	7,705,480	9,019,258	117.0%
Total Capital Assets	\$95,745,514	\$77,884,735	\$17,860,779	22.9%
Less Accumulated Depreciation	26,423,711	24,593,708	1,830,003	7.4%
Net Capital Assets	\$69,321,803	\$53,291,027	\$16,030,776	30.1%

As of June 30, 2015, the College has recorded \$95,745,514 invested in capital assets, \$26,423,711 in accumulated depreciation and \$69,321,803 in net capital assets.

Total Capital Assets increased \$17,860,779 or 22.9% and Net Capital Assets increased \$16,030,776 or 30.1% due to construction of the Health Sciences Center, Welding and Skilled Trade Center and various remodeling and improvement projects district-wide during fiscal year 2015. The College's current bonding strategy continues to allow investment in additional facilities, technology, and improvements. The expectation exists that Net Capital Assets will continue to increase in future years as a result. For further information, see Note 4 - Changes in Capital Assets and Note 6 - Long-Term Liabilities in the Notes to Financial Statements.

Capital Assets - Fiscal Year 2015



Revenues, Expenses & Changes in Net Position For the fiscal years ending June 30, 2015 and 2014

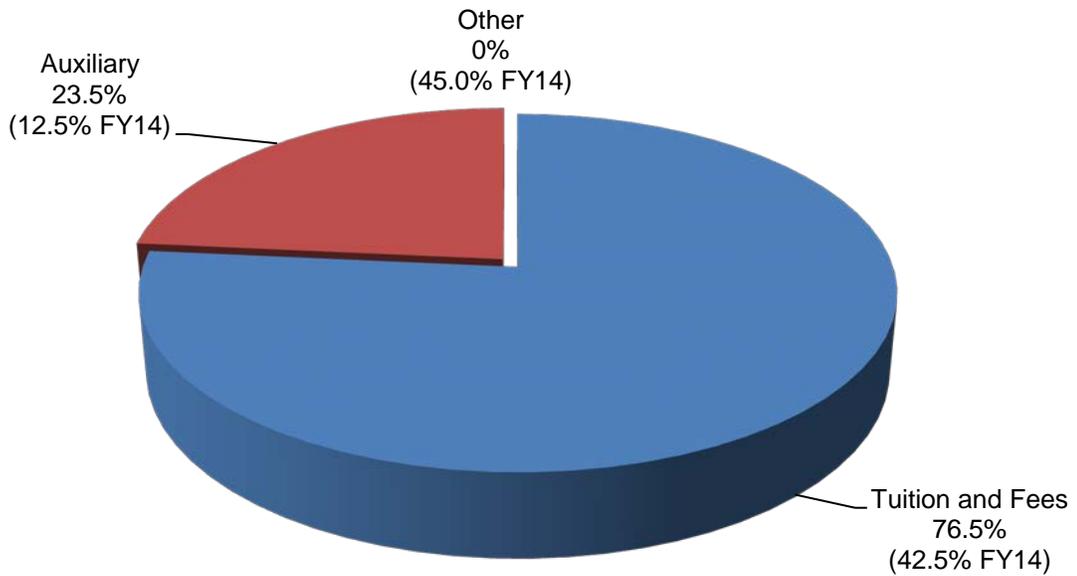
	2015	2014	Increase (Decrease)	Percent Change
Operating Revenue:				
Tuition and Fees	\$ 7,900,764	\$ 7,624,251	\$ 276,513	3.6%
Sales, Services and Rentals	2,430,045	2,233,506	196,539	8.8%
Other	-	-	-	0.0%
Total Operating Revenue	<u>\$ 10,330,809</u>	<u>\$ 9,857,757</u>	<u>\$ 473,052</u>	<u>4.8%</u>
Less: Operating Expenses	<u>52,484,595</u>	<u>54,560,178</u>	<u>(2,075,583)</u>	<u>-3.8%</u>
Operating Income (Loss)	<u>\$ (42,153,786)</u>	<u>\$ (44,702,421)</u>	<u>\$ 2,548,635</u>	<u>-5.7%</u>
Non-operating Revenue:				
State Grants & Contracts	\$ 19,205,104	\$ 18,261,162	\$ 943,942	5.2%
Federal Grants & Contracts	9,290,411	9,995,924	(705,513)	-7.1%
Property Taxes	19,623,307	19,462,491	160,816	0.8%
Other Income	1,728,619	2,750,371	(1,021,752)	-37.1%
Total Non-operating Revenue:	<u>\$ 49,847,441</u>	<u>\$ 50,469,948</u>	<u>\$ (622,507)</u>	<u>-1.2%</u>
Change in Net Position	\$ 7,693,655	\$ 5,767,527	\$ 1,926,128	33.4%
Net Position, Beginning of Year, as restated	<u>78,543,791</u>	<u>72,776,264</u>	<u>5,767,527</u>	<u>7.9%</u>
Net Position, End of Year	<u>\$ 86,237,446</u>	<u>\$ 78,543,791</u>	<u>\$ 7,693,655</u>	<u>9.8%</u>

Operating revenue increased while operating expenses decreased for fiscal year 2015 when compared to fiscal year 2014.

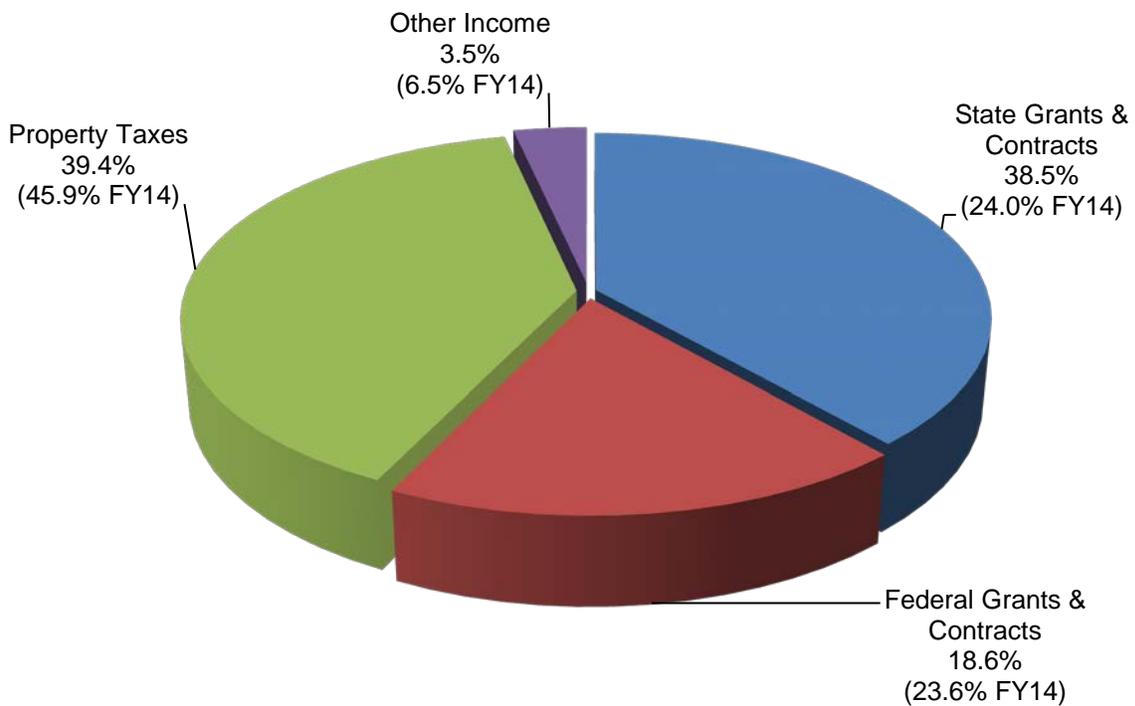
Despite declining enrollment, tuition and fees increased \$276,513 or 3.6% during fiscal year 2015. The increase is attributable to higher tuition and fee rates with an offset of decreased enrollment. Sales, services and rental revenue increased during fiscal year 2015 by 8.8%.

Non-operating revenue decreased in total by \$622,507. Other income decreased by \$1,021,752 primarily due to one-time donations received for capital projects in fiscal year 2014 that were not received in fiscal year 2015. Federal grants and contracts declined by \$705,513 from fiscal year 2014 primarily due to a reduction in Pell Grant and the Strengthening Institutions – Title III grant. Offsetting this decline was a \$160,816 increase in property taxes for fiscal year 2015 due to continued increase in EAV for the Black Hawk College District. Also offsetting the decline is the \$943,942 increase in state grants and contracts which is primarily driven by the increase in SURS contribution.

Operating Revenues - Fiscal Year 2015



Non-Operating Revenues - Fiscal Year 2015



Comparison of Operating Expenses Fiscal Years 2015 and 2014

	2015	2014	Increase (Decrease)	Percent Change
Operating Expenses:				
Instruction	\$ 15,128,229	\$ 18,609,563	\$ (3,481,334)	-18.7%
Academic Support	5,874,310	6,272,580	(398,270)	-6.3%
Student Services	4,210,904	4,300,131	(89,227)	-2.1%
Public Service / Continuing Ed.	2,477,612	2,122,000	355,612	16.8%
Institutional Support	7,732,965	9,025,272	(1,292,307)	-14.3%
Sales, Services, and Rentals of Facilities	3,617,263	3,765,785	(148,522)	-3.9%
Financial Aid	2,665,004	2,615,325	49,679	1.9%
Depreciation	1,830,003	1,740,162	89,841	5.2%
Loss on Disposal of Equipment	-	762,732	(762,732)	-100.0%
Operations of Physical Facilities	8,948,305	5,346,628	3,601,677	67.4%
Total Operating Expenses:	\$52,484,595	\$54,560,178	(2,075,583)	-3.8%

Operating expenses for fiscal year 2015 decreased by 3.8% from fiscal year 2014. The SURS contribution provided by the state increased to \$8,971,695 in fiscal year 2015 compared to \$8,068,818 in fiscal year 2014. This \$902,877 increase offsets a \$2,978,460 combined decrease in expenses in other areas for the net decrease of \$2,075,583.

Instruction expenses decreased \$3,481,334 in fiscal year 2015 due to a decrease in salaries and benefits paid in FY15 as well as completion of capital outlay projects in fiscal year 2015 that had a direct instructional impact.

Public Service / Continuing Ed expenses increased \$355,612 as a direct result of the highway construction careers training program grant received.

Depreciation expense increased \$89,941 in the current year as a direct result of capital projects completed during fiscal year 2014. Fiscal year 2015 is the first full year of depreciation thereby increasing depreciation expense.

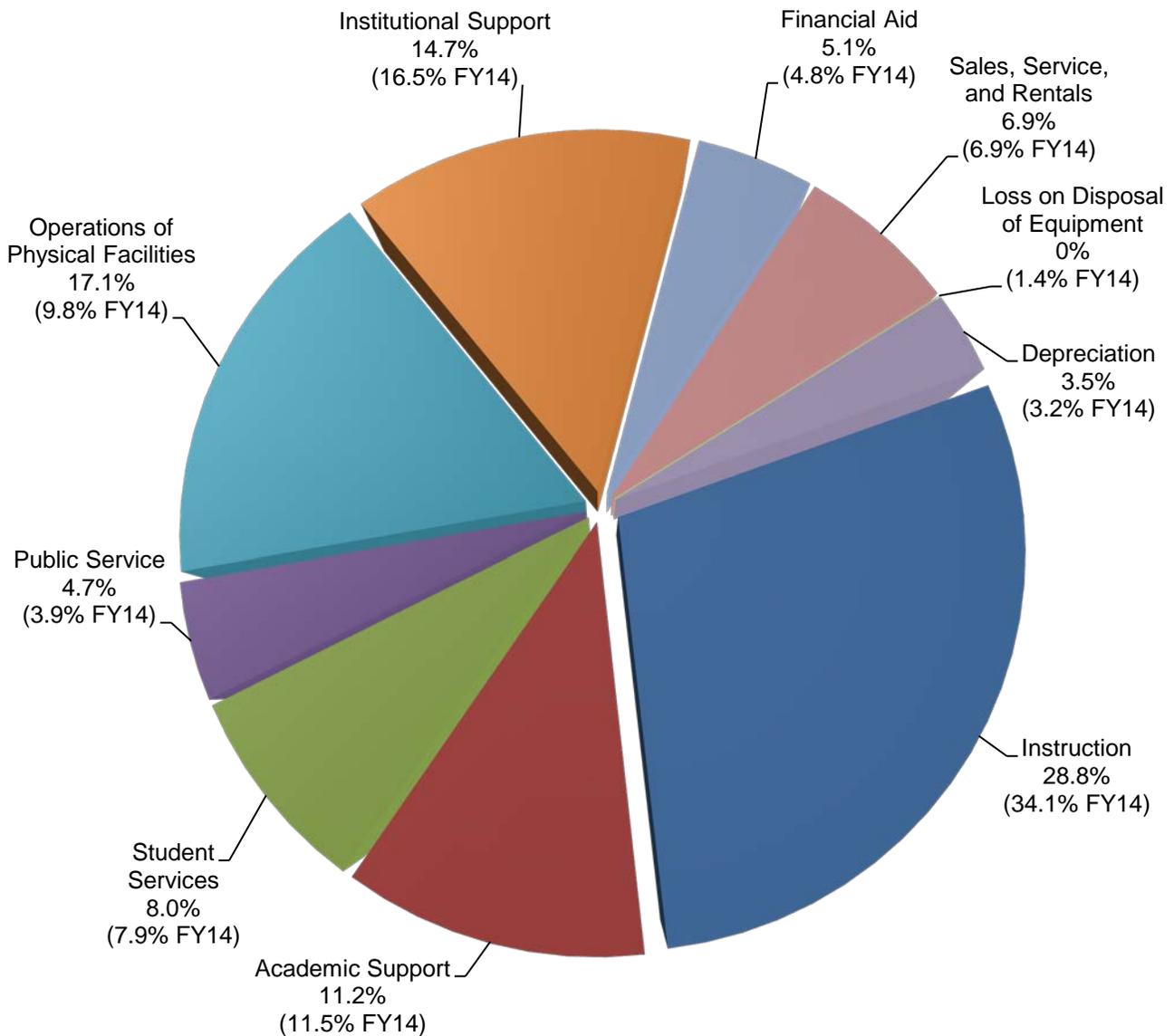
Operating of Physical Facilities increased \$3,601,677 in fiscal year 2015 due to on-going maintenance and capital projects. Such projects include the construction of a new Health Sciences Center at the Quad Cities campus and a Welding and Skilled Trades Center near the Community Education Center in Kewanee.

The SURS contribution by the State also increased by \$902,877 over fiscal year 2014. Beginning in fiscal year 2013, the SURS contribution provided by the state was allocated among the existing functions of operating expenses whereas it was previously being listed separately. See Note 5 in the Notes to Financial Statements for additional information related to this SURS contribution.

Management's Discussion and Analysis

The following graphic illustration shows the operating expenses by program for fiscal year 2015 by percentage of the total with the comparable percentage for fiscal year 2014 in parenthesis. For both years, the largest percentage of College money was spent on Instruction.

Operating Expenses - Fiscal Year 2015



Management's Discussion and Analysis

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:

Finance Department
6600 34th Avenue
Moline, IL 61265

Basic Financial Statements

Black Hawk College
Illinois Community College District #503

Statement of Net Position/Net Assets
June 30, 2015

	Primary	Component Units	
	Government	Black Hawk College Foundation	Black Hawk East College Foundation
Assets			
Current Assets:			
Cash and cash equivalents	\$ 48,337,334	\$ 173,064	\$ 487,831
Investments	-	2,967,168	1,554,691
Receivables:			
Property taxes, net of \$19,855	12,864,124	-	-
Federal government claims	1,021,300	-	-
State of Illinois claims	2,813,832	-	-
Student tuition and fees, net of \$342,443	1,286,322	-	-
Other	431,553	62,707	71,611
Inventory	572,689	-	-
Prepaid expenses	367,069	-	-
Total current assets	67,694,223	3,202,939	2,114,133
Noncurrent Assets:			
Capital assets:			
Land	927,464	45,000	-
Construction and Equipment in process	16,724,738	-	-
Building, improvements and equipment, net of \$26,423,711 and \$865,733, respectively	51,669,601	-	1,454,217
Total capital assets, net of depreciation	69,321,803	45,000	1,454,217
Total noncurrent assets	69,321,803	45,000	1,454,217
Total assets	137,016,026	3,247,939	3,568,350
Deferred Outflows of Resources			
Deferred Outflows of SURS	90,997	-	-
Liabilities			
Current Liabilities:			
Accounts payable	4,626,701	3,837	35,595
Accrued liabilities:			
Payroll	808,410	-	-
Early retirement	63,963	-	-
Accrued vacation	120,000	-	-
Other	236,046	-	-
Unearned revenues:			
Student tuition and fees	-	-	-
Grants and restricted funds	129,081	-	-
Notes and bonds due in less than one year	5,370,936	-	-
Other liabilities	68,286	-	-
Total current liabilities	11,423,423	3,837	35,595
Noncurrent Liabilities:			
Early retirement	1,368,620	-	-
Accrued vacation	698,722	-	-
Notes and bonds payable in more than one year	27,278,164	-	-
Total noncurrent liabilities	29,345,506	-	-
Total liabilities	40,768,929	3,837	35,595
Deferred Inflows of Resources			
Property Taxes	9,947,252	-	-
Grants and restricted funds	153,396	-	-
Total deferred inflows of resources	10,100,648	-	-
Net Position/Net Assets (Deficit)			
Net Investment in capital assets	46,629,046	45,000	1,454,217
Restricted for audit	113,676	-	-
Restricted for liability, protection and settlement	2,386,897	-	-
Restricted for working cash	10,194,190	-	-
Restricted for bond & interest	2,909,841	-	-
Restricted for operations and maintenance	16,655,854	-	-
Restricted for grants and scholarships	487,716	2,531,096	2,239,927
Unrestricted	6,860,226	668,006	(161,389)
Total net position/net assets	\$ 86,237,446	\$ 3,244,102	\$ 3,532,755

Black Hawk College
Illinois Community College District #503

Statement of Revenues, Expenses, and Changes in Net Position/Net Assets
Year Ended June 30, 2015

	Primary	Component Units	
	Government	Black Hawk	Black Hawk
	Black Hawk	College	East College
	College	Foundation	Foundation
Operating Revenues:			
Student tuition and fees, net of scholarship awards	\$ 7,900,764	\$ -	\$ -
Sales, service and rental of facilities and equipment	2,430,045	-	-
Total operating revenues	10,330,809	-	-
Operating expenses:			
Instruction	15,128,229	-	-
Academic support	5,874,310	-	-
Student services	4,210,904	-	-
Public service	2,477,612	-	-
Auxiliary services	3,617,263	-	-
Institutional support	7,732,965	152,637	390,433
Scholarships, student grants and waivers	2,665,004	110,705	206,708
Operation of physical facilities	8,948,305	-	-
Loss on disposal of buildings and equipment	-	-	-
Depreciation and amortization	1,830,003	-	68,410
Total operating expenses	52,484,595	263,342	665,551
Operating (loss)	(42,153,786)	(263,342)	(665,551)
Non-operating revenues (expenses):			
Property taxes	19,623,307	-	-
Personal property replacement taxes	1,464,594	-	-
State government sources	19,205,104	-	-
Federal government sources	9,290,411	-	-
Investment earnings	259,842	55,492	48,884
Other sources	832,131	259,366	800,382
Interest expense	(827,948)	-	(1,456)
Total non-operating revenues (expenses)	49,847,441	314,858	847,810
Change in net position/net assets	7,693,655	51,516	182,259
Net position/net assets:			
Beginning, as restated	78,543,791	3,192,586	3,350,496
Ending	\$ 86,237,446	\$ 3,244,102	\$ 3,532,755

See Notes to Financial Statements.

Black Hawk College
Illinois Community College District #503

Statement of Cash Flows
Year Ended June 30, 2015

	Primary Government
	Black Hawk College
Cash Flows from Operating Activities:	
Tuition and fees	\$ 7,609,470
Payments to employees	(23,669,651)
Payments to suppliers	(24,858,840)
Sales, service, and rental of facilities and equipment	2,504,850
Other receipts	-
Net cash provided by (used in) operating activities	<u>(38,414,171)</u>
Cash Flows from Non-Capital Financing Activities:	
State and federal grants and contracts	29,785,433
Personal property replacement taxes	1,464,594
Property taxes	19,556,445
Net cash provided by non-capital financing activities	<u>50,806,472</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of capital assets	(17,860,779)
Proceeds on debt	9,355,000
Debt issuance costs	-
Principal paid on debt	(5,005,131)
Interest paid on debt	(827,948)
Net cash provided by (used in) capital and related financing activities	<u>(14,338,858)</u>
Cash Flows from Investing Activities	
Sale of investments	-
Interest received	259,842
Net cash provided by (used in) investing activities	<u>259,842</u>
Net increase (decrease) in cash	(1,686,715)
Cash and cash equivalents:	
Beginning	50,024,049
Ending	<u>\$ 48,337,334</u>
Reconciliation of Operating Loss to Net Cash	
(Used in) Operating Activities:	
Operating loss	<u>\$ (42,153,786)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	1,830,003
Loss on disposal of equipment	-
Changes in assets and liabilities:	
(Increase) decrease in receivables	(216,489)
(Increase) decrease in inventory	91,940
(Increase) decrease in prepaid expenses	36,754
(Increase) decrease in deferred outflows	9,058
Increase (decrease) in accounts payable	2,217,000
Increase (decrease) in accrued expenditures	(230,281)
Increase (decrease) in unearned revenue	-
Increase (decrease) in other liabilities	1,630
Total adjustments	<u>3,739,615</u>
Net cash provided by (used in) operating activities	<u>\$ (38,414,171)</u>
Noncash, Capital and Related Financing Activities:	
SURS contribution paid by state	\$ 8,971,695

See Notes to Financial Statements.

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

**Statement of Fiduciary Net Position
June 30, 2015**

	Voluntary Employees' Benefit Association (VEBA) Health Benefit Plan
Assets	
Cash	\$ 1,436,729
Liabilities	
Claims payable	904,336
Due to others	-
Total liabilities	<u>904,336</u>
Net Position, unrestricted	<u><u>\$ 524,809</u></u>

**Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2015**

Additions:	
Employer paid premiums	\$ 4,544,488
Grant paid premiums	314,981
Employee paid premiums	644,562
Investment earnings	8,635
Total additions	<u>\$ 5,512,666</u>
Deductions:	
Health and dental claims	5,110,003
Administrative	581,177
Total deductions	<u>\$ 5,691,180</u>
Change in net position	(178,514)
Net position:	
Beginning	703,323
Ending	<u><u>\$ 524,809</u></u>

See Notes to Financial Statements.

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

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies

Organization:

Black Hawk College, Illinois Community College District #503 (College) is an Illinois Community College operating under the mandates and guidelines of the Illinois Board of Higher Education and the Illinois Community College Board (ICCB). The College offers a wide range of educational opportunities, including liberal studies, business training, 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, 2015, the Black Hawk College Foundation and the Black Hawk East Foundation distributed \$110,705 and \$206,708 respectively, to the College for both restricted and unrestricted purposes.

The Foundations are private-not-for-profit organizations which are organized and operated exclusively for the advancement, achievement and support of the educational programs of services of the College. The Foundations 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.

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies (Continued)

Significant Accounting Policies (Continued):

Financial statements for both the Black Hawk College Foundation and Black Hawk East College Foundation can be obtained by calling the College at 309-796-5935.

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.

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies (Continued)

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the College first applies restricted resources.

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 one item that qualifies 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 2014 levy. Property tax revenue recorded on the financial statements relates to the 2013 and 2014 levies. 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 2014 or 2015, respectively, and are collected by the county collectors in the College District who in turn remit to the College 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.

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies (Continued)

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

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

The College's collection of works of art, library books, and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for, and preserved.

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, 2015.

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). Effective June 30, 2015, the College is using a secondary collection agent in attempts to make collections prior to writing off the account. This has resulted in a larger receivable balance and an older aging of student receivables. 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.

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

Notes to Financial Statements

Note 2. Cash and Investments

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

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

At June 30, 2015, the College’s cash and cash equivalents balances are as follows:

Depository accounts, checking and certificates of deposit	\$ 48,324,050
Petty cash	<u>13,284</u>
Total cash and cash equivalents	48,337,334
Fiduciary funds	<u>1,436,729</u>
Total cash and cash equivalents	\$ 49,774,063
Less: Petty cash	<u>13,284</u>
Total carrying amount of deposits	<u>\$ 49,760,779</u>

**Black Hawk College
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Notes to Financial Statements

Note 2. Cash and Investments (Continued)

As of June 30, 2015, the carrying amount of the College's deposits totaled \$49,760,779 with a bank balance of \$49,931,117. Of the \$49,931,117 bank balance, \$49,931,117 was covered by federal depository insurance and an Irrevocable Standby Letter of Credit as 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, 2015, 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 changes in market interest rates. The College tries to match its maturities on investments with expected cash flows. As of June 30, 2015, 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, 2015 there are no investments with custodial credit risk as all investments are insured via an Irrevocable Standby Letter of Credit.

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, 2015:

Security & safety related salaries and benefits	\$ 786,781
Risk management & loss prevention	331,089
Insurance	733,668
Legal services	44,513
Security and safety related	<u>39,030</u>
Total Liability, Protection & Settlement Fund expenditures	<u>\$1,935,081</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, 2015 is as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Capital assets not being depreciated:				
Land	\$ 927,464	\$ -	\$ -	\$ 927,464
Construction in process	7,705,480	18,368,912	(9,349,654)	16,724,738
Total capital assets not being depreciated	8,632,944	18,368,912	(9,349,654)	17,652,202
Capital assets being depreciated:				
Buildings and improvements	53,781,507	7,488,176	-	61,269,683
Land improvements	7,478,984	318,975	-	7,797,959
Equipment	7,991,300	1,034,370	-	9,025,670
Total capital assets being depreciated	69,251,791	8,841,521	-	78,093,312
Less accumulated depreciation for:				
Buildings and improvements	17,666,726	1,150,682	-	18,817,408
Land improvements	1,032,062	152,771	-	1,184,833
Equipment	5,894,920	526,550	-	6,421,470
Total accumulated depreciation	24,593,708	1,830,003	-	26,423,711
Total capital assets being depreciated, net	44,658,083	7,012,518	-	51,669,601
Total capital assets, net	\$ 53,291,027	\$ 25,380,430	\$ (9,349,654)	\$ 69,321,803

Note 5. Pension Plan

General Information about the Pension Plan

Plan Description: The College contributes to the State Universities Retirement System of Illinois, a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (the State) 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 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.

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Notes to Financial Statements

Note 5. Pension Plan (Continued)

Benefits Provided: A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2014 can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

Contributions: The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2014 and 2015 respectively, was 11.91% and 11.71% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15.139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of "affected annuitants" or specific return to work annuitants) and Section 15.155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period).

Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Net Pension Liability:

At June 30, 2014, SURS reported a net pension liability (NPL) of \$21,790,983,139. The net pension liability was measured as of June 30, 2013.

Employer Proportionate Share of Net Pension Liability:

The amount of the proportionate share of the net pension liability to be recognized for the College is \$0. The proportionate share of the State's net pension liability associated with the College is \$117,152,029 or 0.5376%. This amount should not be recognized in the financial statement. The net pension liability was measured as of June 30, 2014, and the total pension used to calculate the net pension liability was determined based on the June 30, 2013 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable earnings made to SURS during fiscal year 2014.

Pension Expense:

At June 30, 2014 SURS reported a collective net pension expense of \$1,650,338,263.

Employer Proportionate Share of Pension Expense:

The employer proportionate share of collective pension expense should be recognized similarly to on-behalf

**Black Hawk College
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Notes to Financial Statements

Note 5. Pension Plan (Continued)

payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2014. As a result, the College recognized on-behalf revenue and pension expense of \$8,872,499 for the fiscal year ended June 30, 2015.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Deferred outflows of resources are the consumption of net position by the system that is applicable to future reporting periods.

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$0	\$0
Changes in assumption	88,940,815	0
Net difference between projected and actual earnings on pension plan investments	0	1,271,105,952
Total	\$88,940,815	\$1,271,105,952

Employer Deferral of Fiscal Year 2015 Pension Expense:

The College paid \$90,997.34 in federal, trust or grant contributions for the fiscal year ended June 30, 2015. These contributions were made subsequent to the pension liability measurement date of June 30, 2014 and are recognized as Deferred Outflows of Resources as of June 30, 2015.

Assumptions and Other Inputs

Actuarial assumptions: The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period June 30, 2006 – 2010 and an economic study completed June 2014. The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.75 to 12.00 percent, including inflation
Investment rate of return	7.25 percent beginning with the actuarial valuation as of June 30, 2014

Mortality rates were based on the RP2000 Combined Mortality Table, projected with Scale AA to 2017, sex-distinct, with rates multiplied by 0.80 for males and 0.85 for females.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2014, these best estimates are summarized in the following table:

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Illinois Community College District #503**

Notes to Financial Statements

Note 5. Pension Plan (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	31%	7.65%
Private Equity	6%	8.65%
Non-U.S. Equity	21%	7.85%
Global Equity	8%	7.90%
Fixed Income	19%	2.50%
Treasury-Inflation Protected Securities	4%	2.30%
Real Estate	6%	6.20%
REITS	4%	6.20%
Opportunity Fund	1%	2.50%
Total	100%	5.00%
Inflation		2.75%
Expected Geometrical Normal Return		7.75%

Discount Rate: A single discount rate of 7.090% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.250% and a municipal bond rate of 4.290% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System’s funding policy. Based on these assumptions, the pension plan’s fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2065. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2065, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the System’s Net Pension Liability to Changes in the Discount Rate: Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan’s net pension liability, calculated using a single discount rate of 7.09%, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease 6.09%	Current Single Discount Rate Assumption 7.09%	1% Increase 8.09%
\$26,583,701,134	\$21,790,983,139	\$17,796,570,836

Additional information regarding the SURS basic financial statements including the Plan Net Position can be found in the SURS comprehensive annual financial report by accessing the website at www.SURS.org.

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

Notes to Financial Statements

Note 6. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2015, are as follows:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Bonds payable	\$27,565,000	\$19,105,000	\$(15,050,000)	\$31,620,000	\$5,040,000
Unamortized premium	734,231	531,274	(236,405)	1,029,100	330,936
Accrued vacation	867,992	70,730	(120,000)	818,722	120,000
Early retirement	<u>1,835,577</u>	<u>63,963</u>	<u>(466,957)</u>	<u>1,432,583</u>	<u>63,963</u>
Total	<u>\$31,002,800</u>	<u>\$19,770,967</u>	<u>\$(15,873,362)</u>	<u>\$34,900,405</u>	<u>\$5,554,899</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 is being 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 annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2015, are as follows:

	Principal	Interest	Total
Year ending June 30: 2016	<u>\$2,265,000</u>	<u>\$33,975</u>	<u>\$2,298,975</u>
Total	<u>\$2,265,000</u>	<u>\$33,975</u>	<u>\$2,298,975</u>

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 for construction of the \$15 million Health Sciences Center 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.

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

Notes to Financial Statements

Note 6. Long-Term Liabilities (Continued)

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2015, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2016	\$ -	\$ 729,996	\$ 729,996
2017	835,000	709,643	1,544,643
2018	875,000	668,509	1,543,509
2019	915,000	625,995	1,540,995
2020	960,000	581,465	1,541,465
2021-2025	5,490,000	2,199,257	7,689,257
2026-2030	6,520,000	1,163,463	7,683,463
2031-2033	4,405,000	200,925	4,605,925
Total	<u>\$20,000,000</u>	<u>\$6,879,253</u>	<u>\$26,879,253</u>

General Obligation Community College Bonds, Series 2015: On January 8, 2015, the College issued \$9,355,000 in General Obligation Bonds, Series 2015. The related debt certificates were issued and received by the College October 14, 2014. The purpose of issuing these debt certificates was to use the proceeds for \$6,145,000 in construction of a new facility and \$3,210,000 for a district wide technology refresh. Principal and interest payments on the General Obligation Bonds are to be paid annually on December 1 with the final payment on December 1, 2018. Interest only payments are due June 1 of each year beginning June 1, 2016. Coupon interest rates range from 3.00% to 4.00% 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, 2015, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2016	\$2,775,000	\$442,443	\$ 3,217,443
2017	4,530,000	172,600	4,702,600
2018	1,005,000	61,900	1,066,900
2019	1,045,000	20,900	1,065,900
Total	<u>\$9,355,000</u>	<u>\$697,843</u>	<u>\$10,052,843</u>

The College is subject to a debt limitation of 2.875% of its assessed valuation of \$3,619,964,713. As of June 30, 2015 the College had \$71,424,885 remaining legal debt margin.

Operating Leases: The College leases space at the Illinois Employment & Training Center for \$12,904 per month 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, 2015 was \$156,146.

The annual requirements for operating leases as of June 30, 2015, are as follows:

Year ending June 30:	
2016	\$160,048
2017	<u>108,433</u>
Total operating leases	<u>\$268,481</u>

**Black Hawk College
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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 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 4.5% to 4.0%. Mortality rates were obtained from the RP-2000 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 \$1,432,583 as of June 30, 2015.

Note 8. Risk Management and Insurance

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

The College self-insures for employee medical, dental, and vision coverage through a Voluntary Employees' Beneficiary Association (VEBA). Self-insurance is in effect up to an aggregate stop/loss of \$5,952,029 with a \$135,000 per covered person stop/loss amount. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop/loss amount. All claim handling procedures are performed by an independent claims administrator.

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, 2015, the amount of these liabilities was \$904,336. 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>
FY2013	\$956,972	\$6,343,709	\$6,146,397	\$1,154,284
FY2014	\$1,154,284	\$5,568,470	\$5,700,491	\$1,022,263
FY2015	\$1,022,263	\$5,110,003	\$5,227,930	\$ 904,336

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. Deferred Inflows of Resources

The \$149,842 of deferred inflows of resources related to grants and restricted funds reported on the Statement of Net Position/Net Assets requires the passage of time before it can be properly recognized as revenue.

Note 11. Restatement

In November 2013, the Governmental Accounting Standards Board (GASB) issued Statement 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68." The College adopted this guidance for the year ended June 30, 2015. The beginning fund balance as of June 30, 2015 and 2014 was increased by \$90,997 and \$100,055, respectively due to pension contributions made subsequent to the Measurement Date.

Note 12. New Accounting Pronouncements

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. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68* is effective for the fiscal year ending June 30, 2015. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68.

Note 13. Pending Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement 72 "Fair Value Measurement and Application". The College is required to implement this standard for the fiscal year ending June 30, 2016.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68" The College is required to implement this standard for the fiscal year ending June 30, 2016.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" The College is required to implement this standard for the fiscal year ending June 30, 2018.

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

Required Supplementary Information (RSI)

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

Required Supplementary Information (RSI)

SURS Pension Information for the Year Ended June 30, 2014

Covered Payroll

The definition of covered payroll in GASB Statement Number 25, Financial Reporting for Defined Benefit Pension Plans was changed in GASB Statement Number 67, Financial Reporting for Pensions. Below are the definitions from the glossaries of both statements.

GASB 25 Covered Payroll. All elements included in compensation paid to active employees on which contributions to a pension plan are based. For example, if pension contributions are calculated on base pay including overtime, covered payroll includes overtime compensation.

GASB 67 Covered-Employee Payroll. The payroll of employees that are provided with pensions through the pension plan.

The change in definition refers to gross payroll rather than pensionable payroll. SURS employers do not report the gross payroll directly to SURS. Therefore, you must fill in your gross payroll amount for Fiscal Year 2014 in the following Required Supplementary Information for your covered-employee payroll and calculate the employer's proportion of collective net pension liability as a percentage of covered-employee payroll.

BLACK HAWK COLLEGE	FY2014
(a) Proportion Percentage of the Collective Net Pension Liability	0%
(b) Proportion Amount of the Collective Net Pension Liability	\$0
(c) Portion of Non-employer Contributing Entities' Total Proportion of Collective Net Pension Liability associated with Employer	\$117,152,029
Total (b) + (c)	\$117,152,029
Employer Covered-employee payroll	\$17,235,771
Proportion of Collective Net Pension Liability associated with the Employer as a percentage of covered-employee payroll	679.70%
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%

BLACK HAWK COLLEGE	FY2014
Federal, Trust, Grant and Other contribution	\$90,997.34
Contribution in relation to required contribution	\$90,997.34
Contribution deficiency (excess)	\$0
Employer Covered-employee payroll	\$17,235,771
Contributions as a percentage of covered-employee payroll	.528%

BLACK HAWK COLLEGE	FY2014	FY2015
On-Behalf Payments for Community College Health Insurance Program	\$105,302.75	\$99,196.43

Note: The System implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The Schedule is intended to show information for 10 years.

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

Notes to Required Supplementary Information (RSI)

Changes of benefit terms. There were no benefit changes recognized in the Total Pension Liability as of June 30, 2014.

Changes of assumptions. In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every five years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2010 to June 30, 2014 was performed in February 2015, resulting in the adoption of new assumptions as of June 30, 2015. There are no changes of assumptions that affect measurement of the total collective pension liability since the prior measurement date.

Statistical Section (Unaudited)

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

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

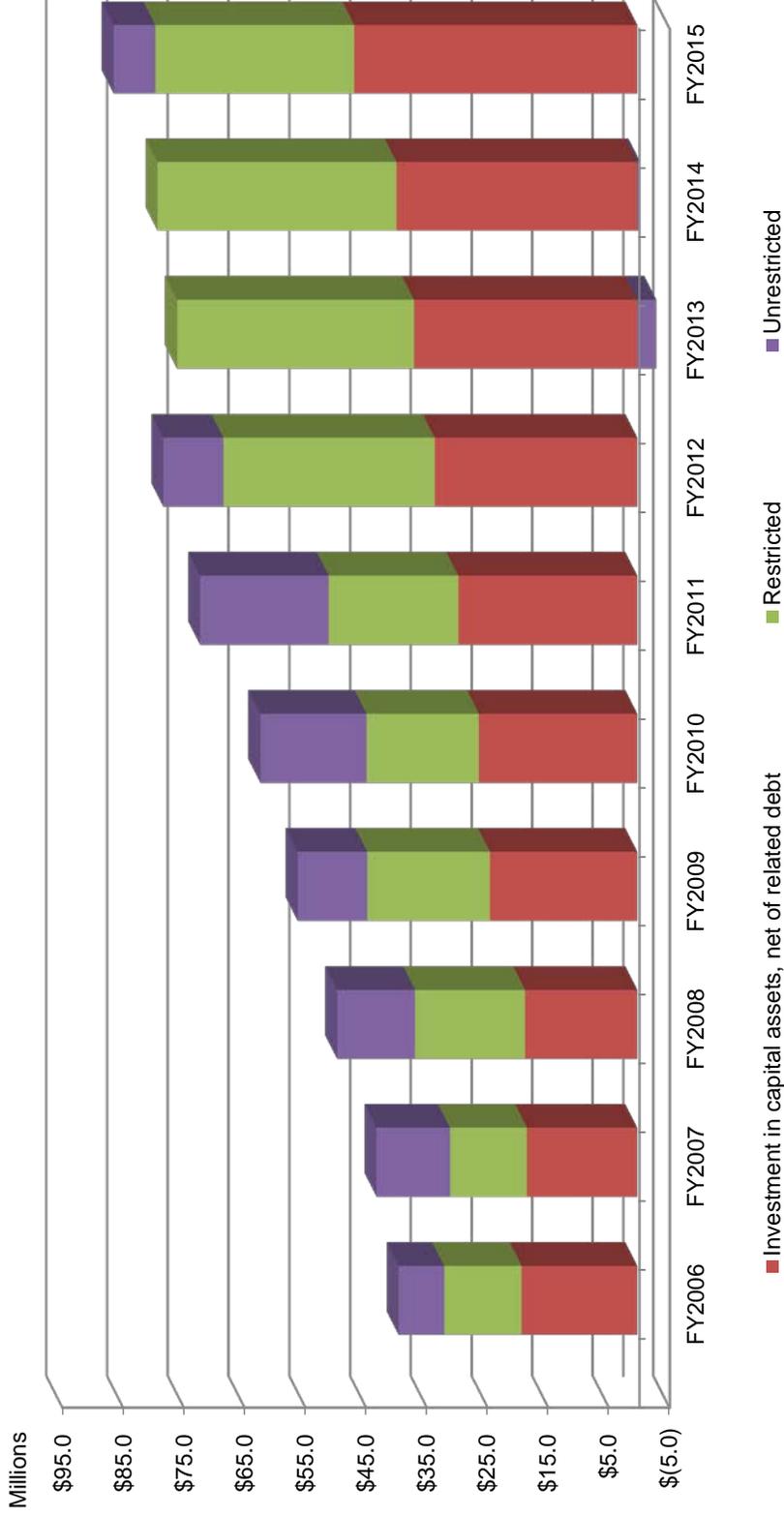
These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.

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
FY2006 through FY2015**

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Net investment in capital assets	\$ 19,064,372	\$ 18,158,170	\$ 18,504,208	\$ 24,287,182	\$ 26,107,509	\$ 29,495,572	\$ 33,387,782	\$ 36,808,792	\$ 39,682,320	\$ 46,629,046
Restricted	12,776,417	12,698,405	18,116,477	20,212,636	18,508,373	21,347,889	34,787,857	38,975,554	39,325,155	32,748,174
Unrestricted	7,482,628	12,083,254	12,826,789	11,442,187	17,464,461	21,158,239	9,871,444	(3,108,137)	(463,684)	6,860,226
Total net position	\$ 39,323,417	\$ 42,939,829	\$ 49,447,474	\$ 55,942,005	\$ 62,080,343	\$ 72,001,700	\$ 78,047,083	\$ 72,676,209	\$ 78,543,791	\$ 86,237,446



Source: College audited financial statements.

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

**Schedule of Changes in Net Position
FY2006 through FY2015**

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Operating Revenues:										
Student tuition and fees, net of allowance	\$ 6,473,972	\$ 6,589,369	\$ 6,830,918	\$ 6,563,186	\$ 6,999,903	\$ 7,916,703	\$ 6,609,902	\$ 7,613,048	\$ 7,624,251	\$ 7,900,764
Sales, service, and rental of facilities	3,410,705	3,422,932	3,456,655	3,024,705	3,104,115	2,992,034	2,481,502	2,236,204	2,233,506	2,430,045
Tuition chargeback	39,822	38,421	(1,702)	-	-	-	-	-	-	-
SURS contribution provided by state	1,021,967	1,486,613	1,954,642	2,513,078	3,881,957	4,293,814	5,373,730	7,535,508	8,068,818	-
Other operating revenue	7,638	28,532	5,705	6,901	12,576	3,680	2,486	-	-	-
Total operating revenue	10,954,104	11,565,867	12,246,218	12,107,870	13,998,551	15,206,231	14,467,620	17,384,760	17,926,575	10,330,809
Operating expenses:										
Instruction	12,881,139	13,002,230	13,417,138	13,071,503	13,177,063	13,787,062	13,973,024	19,814,071	18,609,563	15,128,229
Academic support	3,477,715	3,829,341	4,214,199	4,344,918	4,359,360	3,950,163	5,127,170	6,244,734	6,272,580	5,874,310
Student services	3,418,731	3,174,670	3,151,038	3,022,823	3,083,006	3,595,126	3,485,166	4,265,652	4,300,131	4,210,904
Public service	3,025,891	2,776,572	2,603,870	2,327,188	2,393,896	1,840,080	1,977,739	1,879,087	2,122,000	2,477,612
Auxiliary services	3,715,320	3,480,656	3,567,023	3,265,960	3,472,459	3,766,883	3,706,401	3,823,167	3,765,785	3,617,263
Institutional support	8,373,692	9,172,580	7,147,272	6,843,449	8,700,444	9,345,604	9,215,268	10,346,257	9,025,272	7,732,965
Scholarships, student grants and waivers	3,908,098	3,863,985	3,798,739	3,456,874	4,197,498	3,748,071	2,747,946	2,401,499	2,615,325	2,665,004
SURS contribution provided by state	1,021,967	1,486,613	1,954,642	2,513,078	3,881,957	4,293,814	5,373,730	-	-	-
Operation of physical facilities	3,572,762	3,463,281	4,202,026	4,454,574	4,083,672	4,792,520	4,920,249	4,232,592	5,346,628	8,948,305
Loss on disposal of equipment	3,516	33,979	5,097	7,409	1,308,112	22,464	5,451	16,664	762,732	-
Depreciation	1,361,306	1,385,121	1,453,453	1,788,953	1,200,030	1,298,115	1,419,276	1,601,385	1,740,162	1,830,003
Total operating expenses	44,760,137	45,669,028	45,514,497	45,096,729	49,857,497	50,439,902	51,951,420	54,625,108	54,560,178	52,484,595
Operating (loss)	(33,806,033)	(34,103,161)	(33,268,279)	(32,988,859)	(35,858,946)	(35,233,671)	(37,483,800)	(37,240,348)	(36,633,603)	(42,153,786)
Non-operating revenues (expenses)										
Property taxes	12,280,184	14,151,090	16,212,834	17,816,536	18,140,565	18,692,853	19,171,402	19,119,399	19,462,491	19,623,307
Personal property taxes	-	-	-	1,365,164	1,104,407	1,432,216	1,317,537	1,346,184	1,361,828	1,464,594
State government sources	13,623,521	14,370,178	14,154,600	11,663,779	11,076,974	11,697,372	10,578,684	9,562,931	10,192,344	19,205,104
Federal government sources	7,090,387	6,922,766	7,499,337	7,050,847	10,110,004	11,941,906	10,875,102	10,099,071	9,995,924	9,290,411
Investment earnings	710,851	1,076,367	893,351	927,444	1,079,642	1,304,926	1,118,105	848,082	286,520	259,842
Other sources	1,101,164	1,681,982	1,652,625	1,441,102	1,200,272	846,037	1,046,866	1,281,102	2,025,129	832,131
Interest expense	(256,529)	(482,810)	(636,823)	(771,482)	(714,580)	(760,282)	(578,513)	(778,726)	(923,106)	(827,948)
Total non-operating revenues (expenses)	34,449,578	37,719,573	39,775,924	39,483,390	41,997,284	45,155,028	43,529,183	41,478,043	42,401,130	49,847,441
Change in net position	\$ 643,545	\$ 3,616,412	\$ 6,507,645	\$ 6,494,531	\$ 6,138,338	\$ 9,921,357	\$ 6,045,383	\$ 4,237,695	\$ 5,767,527	\$ 7,693,655

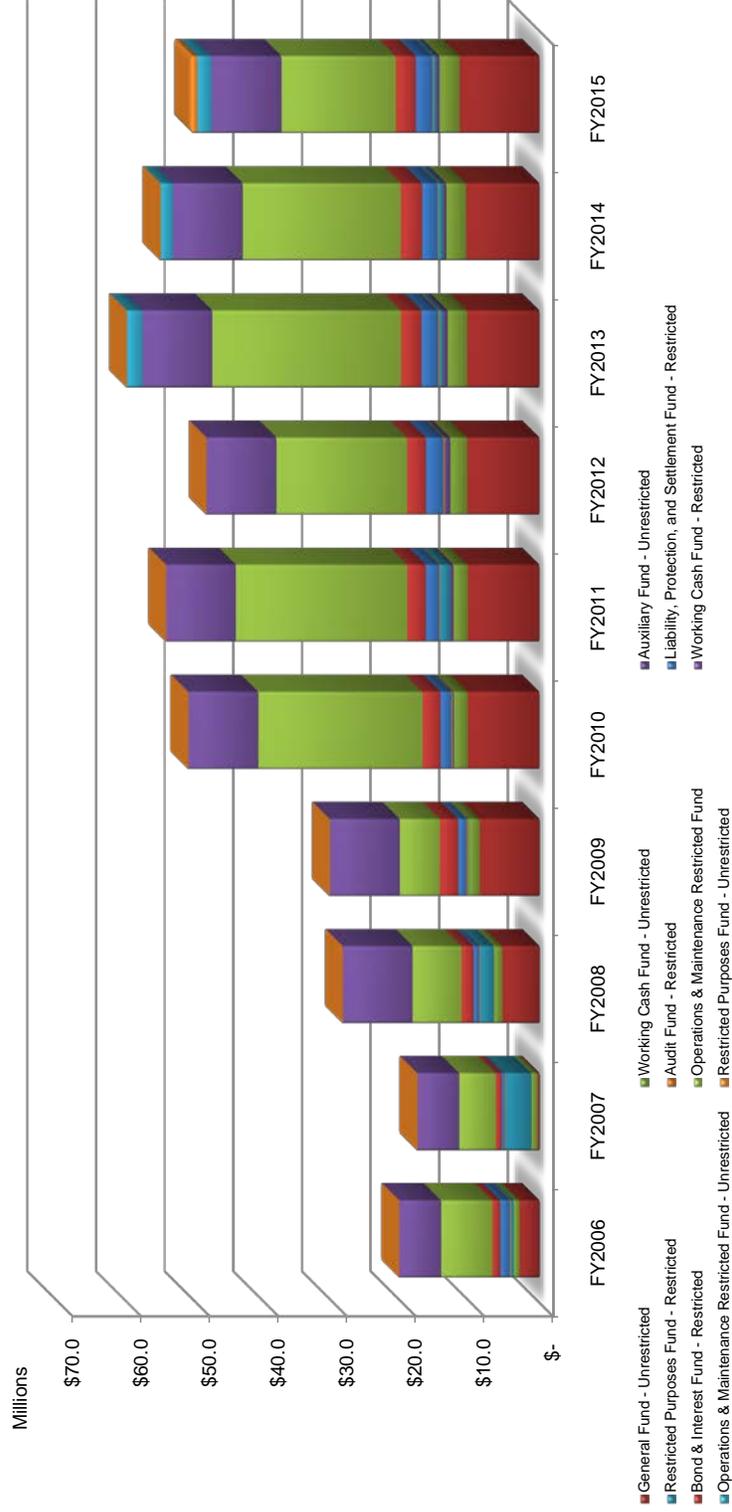
Note:
1. Beginning FY2013 SURS contribution provided by state allocated among existing operating expense functions

Source: Black Hawk College Audited Financial Statements

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

**Schedule of Fund Balance by Fund
FY2006 through FY2015**

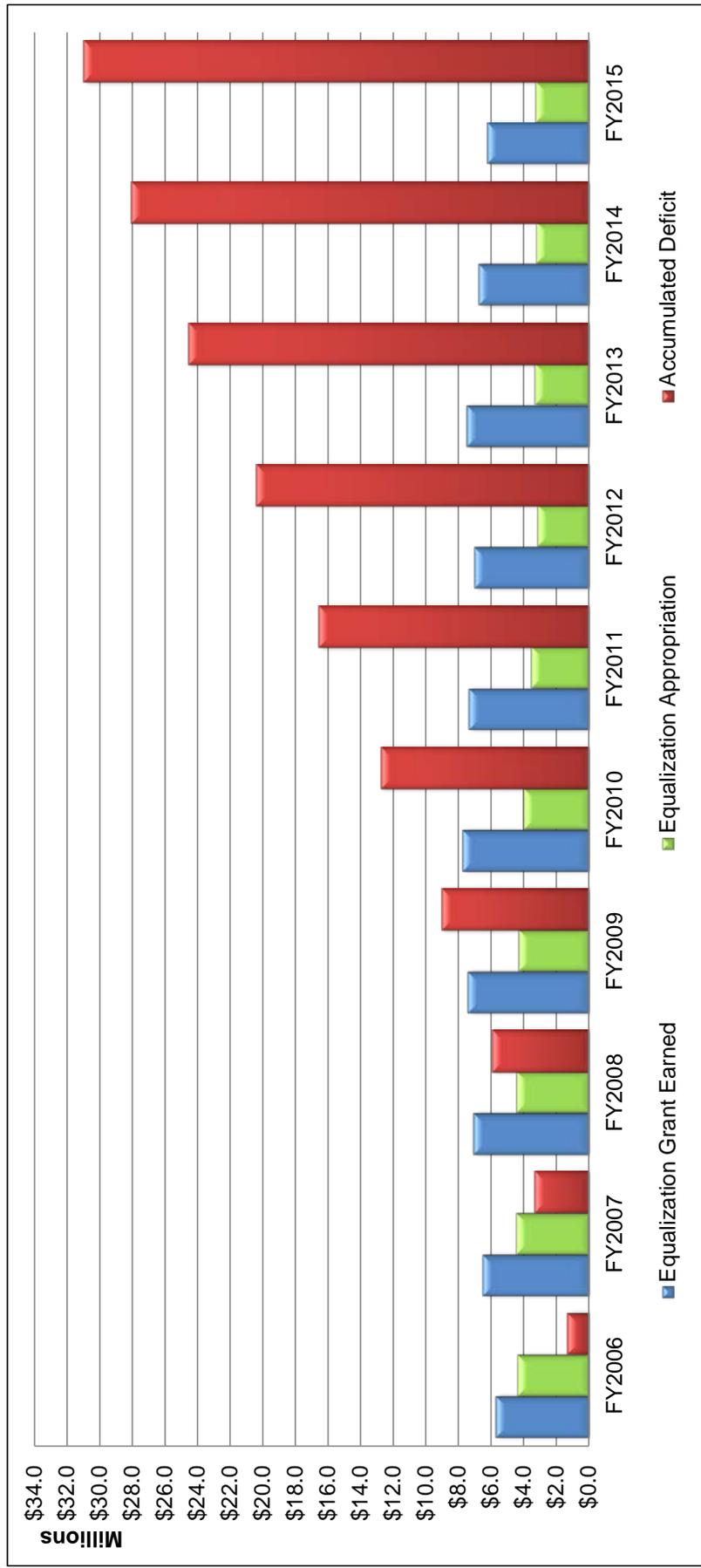
	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
General Fund - Unrestricted	\$ 2,875,581	\$ 270,482	\$ 5,410,451	\$ 8,697,966	\$ 10,458,459	\$ 10,458,459	\$ 10,512,321	\$ 10,512,321	\$ 10,682,400	\$ 11,591,965
Working Cash Fund - Unrestricted	864,305	924,742	1,219,790	1,625,794	2,046,194	2,081,546	2,496,165	2,848,633	2,912,562	2,978,247
Auxiliary Fund - Unrestricted	(270,102)	(166,048)	(132,271)	(74,423)	143,703	495,505	702,675	711,344	477,896	458,386
Restricted Purposes Fund - Restricted	459,285	3,752,088	2,026,420	137,064	37,322	1,393,815	94,284	495,369	632,447	487,716
Restricted Purposes Fund - Unrestricted	-	-	-	-	-	-	-	-	-	1,000,000
Audit Fund - Restricted	103,090	77,900	97,557	122,132	150,245	172,765	211,908	200,222	135,278	113,676
Liability, Protection, and Settlement Fund - Restricted	1,429,168	465,822	829,358	1,227,502	1,573,022	1,952,072	2,521,853	2,402,140	2,265,040	2,386,897
Bond & Interest Fund - Restricted	1,156,231	830,675	1,765,269	2,702,182	2,642,136	2,704,975	2,721,699	2,973,723	3,079,546	2,909,841
Operations & Maintenance Restricted Fund	7,424,453	5,367,730	7,093,683	5,829,566	23,911,458	24,930,072	19,043,923	27,508,249	23,018,654	16,655,854
Operations & Maintenance Restricted Fund - Unrestricted	-	-	-	-	-	-	-	2,254,612	1,808,396	2,065,594
Working Cash Fund - Restricted	6,094,190	6,094,190	10,194,190	10,194,190	10,194,190	10,194,190	10,194,190	10,194,190	10,194,190	10,194,190
Total Fund Balance	\$20,136,201	\$17,617,581	\$28,504,447	\$30,461,973	\$51,156,729	\$54,383,399	\$48,499,018	\$60,100,803	\$55,206,409	\$50,842,366



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**

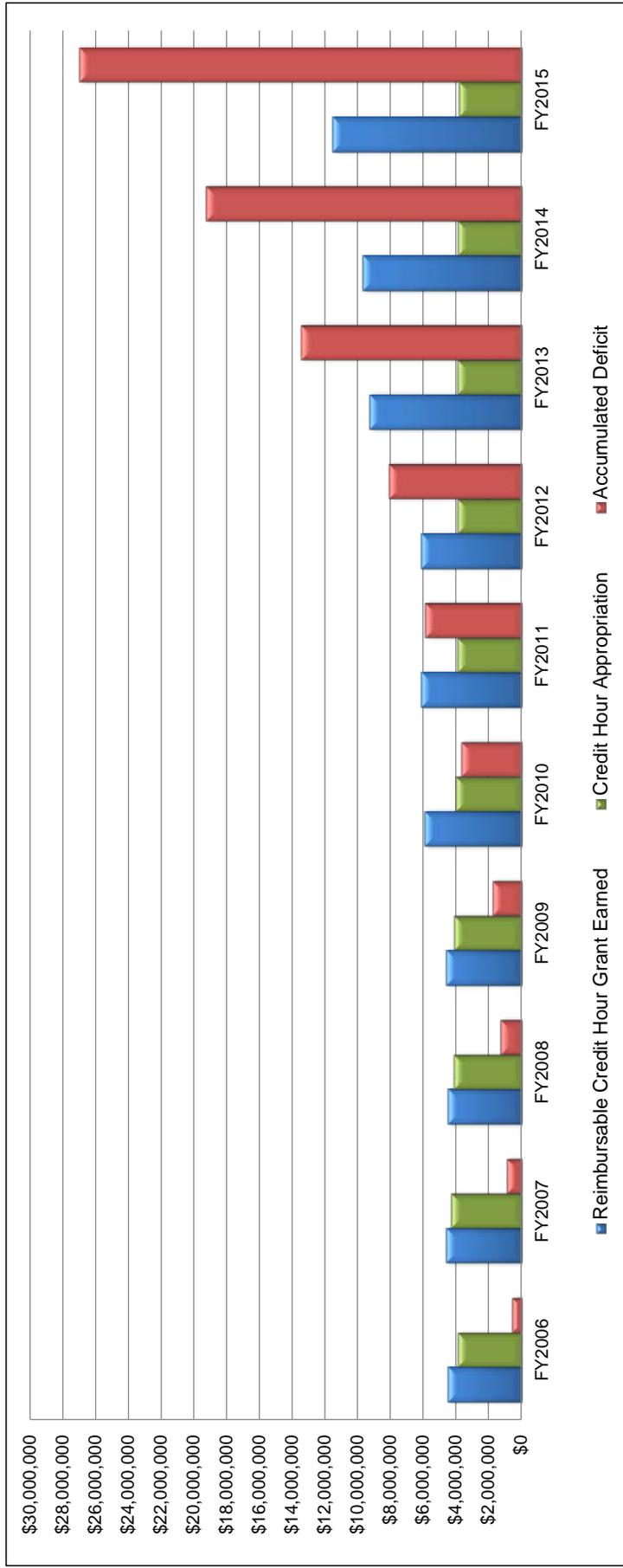
**State Equalization Grant Funding History & Accumulated Deficit
FY2006 through FY2015**



Source: ICCB System's Operating Budgets

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

**State Credit Hour Grant Funding History & Accumulated Deficit
FY2006 through FY2015**



	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Reimbursable Credit Hour Grant Earned	\$ 4,484,716	\$ 4,626,651	\$ 4,523,139	\$ 4,608,756	\$ 5,936,036	\$ 6,125,709	\$ 6,125,709	\$ 9,276,633	\$ 9,701,085	\$ 11,564,377
Credit Hour Appropriation	3,900,118	4,297,173	4,142,317	4,123,492	4,027,875	3,923,273	3,923,273	3,917,264	3,897,853	3,831,110
Annual Deficit	(584,598)	(329,478)	(380,822)	(485,264)	(1,908,161)	(2,202,436)	(2,202,436)	(5,359,369)	(5,803,232)	(7,733,267)
Accumulated Deficit	\$ 630,409	\$ 959,887	\$ 1,340,709	\$ 1,825,973	\$ 3,734,134	\$ 5,936,570	\$ 8,139,006	\$ 13,498,375	\$ 19,301,607	\$ 27,034,874
Percentage Received	86.96%	92.88%	91.58%	89.47%	67.85%	64.05%	64.05%	42.23%	40.18%	33.13%

Source: ICCB System's Operating Budgets

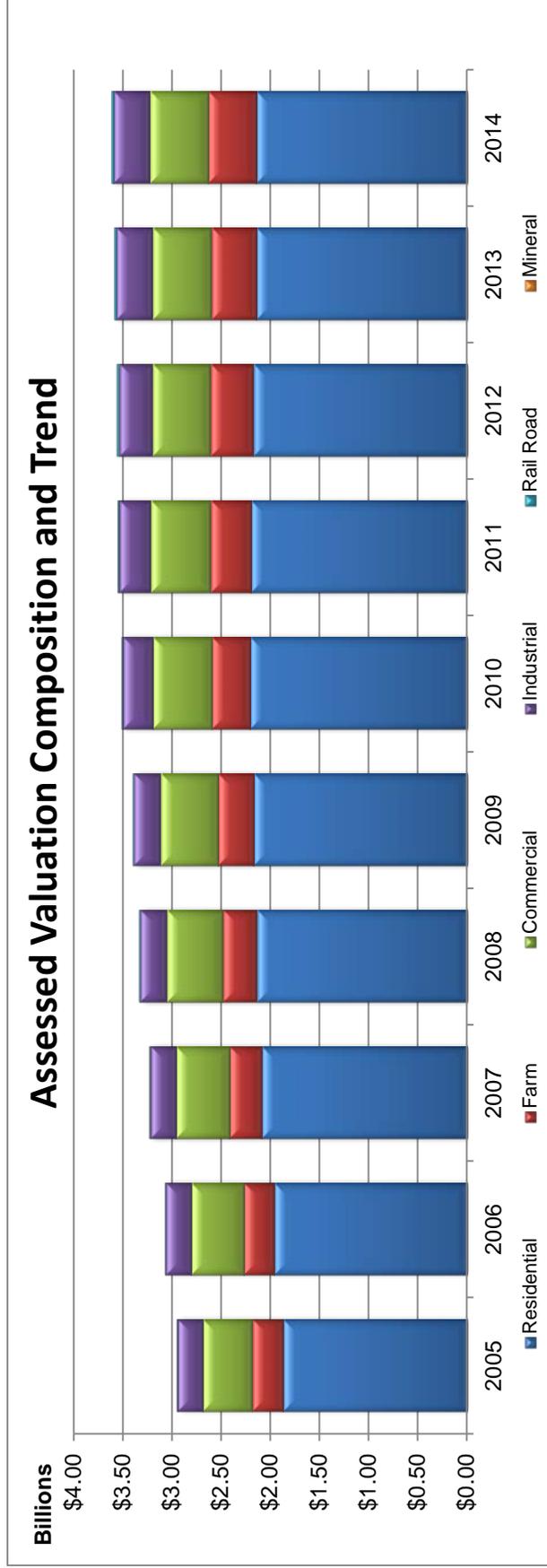
**Black Hawk College
Illinois Community College District No. 503**

Assessed and Estimated Actual Value of Taxable Property
Tax Levy Years 2005 through 2014

Assessed Valuation by Property Type

Levy year	Residential	Farm	Commercial	Industrial	Rail Road	Mineral	Total Assessed Valuation	Estimated Actual Value
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	2,175,310,702	435,606,505	591,923,037	335,445,784	18,466,435	-	3,556,752,463	10,671,324,521
2013	2,141,816,213	462,208,844	597,985,340	365,445,765	23,880,009	-	3,591,336,171	10,775,086,022
2014	2,141,894,538	492,617,957	592,749,727	366,962,987	25,739,504	-	3,619,964,713	10,860,980,237

Assessed Valuation Composition and Trend



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 2014 is the most current information available
3. The total direct rate applied to tax year 2014 is \$0.5485.

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

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

Property Tax Extensions and Collections
Tax Levy Years 2005 through 2014

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
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%	12,755,585	19,134,516	100%
2013	2014	3,591,336,171	0.5427	19,490,182	6,877,997	35%	12,469,656	19,347,653	99%
2014	2015	3,619,964,713	0.5485	19,855,507	6,971,526	35%	-	6,971,526	35%

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 2014 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 Offices

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

Representative Tax Rates
Tax Years 2005 through 2014

Taxing Districts	Tax Year 2005	Tax Year 2006	Tax Year 2007	Tax Year 2008	Tax Year 2009	Tax Year 2010	Tax Year 2011	Tax Year 2012	Tax Year 2013	Tax Year 2014
Black Hawk College District No. 503	\$ 0.4145	\$ 0.4579	\$ 0.5016	\$ 0.5356	\$ 0.5337	\$ 0.5324	\$ 0.5369	\$ 0.5403	\$ 0.5427	\$ 0.5485
Rock Island County	0.7976	0.7956	0.7890	0.8480	0.8542	0.8574	0.8684	0.8872	1.0184	1.0596
South Moline Township	0.0700	0.1412	0.1416	0.1432	0.1432	0.1420	0.1318	0.1358	0.1304	0.1244
Road & Bridge - South Moline Township	0.0054	0.0058	0.0061	0.0064	0.0070	0.0070	0.0085	0.0093	0.0152	0.0160
Road & Bridge - City of Moline	0.0044	0.0042	0.0041	0.0042	0.0042	0.0042	0.0043	0.0047	0.0047	0.0048
South Moline Township Cemetery	0.0002	0.0002	0.0002	0.0002	0.0030	0.0038	0.0038	0.0038	0.0040	0.0040
City of Moline	1.9594	1.9646	2.0062	1.9966	1.9288	1.9324	1.9744	2.0268	2.0500	2.0638
School District No. 40	5.1508	5.1152	5.0586	5.0188	5.0266	5.0584	5.0600	5.0590	5.1090	5.1120
Metropolitan Airport Authority	0.0718	0.0726	0.0716	0.0734	0.0742	0.0734	0.0750	0.0750	0.0750	0.0750
Metropolitan Transit Authority	0.1652	0.1754	0.1742	0.1768	0.1812	0.1822	0.1872	0.1948	0.2054	0.2082
Total	\$ 8.6393	\$ 8.7327	\$ 8.7532	\$ 8.8032	\$ 8.7561	\$ 8.7932	\$ 8.8503	\$ 8.9367	\$ 9.1548	\$ 9.2163

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 2005	Tax Year 2006	Tax Year 2007	Tax Year 2008	Tax Year 2009	Tax Year 2010	Tax Year 2011	Tax Year 2012	Tax Year 2013	Tax Year 2014
Black Hawk College District No. 503	\$ 0.4181	\$ 0.4578	\$ 0.5023	\$ 0.5356	\$ 0.5354	\$ 0.5341	\$ 0.5372	\$ 0.5406	\$ 0.5344	\$ 0.5485
Henry County	0.9439	0.9026	0.9069	0.8945	0.9173	0.9498	0.9270	0.9316	0.9004	0.9198
Kewanee Township	0.2113	0.1978	0.1756	0.1721	0.1735	0.1742	0.1774	0.1789	0.1832	0.1835
Kewanee Township Road District	0.2207	0.2188	0.2084	0.2179	0.2180	0.2163	0.2167	0.2168	0.2173	0.2173
City of Kewanee	2.5760	2.1251	2.7294	2.3552	2.2611	2.3865	2.4857	2.6888	2.8057	2.8519
Kewanee Park District	1.0752	1.1009	1.0474	1.0881	1.0573	1.0518	1.0692	1.0891	1.1188	1.1229
Kewanee Library District	0.6395	0.6362	0.6862	0.6965	0.7524	0.7627	0.7680	0.8065	0.7493	0.7286
Kewanee Airport	0.0145	0.0139	0.0128	0.0127	0.0116	0.0121	0.0123	0.0131	0.0133	0.0133
Kewanee School District No. 229	4.2700	4.4177	4.4650	4.5351	4.5267	4.5174	4.3535	4.0950	4.0929	4.2893
Total	\$ 10.3692	\$ 10.0708	\$ 10.7340	\$ 10.5077	\$ 10.4533	\$ 10.6049	\$ 10.5470	\$ 10.5604	\$ 10.6153	\$ 10.8751

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

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

Principal Taxpayers
Most recent Year and Ten Years Ago

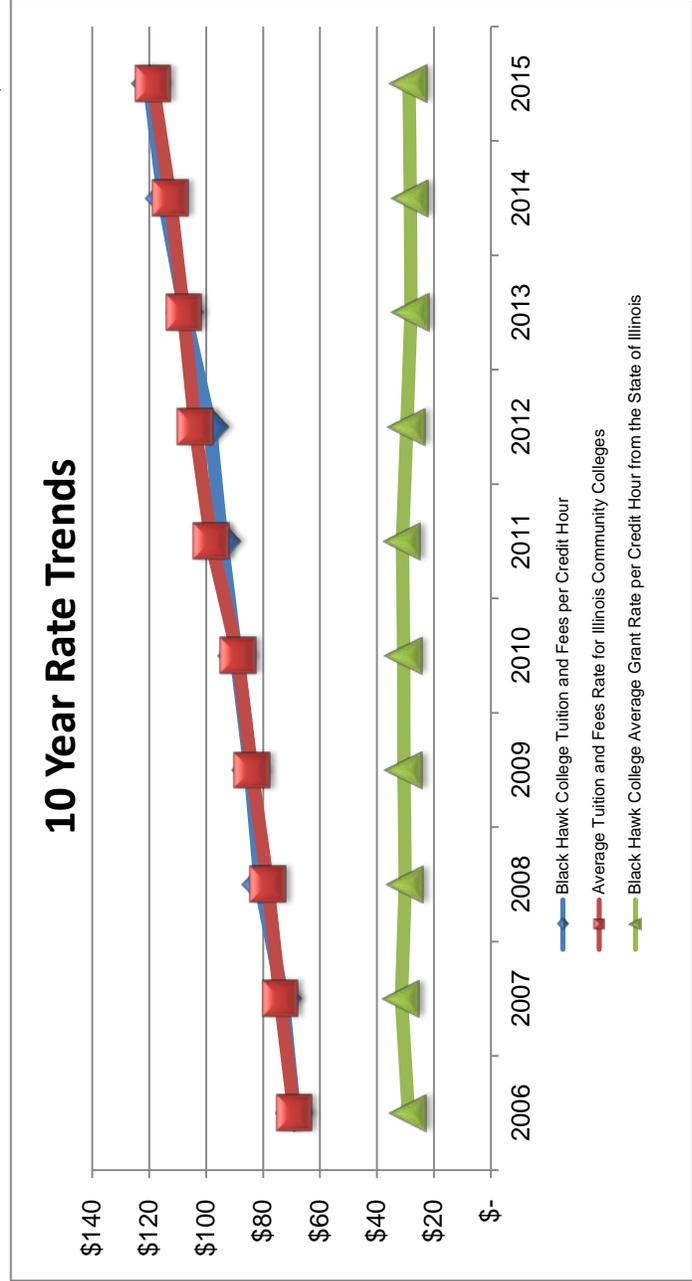
Taxpayer	2005				2014			
	Equalized Assessed Valuation	Rank	Percent of District's EAV	Taxpayer	Equalized Assessed Valuation	Rank	Percent of District's EAV	
Commonwealth Edison	\$ 77,316,682	1	2.62%	Commonwealth Edison	\$ 155,000,000	1	4.28%	
Deere and Company	41,990,616	2	1.42%	Deere and Company	29,050,925	2	0.80%	
Modern Woodmen of America	7,999,200	3	0.27%	Bishop Hill Energy LLC	23,536,058	3	0.65%	
Jl Case Company	5,736,244	4	0.19%	Patriot Renewable Fuels LLC	22,974,664	4	0.63%	
Pioneer Hi-Bred Intl. Inc.	5,412,589	5	0.18%	Big River Resources Galva LLC	22,001,425	5	0.61%	
3M - Minnesota Mining & Mfg	5,238,436	6	0.18%	DNC Gaming/Jumers Casino	22,000,375	6	0.61%	
PFG Thoms Proestler Co.	4,864,453	7	0.16%	MidAmerican Energy	10,597,685	7	0.29%	
Bairjan	4,470,152	8	0.15%	SDG Macerich/Southpark Mall	9,768,540	8	0.27%	
Cordova Energy Company	4,331,206	9	0.15%	Modern Woodmen of America	7,823,999	9	0.22%	
IBP Incorporated	4,130,478	10	0.14%	FedEx Freight	4,946,651	10	0.14%	
	<u>\$ 161,490,056</u>		<u>5.47%</u>		<u>\$ 307,700,322</u>		<u>8.50%</u>	

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

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

Mandatory Tuition and Fees
FY2006 through FY2015

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
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
2014	115.00	112.65	28.25	129,755
2015	120.00	118.77	28.74	120,297



Source: College records and ICCB Tuition and Fee data.

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

Ratio of Outstanding Debt by Type
FY2006 through FY2015

Fiscal Year	General Obligation Bonds		Installment Contracts	Total Outstanding Debt	Estimated Actual Taxable Property Value	Percentage of Actual Value	Total Outstanding Debt Per Capita
2006	4,800,000	103,393	4,903,393	8,855,028,173	0.055%	18.59	
2007	8,600,000	60,995	8,660,995	9,214,526,232	0.094%	32.83	
2008	15,380,000	24,560	15,404,560	9,690,268,410	0.159%	58.39	
2009	12,210,000	-	12,210,000	9,992,324,266	0.122%	46.28	
2010	27,145,000	-	27,145,000	10,194,067,870	0.266%	102.89	
2011	22,600,000	-	22,600,000	10,540,061,404	0.214%	90.40	
2012	17,740,000	-	17,740,000	10,653,599,049	0.167%	79.49	
2013	33,557,258	-	33,557,258	10,671,324,521	0.314%	149.75	
2014	28,299,231	-	28,299,231	10,775,086,022	0.263%	119.88	
2015	32,649,100	-	32,649,100	10,860,980,237	0.301%	127.64	

Notes:

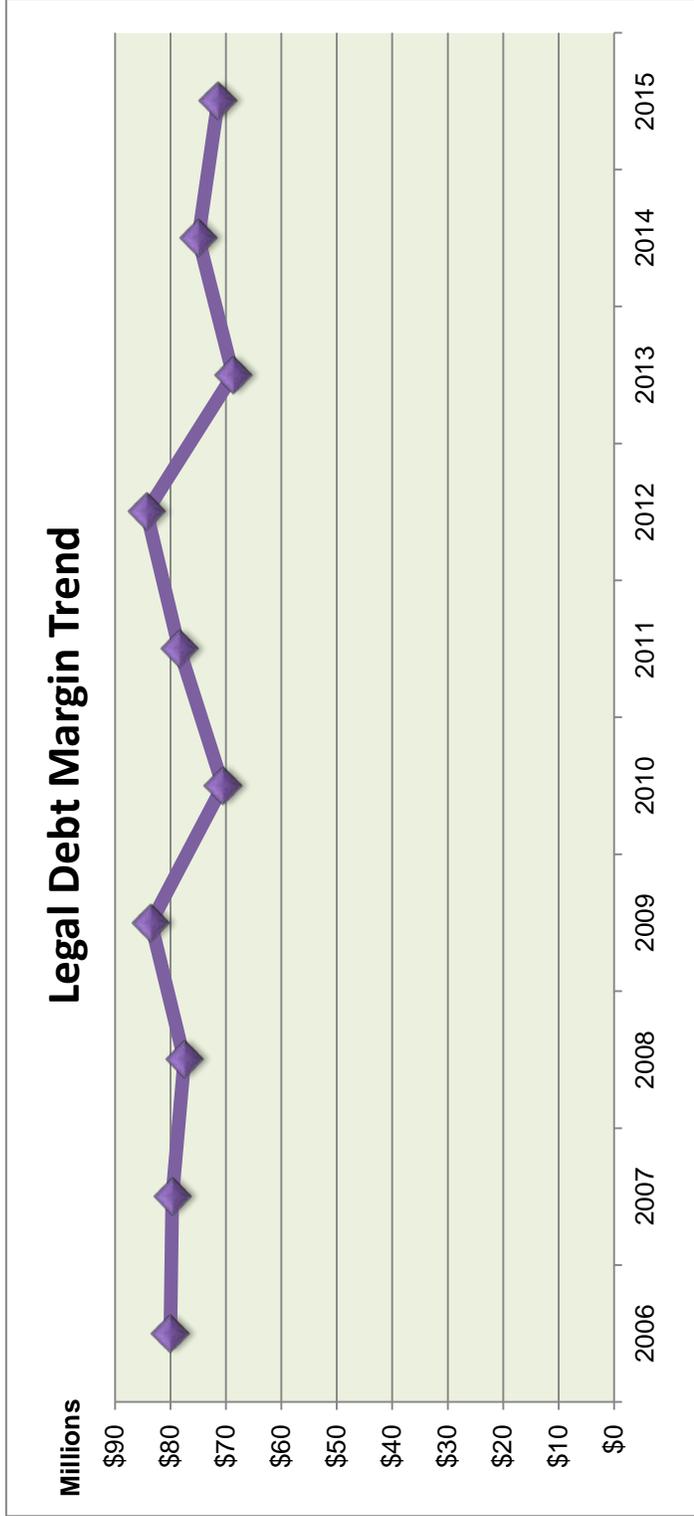
1. Details of the College's outstanding debt can be found in the notes to the financial statements.
2. Total Outstanding Debt Per Capita is calculated by using the 2010 U.S. Census or the most recent American Community Survey population for each of the nine counties, included either in part or whole, 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
FY2006 through FY2015

Fiscal Year	Assessed Value	Debt Limit: 2.875% of Assessed Value	Less applicable Debt: General Obligation Bonds	Legal Debt Margin
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	33,557,258	68,699,375
2014	3,591,336,171	103,250,915	28,299,231	74,951,684
2015	3,619,964,713	104,073,985	32,649,100	71,424,885



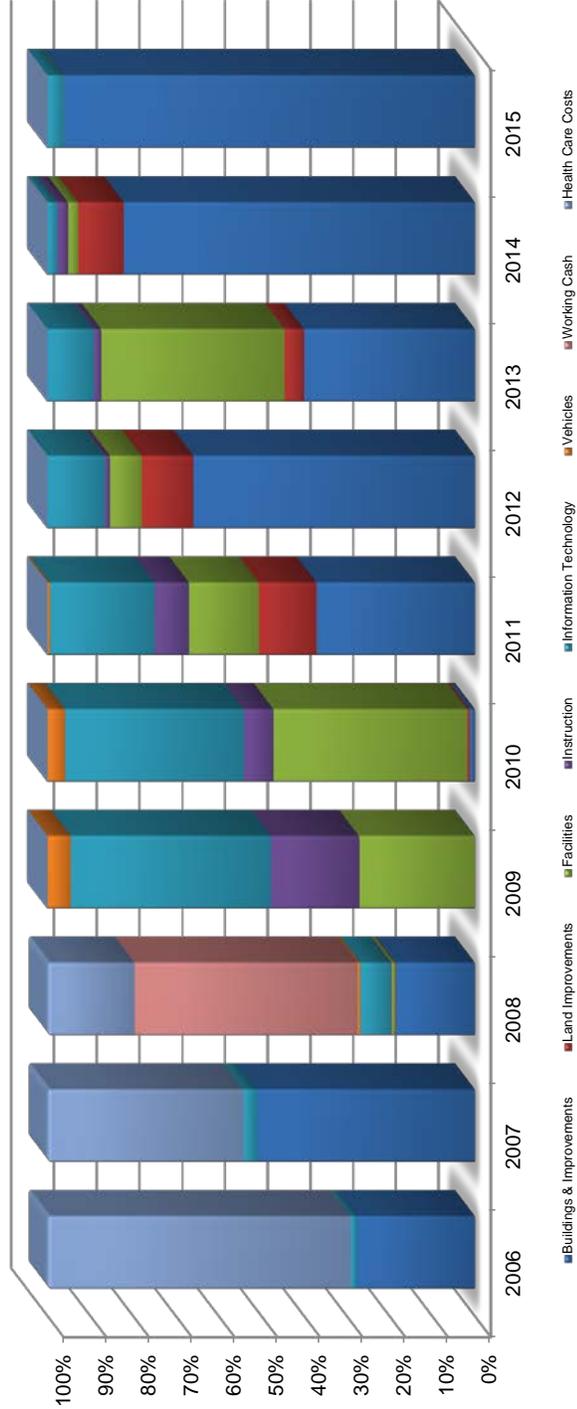
Sources: Bureau, Henderson, Henry, Knox, Marshall, Mercer, Rock Island, Stark and Whiteside County Clerk's Offices and College records

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

Use of Bond Issuance Proceeds
FY2006 through FY2015

Purpose	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Buildings & Improvements	\$ 625,324	\$ 1,788,579	\$ 1,461,284	\$ -	\$ 26,604	\$ 990,583	\$ 4,379,666	\$ 3,567,963	\$ 4,159,615	\$ 14,027,532
Land Improvements	-	-	7,300	-	11,726	359,872	803,531	404,588	538,514	7,117
Facilities	-	-	68,408	511,727	972,659	434,725	494,661	3,821,944	122,738	15,566
Instruction	-	-	15,909	388,952	148,970	215,168	83,700	151,212	122,476	-
Information Technology	30,714	112,726	558,500	882,422	894,804	652,498	883,528	962,605	116,314	531,481
Vehicles	-	-	44,785	102,292	86,851	13,479	-	-	-	-
Working Cash	-	-	4,100,000	-	-	-	-	-	-	-
Health Care Costs	1,600,000	1,600,000	1,600,000	-	-	-	-	-	-	-
Total	\$ 2,256,038	\$ 3,501,304	\$ 7,856,186	\$ 1,885,392	\$ 2,141,614	\$ 2,666,324	\$ 6,645,086	\$ 8,908,312	\$ 5,059,657	\$ 14,581,696

Bond Proceeds Usage

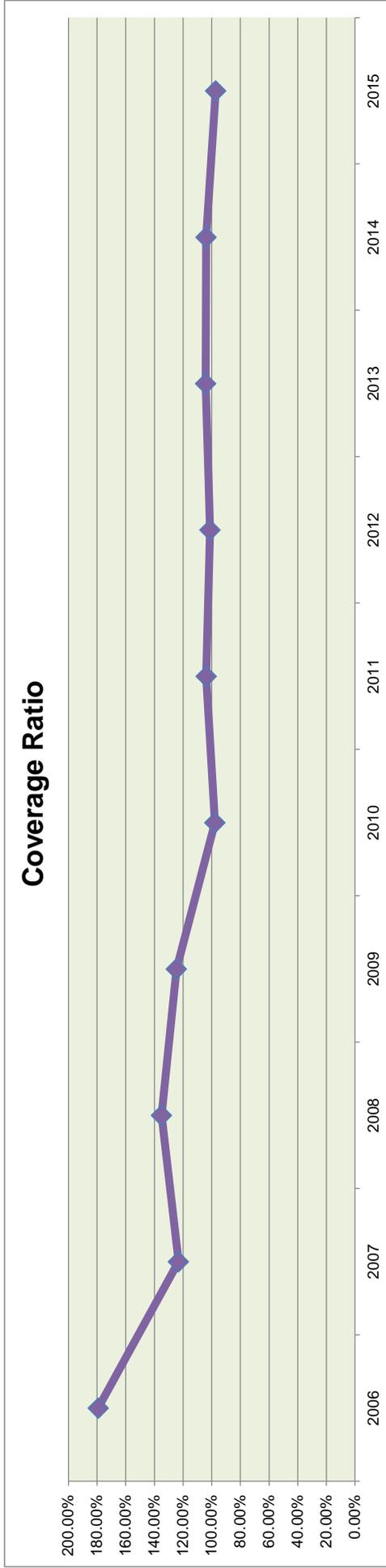


The College issued new bonds during fiscal years 2004, 2006, 2008, 2010, 2012 and 2014.
Source: College records

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

Schedule of Bond Coverage
FY2006 through FY2015

Fiscal Year	Property Taxes Collected	Interest Earned	Net Revenue Available for Debt Service	2004 Bonds		2006 Bonds		2008 Bonds		2010 Bonds		2013 Bonds		2015 Bonds		Coverage Ratio
				Principal	Interest											
2006	1,150,348	9,695	1,160,043	500,000	147,645	-	-	-	-	-	-	-	-	-	-	179.12%
2007	1,800,339	18,863	1,819,202	1,000,000	157,513	-	-	-	-	-	-	-	-	-	-	147.68%
2008	3,214,755	31,313	3,246,068	1,220,000	115,539	-	-	144,337	-	-	-	-	-	-	-	135.06%
2009	4,707,582	40,115	4,747,697	1,265,000	70,395	1,700,000	228,689	205,000	341,700	-	-	-	-	-	-	124.59%
2010	5,466,013	62,113	5,528,126	1,315,000	20,547	2,500,000	74,479	1,250,000	306,770	-	-	-	-	-	-	97.72%
2011	5,444,629	54,878	5,499,507	-	-	4,145,000	189,039	3,000,000	50,000	400,000	563,349	-	-	-	-	103.82%
2012	5,452,396	49,787	5,502,183	-	-	5,502,183	-	-	-	1,860,000	528,513	-	-	-	-	101.17%
2013	5,895,161	1,171	5,896,332	-	-	-	-	-	-	5,025,000	419,263	216,257	-	-	-	104.17%
2014	6,418,164	1,040	6,419,204	-	-	-	-	-	-	5,150,000	296,366	734,767	-	-	-	103.85%
2015	6,165,655	923	6,166,578	-	-	-	-	-	-	5,300,000	145,242	729,996	169,551	-	-	97.19%



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

Issuing Taxing Districts	Amount of Outstanding Bonds \$		Applicable to District	
			Estimated Percentage	Amount \$
Henderson County	-	1	1.714%	-
Henry County	-	1	97.960%	-
Knox County	3,915,000		1.705%	66,741
Rock Island County	5,185,000	1,2	100.000%	5,185,000
Rock Island County Forest Preserve District	-	1	100.000%	-
Metropolitan Airport Authority	-	1	100.000%	-
Metropolitan Transit Authority	-	1	100.000%	-
City of Aledo	-	1	100.000%	-
Annawan Township	-	1	100.000%	-
Atkinson Township	-	1	100.000%	-
Village of Cambridge	-	1	100.000%	-
Village of Carbon Cliff	-	1	100.000%	-
Village of Coal Valley	-	1	100.000%	-
City of Colona	-	1	100.000%	-
Village of Cordova	-	1	100.000%	-
City of East Moline	390,000	1,3	99.871%	389,496
City of Galva	-	3	100.000%	-
City of Geneseo	-	1	100.000%	-
Village of Hampton	-	1,3	100.000%	-
City of Kewanee	-	1,3	100.000%	-
Village of Milan	-	1	99.670%	-
City of Moline	76,075,000	4	99.891%	75,992,394
Village of Orion	-		100.000%	-
City of Rock Island	43,085,000	4	99.282%	42,775,546
City of Silvis	3,505,000		99.801%	3,498,033
City of Toulon	-		100.000%	-
Carbon Cliff Special Service Area #3	-		100.000%	-
Silvis Special Service Area #1	-		100.000%	-
Cambridge Fire District	1,365,000		100.000%	1,365,000
Coal Valley Fire District	510,000		13.191%	67,276
(Hammond) Henry Hospital District	-	1	100.000%	-
Illini Hospital (Ambulance) District	-	1	100.000%	-
Kewanee Library District	-		100.000%	-
Geneseo Park District	-		100.000%	-

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

Direct and Overlapping General Obligation Bonded Debt

Issuing Taxing Districts	Amount of Outstanding Bonds	Applicable to District	
		Estimated Percentage	Amount
Kewanee Park District	490,000	100.0000%	490,000
Community Unit School District #1	-	100.0000%	-
School District #29	-	100.0000%	-
High School District #30	1,960,000	100.0000%	1,960,000
School District #34	3,785,000	100.0000%	3,785,000
School District #36	1,010,000	100.0000%	1,010,000
School District #37	7,915,000	100.0000%	7,915,000
Community Unit School District #40	20,805,000	100.0000%	20,805,000
School District #41	47,405,000	100.0000%	47,405,000
Community Unit School District #100 (Riverdale)	1,425,000	100.0000%	1,425,000
Community Unit School District #100 (Stark)	6,500,000	100.0000%	6,500,000
School District #190	455,000	100.0000%	455,000
Community Unit School District #200	7,045,344	99.944%	7,041,368
Community Unit School District #201	2,000,000	99.620%	1,992,393
Community Unit School District #203	85,000	100.000%	85,000
Community Unit School District #223	4,788,549	100.000%	4,788,549
Community Unit School District #224	380,000	100.000%	380,000
Community Unit School District #225	2,415,000	100.000%	2,415,000
Community Unit School District #227	1,425,000	100.000%	1,425,000
Community Unit School District #228	5,190,000	99.975%	5,188,708
Community Unit School District #229	1,500,000	99.982%	1,499,727
Community Unit School District #230	995,000	100.000%	995,000
Community Unit School District #300	300,000	99.985%	299,956
Total Overlapping General Obligation Bonded Debt			\$ 247,200,187

Notes:

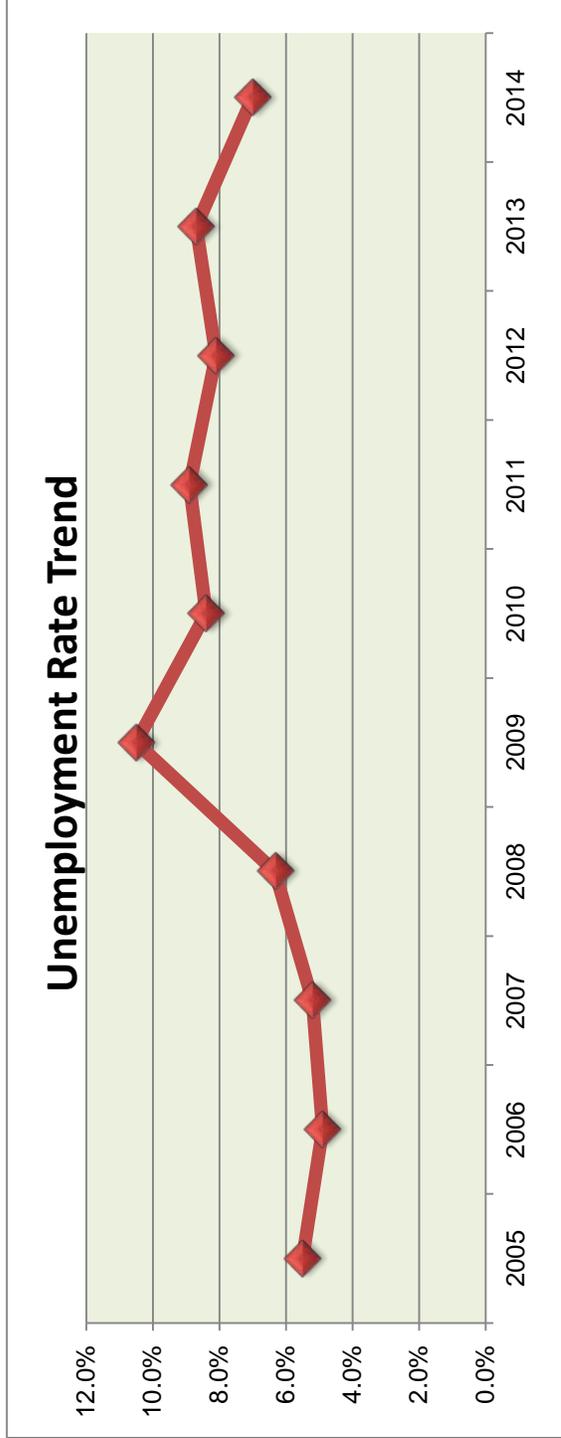
1. Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds that are expected to be paid from sources other than general taxation.
2. Includes Public Building Commission debt applicable to the County and secured by lease rentals payable from ad valorem taxes levied 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. Information presented is as of June 2014

Source: Rock Island, Henry, Mercer, Whiteside, Henderson, Knox, Bureau, Stark, and Marshall County Clerk's offices.

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

Demographic and Economic Statistics
Calendar Years 2005 through 2014

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2005	388,791	11,870,764	30,533	5.5%
2006	388,243	12,508,175	32,217	4.9%
2007	388,514	13,346,626	34,353	5.2%
2008	387,638	14,287,025	36,857	6.3%
2009	387,122	13,914,871	35,944	10.5%
2010	386,716	14,048,864	36,329	8.4%
2011	385,151	15,044,131	39,060	8.9%
2012	383,639	15,306,015	39,897	8.1%
2013	382,037	16,180,062	42,352	8.7%
2014	379,171	N/A	N/A	7.0%



- Notes:
1. Population reported above is the total population for all nine counties
 2. 2005-2012 Per Capita Personal Income is calculated by taking the average of nine counties. 2013 was calculated by taking the sum of all 9 counties person income estimates multiplied by 1,000 then, dividing this amount by the total population of the District.
 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
FY2005-FY2014

Rock Island County							
2005			2014				
Employer	Product/Service	Employees	Percentage of Total Employment	Employer	Product/Service	Percentage of Total Employment	
Deere & Company	Construction and agricultural equipment	8,250	11.09%	Rock Island Arsenal	Defense manufacturing	7,900	11.63%
Rock Island Arsenal	Defense manufacturing	6,150	8.27%	Deere & Company	Construction and agricultural equipment	5,800	8.54%
Trinity Regional Health System	Health care system	2,650	3.56%	Tyson Fresh Meats	Food processing	2,500	3.68%
Tyson Fresh Meats	Food Processing	2,400	3.23%	Unity Point-Trinity/Rock Island & Moline	Healthcare System	2,349	3.46%
Exelon Energy	Utility/energy delivery	700	0.94%	HyVee Rock Island County locations	Grocery Store	1,333	1.96%
Kone Inc.	Corporate headquarters; elevators, escalators and autowalks installation and maintenance for vertical transportation industry	600	0.81%	Moline School District #40	K-12 - Education	1,111	1.64%
Von Maur	Department store	570	0.77%	Group O Companies	Provider of Managed Products & Services	1,100	1.62%
Thoms Proesler Company	Foodservice distributor	525	0.71%	XPAC	Supply-chain Solutions Provider	1,000	1.47%
Bituminous Casualty Corp.	Insurance services & products	520	0.70%	Genesis Medical Center - Silvis	Hospital	970	1.43%
Noncross Safety Products	Rubber and waterproof footwear	470	0.63%	Walmart Rock Island County locations	Retail	868	1.28%

Henry County							
2007			2014				
Employer	Product/Service	Employees	Percentage of Total Employment	Employer	Product/Service	Percentage of Total Employment	
Henry County Public Schools	Education	1,097	3.94%	Great Dane Trailers	Manufactures semi-truck trailers	600	2.37%
Great Dane Trailers	Manufactures semi-truck trailers	550	1.98%	OSF St. Luke Medical Center	Health Care	375	1.48%
Henry County Government (includes Hill Crest Home and Health Department)	Government	530	1.90%	JV Enterprises (Pizza Hut)	Restaurant	285	1.12%
Kewanee Hospital	Health care	450	1.62%	Bomag Americas	Manufacturing	263	1.04%
Bomag Americas	Manufacturing	270	0.97%	Walmart Supercenter	Retail	250	0.99%
Hammond -Henry Hospital	Health care	200	0.72%	OSF St. Luke Medical Family Health	Health Care	250	0.99%
Walmart Supercenter	Retail	200	0.72%	Henry County Courthouse	Government	230	0.91%
Wyffels Enterprises	Seed com manufacturing	150	0.54%	KONE Inc.	Manufacturing	190	0.75%
Black Hawk College - East Campus	Community College	150	0.54%	Kewanee National Guard	Government	156	0.62%
Boss Manufacturing	Manufactures gloves, bpps & rainwear	150	0.54%	Kewanee Park District	Fitness	150	0.59%

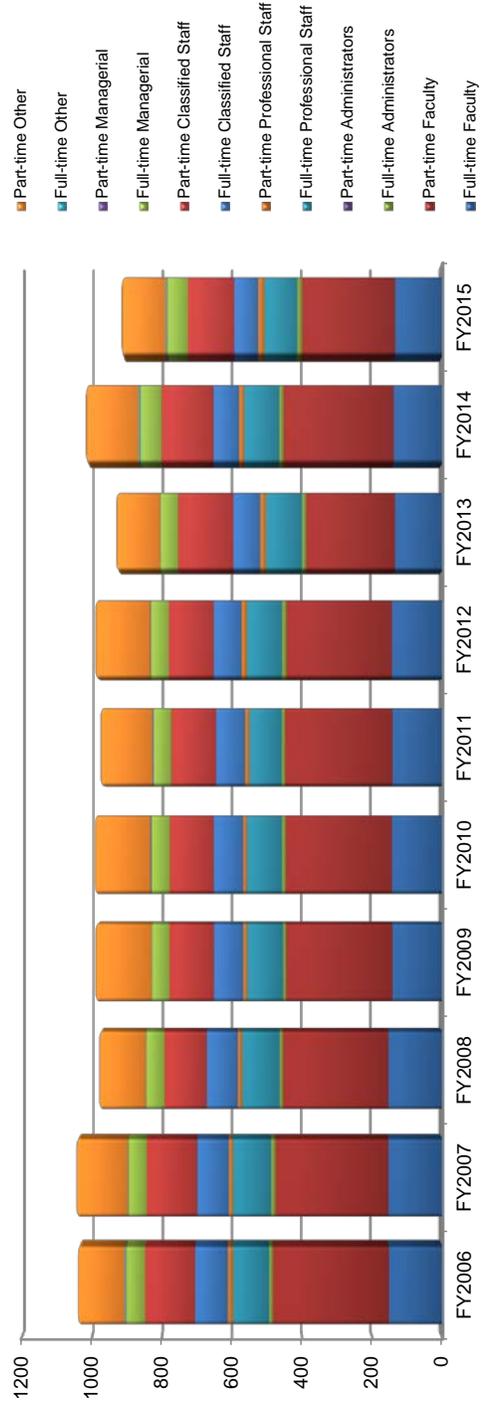
Notes:
1. The FY2007 comparable information is the most current information available from Henry County Economic Development Partnership. Data not available for FY2005.

Sources: Rock Island County, Illinois Annual Financial Report
Henry County Economic Development Partnership
Illinois Department of Employment Security (IDES)

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

Faculty and Staff Headcount
FY2006 through FY2015

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Faculty										
Full-time	153	154	154	143	145	143	145	136	139	135
Part-time	330	322	301	303	302	306	300	253	314	266
Administrators										
Full-time	11	12	10	9	10	9	12	12	13	13
Part-time	0	0	0	0	0	0	0	0	0	0
Managerial										
Full-time	53	52	51	49	52	51	52	51	60	57
Part-time	2	0	1	1	2	2	2	1	2	1
Professional Staff										
Full-time	103	109	106	101	101	92	101	102	99	94
Part-time	15	12	13	12	10	13	14	16	15	17
Classified Staff										
Full-time	93	90	88	83	84	82	80	77	73	69
Part-time	142	143	120	127	125	128	127	157	147	132
Other										
Full-time	2	1	1	1	1	1	0	0	4	4
Part-time	135	148	133	160	159	147	156	124	149	126
Total Employees										
Full-time	415	418	410	386	393	378	390	378	388	372
Part-time	624	625	568	603	598	596	599	551	627	542
Grand Total	1,039	1,043	978	989	991	974	989	929	1,015	914

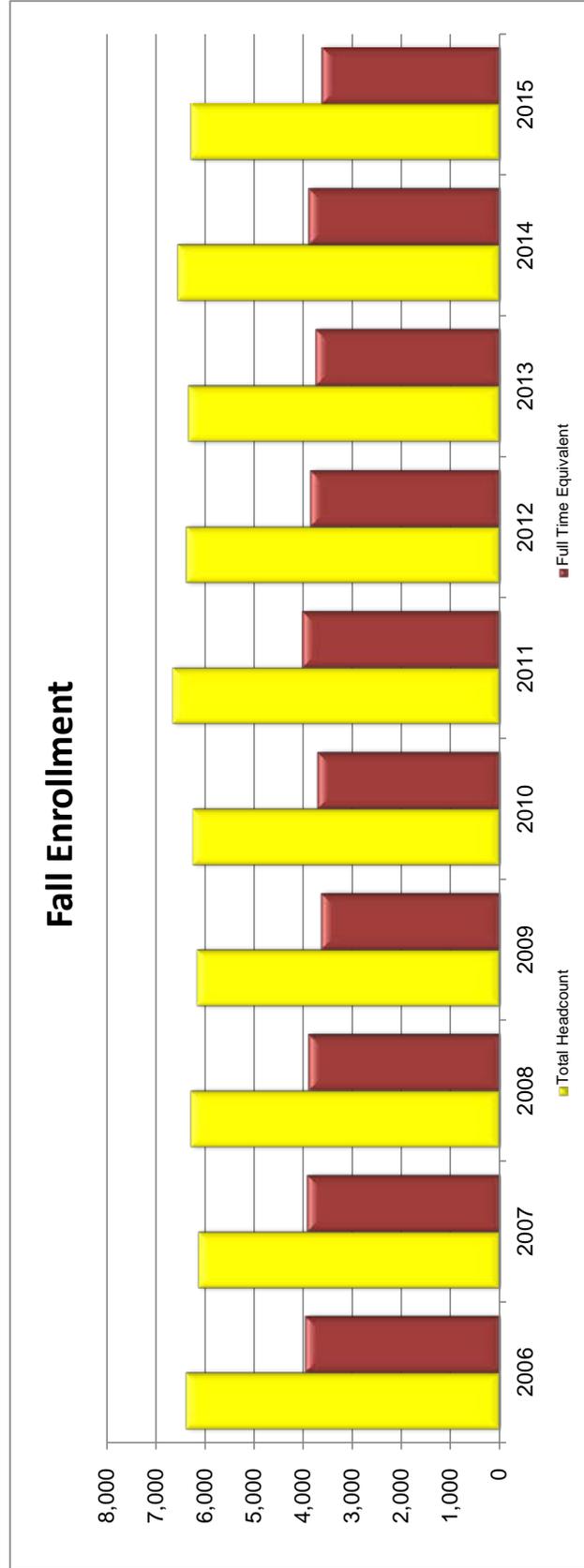


Source: ICCB Salary Survey C1 Report

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

Student Enrollment Demographic Statistics
FY2006 through FY2015

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	High School Student	Average Age
2006	3,975	6,407	2,511	3,896	2,940	3,467	3,505	1,467	327	1,108	NR	NR	27.3
2007	3,932	6,151	2,386	3,765	2,953	3,198	3,297	1,286	295	1,273	NR	NR	26.9
2008	3,905	6,311	2,539	3,772	2,884	3,427	3,288	1,458	334	1,231	NR	NR	26.6
2009	3,651	6,179	2,461	3,718	2,622	3,557	3,157	1,387	306	1,329	NR	NR	27.5
2010	3,722	6,267	2,492	3,775	2,715	3,552	3,115	1,291	564	1,297	NR	NR	27.7
2011	4,031	6,677	2,746	3,931	2,940	3,737	3,218	1,429	240	1,489	301	NR	27.4
2012	3,872	6,403	2,539	3,864	2,732	3,671	3,425	1,174	286	1,250	268	NR	27.3
2013	3,761	6,360	2,594	3,766	2,631	3,729	2,150	921	373	1,949	304	663	27.2
2014	3,902	6,574	2,666	3,908	2,581	3,993	1,857	974	297	2,369	308	769	27.2
2015	3,635	6,307	2,629	3,678	2,346	3,961	1,510	912	365	2,269	271	1,089	26.2



Source: ICCB E1 Report
NR = Not Recorded

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

Financial Aid Recipients
FY2006 through FY2015

Type of Aid	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015*
Federal Aid										
College Work Study	159	172	157	85	117	88	97	93	103	93
PELL Grant	2,339	2,322	2,198	2,003	2,545	3,068	3,015	2,679	2,509	2,356
SEOG	456	434	497	446	366	635	248	405	796	336
Stafford Loan - subsidized	660	670	709	509	456	508	722	775	645	569
Stafford Loan - unsubsidized	295	267	312	296	266	283	334	668	592	486
PLUS (Parent) Student Loan	17	13	15	13	10	15	15	12	13	14
Chapter 33 (a GI Bill fund)	0	0	0	0	40	70	79	69	78	75
State Aid										
MAP Grant	1,665	1,682	1,575	1,293	993	1,030	1,136	914	799	740
IL Veterans Grant (IVG)	211	215	195	154	178	151	134	131	104	81
National Guard	67	50	41	31	37	31	43	36	27	17
POW/MIA Dependents	9	12	10	7	8	6	5	5	6	7
DORS	12	17	23	10	14	23	29	28	32	45
Local Aid										
Private Grant/Scholarship	208	193	210	192	241	238	293	263	251	264
Achievement Awards	374	341	345	430	403	370	320	321	354	324
Foundation Scholarships	156	190	202	201	218	223	205	221	228	247
Donor Scholarships	20	30	34	41	112	31	25	26	107	56
TOTAL	6,648	6,608	6,523	5,711	6,004	6,770	6,700	6,646	6,644	5,710

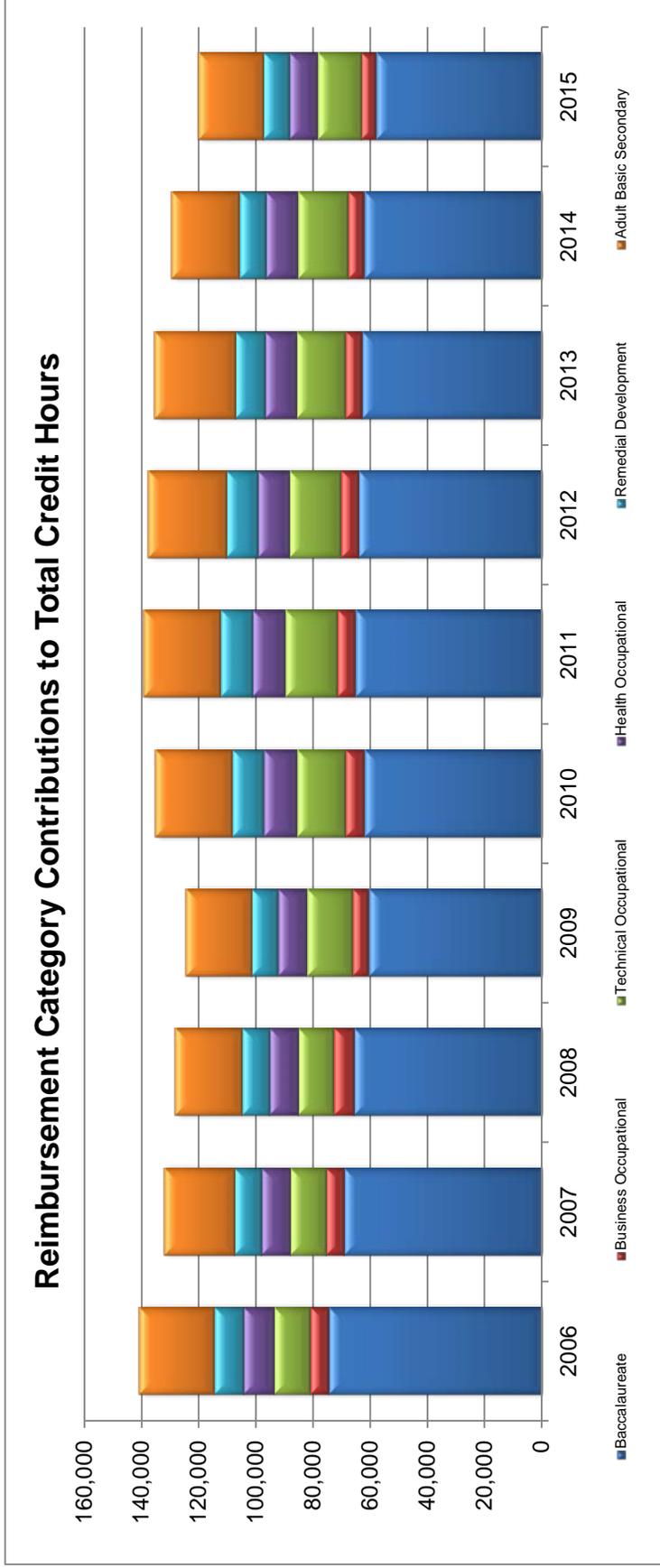
* FY2015 column ONLY reflects YTD payments through 08/28/2015, which is complete for the financial aid year with the exception of any possible late adjustments.

Source: Black Hawk College Financial Aid records.

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

Credit Hours Eligible for Funding by Illinois Community College Board Reimbursement Categories
FY2006 through FY2015

Category	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	% Change 2006 vs. 2015
Baccalaureate	74,557.5	69,337.3	65,866.3	60,658.2	62,219.0	65,304.7	64,300.2	63,117.0	62,224.2	58,180.8	-21.97%
Business Occupational	6,536.8	6,368.6	6,976.0	5,756.6	6,633.1	6,284.3	6,177.5	5,660.4	5,604.5	5,161.9	-21.03%
Technical Occupational	12,766.0	12,550.4	12,516.8	15,920.1	16,956.0	18,238.5	17,967.3	17,165.0	17,687.1	15,326.4	20.06%
Health Occupational	10,540.9	9,888.6	10,025.6	10,119.6	11,690.7	11,510.2	11,028.1	11,012.9	11,236.6	9,826.1	-6.78%
Remedial Development	10,305.0	9,587.0	9,670.0	9,218.0	10,957.0	11,172.0	10,915.0	10,521.0	9,149.0	9,051.0	-12.17%
Adult Basic Secondary	26,193.7	24,660.5	23,395.0	23,098.0	27,065.3	26,969.0	27,600.5	28,314.9	23,853.8	22,751.2	-13.14%
Total	140,899.9	132,392.4	128,449.7	124,770.5	135,521.1	139,478.7	137,988.6	135,791.2	129,755.2	120,297.4	-14.62%



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
FY2006 through FY2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Buildings - Permanent	18	18	19	19	19	19	19	21	21	21
Total acres	267.8	267.8	271.9	271.9	271.9	271.9	271.9	272.8	273.0	275.2
Net Assignable Square Feet:										
Classrooms and general use	76,868	76,251	74,977	71,702	71,968	71,831	74,429	78,033	75,935	80,797
Laboratory	83,439	97,016	130,723	128,713	128,713	129,373	131,001	137,122	140,870	138,268
Office	61,044	60,553	61,034	59,693	59,225	59,601	61,536	62,340	69,080	70,640
Study	24,864	24,307	24,491	24,307	24,307	24,307	24,873	24,873	24,873	20,095
Special use (Athletics, PE)	66,073	45,448	45,448	47,353	45,448	45,448	45,448	45,569	44,887	44,887
General use (Theater)	37,305	36,882	36,138	32,977	34,882	33,181	34,437	35,193	34,005	34,101
Support functions	32,035	31,274	29,874	29,014	29,216	29,154	32,401	33,357	35,210	36,882
Unassigned	-	-	-	-	-	-	-	-	2,719	3,363
Total	381,628	371,731	402,685	393,759	393,759	392,895	404,125	416,487	427,579	429,033

Parking capacity:

On campus parking spots	1,826	1,826	1,920	1,920	1,920	1,920	1,920	1,935	2,004	2,004
Acres	20	20	21	21	21	21	21	21	22	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
Year ended June 30, 2015

Year Founded 1946

District Data
Population (approximation) 236,000

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 2015

Associate in Arts	221
Associate in Science	127
Associate in Liberal Studies	1
Associate in Applied Science	222
Associate in Arts in Teaching	0
Certificates	370

Source: College records

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ICCB Supplemental Information

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

Equalized Assessed Valuations and Tax Collections

	Tax Levy Year		
	2014	2013	2012
Equalized assessed valuations:			
Bureau County	\$ 22,712,244	\$ 22,035,642	\$ 20,972,410
Henderson County	2,310,008	2,230,397	2,153,854
Henry County	826,267,674	813,367,177	771,178,621
Knox County	13,415,771	12,430,472	11,895,820
Marshall County	113,078	107,368	101,819
Mercer County	237,269,016	234,871,750	227,172,035
Rock Island County	2,361,621,854	2,356,301,920	2,377,980,495
Stark County	97,046,510	92,163,311	89,397,772
Whiteside County	59,208,558	57,828,134	55,899,637
	<u>\$ 3,619,964,713</u>	<u>\$ 3,591,336,171</u>	<u>\$ 3,556,752,463</u>
Tax rates (per \$100 of assessed valuation):			
Education Fund	0.1200	0.1200	0.1200
Operations and Maintenance Fund	0.0700	0.0700	0.0700
Bond and Interest Fund	0.1726	0.1724	0.1794
Liability, Protection, and Settlement Fund	0.0584	0.0560	0.0514
Audit Fund	0.0008	-	0.0012
Operations and Maintenance, restricted	0.0486	0.0500	0.0500
Equity	0.0781	0.0743	0.0683
	<u>0.5485</u>	<u>0.5427</u>	<u>0.5403</u>
Tax extensions:			
Education Fund	\$ 6,209,905	\$ 6,070,723	\$ 5,871,416
Operations and Maintenance Fund	3,495,221	3,421,179	3,315,676
Bond and Interest Fund	6,248,059	6,191,464	6,380,814
Liability, Protection, and Settlement Fund	2,114,059	2,011,148	1,828,171
Audit Fund	28,960	-	42,681
Operations and Maintenance, restricted	1,759,303	1,795,668	1,778,376
	<u>\$ 19,855,507</u>	<u>\$ 19,490,182</u>	<u>\$ 19,217,134</u>
Less tax collections (cumulative through June 30, 2015):			
Education Fund	\$ 2,180,378	\$ 6,026,424	\$ 5,846,174
Operations and Maintenance Fund	1,227,217	3,396,213	3,301,421
Bond and Interest Fund	2,193,775	6,145,977	6,353,382
Liability, Protection, and Settlement Fund	742,274	1,996,472	1,820,311
Audit Fund	10,168	-	42,498
Operations and Maintenance, restricted	617,714	1,782,567	1,770,731
	<u>\$ 6,971,526</u>	<u>\$ 19,347,653</u>	<u>\$ 19,134,516</u>
Taxes receivable:			
Tax receivable	\$ 12,883,979	\$ -	\$ -
Written off		(123,037)	(82,618)
Allowance for uncollectible taxes	(19,855)	-	-
	<u>\$ 12,864,124</u>	<u>\$ (123,037)</u>	<u>\$ (82,618)</u>
Taxes receivable by fund:			
Education Fund	\$ 4,023,316	\$ -	\$ -
Operations and Maintenance Fund	2,264,508	-	-
Bond and Interest Fund	4,048,036	-	-
Liability, Protection, and Settlement Fund	1,369,671	-	-
Audit Fund	18,763	-	-
Operations and Maintenance, restricted	1,139,830	-	-
	<u>\$ 12,864,124</u>	<u>\$ -</u>	<u>\$ -</u>
Percentage of extensions collected	<u>35.11%</u>	<u>99.27%</u>	<u>99.57%</u>

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

Schedule of Legal Debt Margin

Legal Debt Margin

Assessed valuation, 2014 levy	\$ 3,619,964,713
Debt limit, 2.875% of assessed valuation	\$ 104,073,985
Bonded indebtedness	(32,649,100)
Legal debt margin	\$ 71,424,885

Fiscal Year 2016 Certificate of Chargeback Reimbursement Form

The fiscal year 2016 Certificate of Chargeback Reimbursement form was unable to be completed by October 15, 2015 due to no approved budget for the State of Illinois. Line 17 of this form requires the FY2016 average grant rate based on FY2016 ICCB grants. This grant rate is not available until the budget is approved by the General Assembly and the Governor of the State of Illinois. This page will be issued at a later date as an addendum/replacement page once all information is available to complete the FY2016 Certificate of Chargeback Reimbursement form.

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ICCB Uniform Financial Statements

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

The Uniform Financial Statements include the following:

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

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 1 - All Funds Summary
Year ended June 30, 2015

	Education Fund	Operation and Maintenance Fund	Bond & Interest Fund
Fund balance, beginning	\$ 9,473,945	\$ 1,208,455	\$ 3,079,546
Revenues:			
Local tax revenue	6,192,491	3,444,467	6,166,578
All Other Local Revenue	1,318,135	146,459	-
ICCB grants	6,825,170	612,978	-
All other state revenue	14,484	-	-
Federal revenue	40,699	-	-
Student tuition and fees	15,717,756	94,568	-
All other revenue	569,628	154,603	9,505
Total revenues	30,678,363	4,453,075	6,176,083
Expenditures:			
Instruction	13,067,366	-	-
Academic support	3,662,093	-	-
Student services	2,698,720	-	-
Public service	809,283	-	-
Auxiliary services	-	-	-
Operations and maintenance	-	4,043,198	-
Institutional support	4,877,634	-	6,345,788
Scholarships, student grants and waivers	3,534,248	-	-
Total expenditures	28,649,344	4,043,198	6,345,788
Net transfers	(1,300,000)	(229,331)	-
Fund balance, end of year	\$ 10,202,964	\$ 1,389,001	\$ 2,909,841

Operations and Maintenance - Restricted	Auxiliary Enterprises Fund	Restricted Purpose Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
\$ 24,827,050	\$ 477,896	\$ 632,447	\$ 13,106,752	\$ 135,278	\$ 2,265,040	\$ 55,206,409
1,761,184	-	-	-	14,440	2,044,147	19,623,307
9,886,274	-	-	-	-	-	11,350,868
-	-	580,759	-	-	-	8,018,907
-	-	2,200,018	-	-	-	2,214,502
-	-	9,249,712	-	-	-	9,290,411
-	216,263	703,632	-	-	-	16,732,219
148,448	3,080,987	917,489	65,685	560	12,791	4,959,696
11,795,906	3,297,250	13,651,610	65,685	15,000	2,056,938	72,189,910
48,074	-	684,210	-	-	-	13,799,650
22,644	-	1,153,545	-	-	-	4,838,282
-	-	593,656	-	-	-	3,292,376
-	-	1,296,580	-	-	-	2,105,863
-	3,316,760	112,132	-	-	-	3,428,892
17,891,989	-	3,923	-	-	769,304	22,708,414
693,132	-	392,481	-	36,602	1,165,777	13,511,414
-	-	9,334,814	-	-	-	12,869,062
18,655,839	3,316,760	13,571,341	-	36,602	1,935,081	76,553,953
754,331	-	775,000	-	-	-	-
\$ 18,721,448	\$ 458,386	\$ 1,487,716	\$ 13,172,437	\$ 113,676	\$ 2,386,897	\$ 50,842,366

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

**Uniform Financial Statement No. 2 - Summary of Capital Assets and Debt
Year ended June 30, 2015**

	Capital Asset/Debt June 30, 2014	Additions	Deletions	Capital Asset/Debt June 30, 2015
Capital Assets:				
Land	\$ 8,406,448	\$ 318,975	\$ -	\$ 8,725,423
Building and improvements	53,781,507	7,488,176	-	61,269,683
Equipment	7,991,300	1,034,370	-	9,025,670
Other	7,705,480	18,368,912	(9,349,654)	16,724,738
	<u>77,884,735</u>	<u>27,210,433</u>	<u>(9,349,654)</u>	<u>95,745,514</u>
Accumulated depreciation	(24,593,708)	(1,830,003)	-	(26,423,711)
Total capital assets	<u>\$ 53,291,027</u>	<u>\$ 25,380,430</u>	<u>\$ (9,349,654)</u>	<u>\$ 69,321,803</u>
 Capital Debt:				
Bonds payable	\$ 27,565,000	9,355,000	\$ (5,300,000)	\$ 31,620,000
Total capital debt	<u>\$ 27,565,000</u>	<u>\$ 9,355,000</u>	<u>\$ (5,300,000)</u>	<u>\$ 31,620,000</u>

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

**Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures
Year ended June 30, 2015**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenue by source:			
Local government:			
Local taxes	\$ 6,192,491	\$ 3,444,467	\$ 9,636,958
Corporate personal property replacement tax	1,318,135	146,459	1,464,594
Chargeback revenue	-	-	-
	<u>7,510,626</u>	<u>3,590,926</u>	<u>11,101,552</u>
State government:			
ICCB credit hour grants	3,218,132	612,978	3,831,110
ICCB equalization grants	3,310,856	-	3,310,856
ICCB - Career and Technical Education	296,182	-	296,182
Other state revenue	14,484	-	14,484
	<u>6,839,654</u>	<u>612,978</u>	<u>7,452,632</u>
Federal government:			
Department of Education	33,272	-	33,272
Other	7,427	-	7,427
	<u>40,699</u>	<u>-</u>	<u>40,699</u>
Student tuition and fees:			
Tuition	14,718,608	-	14,718,608
Fees	999,148	94,568	1,093,716
	<u>15,717,756</u>	<u>94,568</u>	<u>15,812,324</u>
Other sources:			
Sales and service fees	450,463	5,526	455,989
Facilities revenue	30,835	125,522	156,357
Investment revenue	36,427	5,429	41,856
Other	51,903	18,126	70,029
	<u>569,628</u>	<u>154,603</u>	<u>724,231</u>
Total revenues	30,678,363	4,453,075	35,131,438
Less nonoperating item, tuition chargeback revenue	-	-	-
Adjusted revenues	\$ 30,678,363	\$ 4,453,075	\$ 35,131,438

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

**Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures (Continued)
Year ended June 30, 2015**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures by program:			
Instruction	\$ 13,067,366	\$ -	\$ 13,067,366
Academic support	3,662,093	-	3,662,093
Student services	2,698,720	-	2,698,720
Public service	809,283	-	809,283
Operations and maintenance	-	4,043,198	4,043,198
Institutional support	4,877,634	-	4,877,634
Scholarships, student grants and waivers	3,534,248	-	3,534,248
Total expenditures	<u>28,649,344</u>	<u>4,043,198</u>	<u>32,692,542</u>
Less nonoperating item, tuition chargeback	(34,941)	-	(34,941)
Transfers, net	1,300,000	229,331	1,529,331
Adjusted expenditures	<u>\$ 29,914,403</u>	<u>\$ 4,272,529</u>	<u>\$ 34,186,932</u>
By object:			
Salaries	\$ 18,659,786	\$ 1,643,420	\$ 20,303,206
Employee benefits	4,034,541	518,556	4,553,097
Contractual services	771,020	401,700	1,172,720
General materials and supplies	1,382,017	239,756	1,621,773
Conference and meeting expenses	175,294	5,602	180,896
Fixed charges	51,997	162,297	214,294
Utilities	2,800	1,066,024	1,068,824
Capital outlay	-	5,100	5,100
Other	3,571,889	743	3,572,632
Total expenditures	<u>28,649,344</u>	<u>4,043,198</u>	<u>32,692,542</u>
Less nonoperating item, tuition chargeback	(34,941)	-	(34,941)
Transfers, net	1,300,000	229,331	1,529,331
Adjusted expenditures	<u>\$ 29,914,403</u>	<u>\$ 4,272,529</u>	<u>\$ 34,186,932</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, 2015

Revenues by source (Continued):

Other sources:

Gifts from donors for scholarships	554,207
Student Fees	703,632
Student clubs and internal restricted funds	363,282
Total other	<u>1,621,121</u>
Total Restricted Purposes Fund Revenues	<u><u>\$ 13,651,610</u></u>

Expenditures by program:

Instruction	\$ 684,210
Academic support	1,153,545
Student services	593,656
Public service/continuing education	1,296,580
Auxiliary services	112,132
Operations and maintenance	3,923
Institutional support	392,481
Scholarships, student grants and waivers	9,334,814
Total expenditures by program	<u><u>\$ 13,571,341</u></u>

Expenditures by object:

Salaries	\$ 1,615,389
Employee benefits	424,649
Contractual services	1,159,858
General materials and supplies	416,545
Conference and meeting expenses	149,211
Fixed charges	49,941
Utilities	105,302
Capital outlay	402,406
Other	9,248,040
Total expenditures by object	<u><u>\$ 13,571,341</u></u>

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 5 - Expenditures by Activity - Current Funds
Year ended June 30, 2015

Instruction	\$ 13,751,576
Academic support:	
Library center	460,390
Instructional materials center	311,274
Educational materials center	5,312
Academic computing support	1,595,055
Academic administration and planning	2,346,046
Other	97,561
Total academic support	<u>4,815,638</u>
Student services:	
Admissions and records	548,417
Counseling and career guidance	1,394,787
Financial aid administration	499,065
Social and cultural development	3,382
Other	846,725
Total student services	<u>3,292,376</u>
Public service/continuing education:	
Community education	361,431
Customized training (instructional)	271,505
Community services	1,239,612
Other	233,315
Total public service/continuing education	<u>2,105,863</u>
Auxiliary services	<u>3,428,892</u>
Operations and maintenance of plant:	
Maintenance	761,509
Custodial services	1,105,987
Grounds	405,071
Campus security	863,057
Utilities	1,196,859
Administration	483,942
Total operations and maintenance	<u>4,816,425</u>
Institutional support:	
Executive office	1,107,374
Fiscal operations	675,783
Community relations	1,132,708
Administrative support services	957,439
Board of Trustees	32,497
General institution	2,082,852
Administrative data processing	464,150
Other	19,691
Total institutional support	<u>6,472,494</u>
Scholarships, student grants and waivers	<u>12,869,062</u>
Total current funds expenditures	<u><u>\$ 51,552,326</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, 2015**

Fund Balances - Uniform Financial Statements	\$ 50,842,366
Capital assets in the Investment in Plant Fund	69,321,803
Long-term debt in the General Long Term Debt Fund	<u>(31,620,000)</u>
Fund Balances - All Fund Types	<u>\$ 88,544,169</u>

**Reconciliation of the Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Uniform Financial Statements
Year ended June 30, 2015**

Change in Fund Balances - Uniform Financial Statements	\$ (4,364,043)
Additions to buildings and equipment	17,860,779
Depreciation and loss of disposal of assets	<u>(1,830,003)</u>
Net Effect	<u>16,030,776</u>
Payment on long-term debt	5,300,000
Issuance of long-term debt	<u>(9,355,000)</u>
Net Effect	<u>(4,055,000)</u>
SURS revenue provided by state	8,971,695
SURS expenditure provided by state	<u>(8,971,695)</u>
Net Effect	<u>-</u>
Change in Fund Balances - All Fund Types	<u>\$ 7,611,733</u>

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ICCB State Grants Financial Compliance Section

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**Independent Auditor's Report on Compliance with State Requirements
For State Adult Education and Family Literacy Grants, Career and
Technical Education-Program Improvement Grant, 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 State Adult Education and Family Literacy, Career and Technical Education-Program Improvement, and Early School Leaver Program Grants of Black Hawk College, Illinois Community College District #503 (the College) as of and for the year ended June 30, 2015, and the related notes to the 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 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 College'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 College'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 State Adult Education and Family Literacy, Career and Technical Education-Program Improvement, and Early School Leaver Program Grants of Black Hawk College, Illinois Community College District #503 (the College) as of June 30, 2015, 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 the College failed to materially comply with the provisions of laws, regulations, contracts and grants between the College and the State of Illinois and the Illinois Community College Board (ICCB). 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 State Adult Education and Family Literacy, Career and Technical Education-Program Improvement, 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 College), 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
October 9, 2015

Black Hawk College
Illinois Community College District #503

Adult Education and Family Literacy Grant Program
Balance Sheet
June 30, 2015

	State Basic	Public Aid	Performance	Total
Assets				
Cash	\$ -	\$ 789	\$ -	\$ 789
Receivable from ICCB	17,689	6,986	15,702	40,377
Due from other funds	-	-	-	-
Total assets	<u>\$ 17,689</u>	<u>\$ 7,775</u>	<u>\$ 15,702</u>	<u>\$ 41,166</u>
Liabilities				
Accounts payable	\$ 686	\$ -	\$ 1,857	\$ 2,543
Accrued salaries	-	-	432	432
Due to other funds	17,003	7,775	13,413	38,191
Total liabilities	<u>\$ 17,689</u>	<u>\$ 7,775</u>	<u>\$ 15,702</u>	<u>\$ 41,166</u>
Fund balance				
Reserved for encumbrances	-	-	-	-
Total fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Adult Education and Family Literacy Grant Program
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2015

	State Basic	Public Aid	Performance	Total
Revenues, state sources	<u>\$ 212,276</u>	<u>\$ 83,827</u>	<u>\$ 188,425</u>	<u>\$ 484,528</u>
Expenditures:				
Current year's grant:				
Instruction	153,215	47,887	7,234	208,336
Social work services	-	-	-	-
Guidance services	27,832	10,807	25,673	64,312
Assessment and testing	-	14,629	2,585	17,214
Transportation	-	-	-	-
Literacy services	-	-	-	-
Child care services	-	760	1,604	2,364
Improvement of Instructional Services	-	-	6,878	6,878
General administration	13,909	4,639	14,768	33,316
Workforce coordination	-	-	-	-
Data and information services	17,320	4,471	126,394	148,185
Operation of plant services	-	634	3,289	3,923
Total expenditures	<u>212,276</u>	<u>83,827</u>	<u>188,425</u>	<u>484,528</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:				
Beginning, July 1, 2014				-
Ending, June 30, 2015				<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, 2015**

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	153,215	72.18%
General Administration (15% Maximum Allowed)	13,909	6.55%

State Public Assistance	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	47,887	57.13%
General Administration (15% Maximum Allowed)	4,639	5.53%

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

**ICCB State Program Improvement
Balance Sheet
June 30, 2015**

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

**ICCB State Program Improvement
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2015**

Revenues, state sources	<u>\$ 21,780</u>
Expenditures:	
Salaries	-
Employee benefits	-
Supplies and materials	21,780
Total expenditures	<u>21,780</u>
Revenues over (under) expenditures	-
Fund balance:	
Beginning, July 1, 2014	-
Ending, June 30, 2015	<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, 2015**

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

**Early School Leaver Program
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2015**

Revenues, state sources	<u>\$ 74,451</u>
Expenditures:	
Salaries	42,384
Benefits	16,763
Contractual Services	2,189
Supplies and Materials	10,857
Travel	2,258
Student tuition and fees	-
Total expenditures	<u>74,451</u>
Revenues over (under) expenditures	-
Fund balance:	
Beginning, July 1, 2014	-
Ending, June 30, 2015	<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, 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, 2015. 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, 2015.

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, 2015 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

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.

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, 2015**

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, 2014**

None

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**Independent Accountant's Report on Enrollment Data
and Other Bases Upon Which Claims are Filed**

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

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Black Hawk College, Illinois Community College District #503 (the College) for the year ended June 30, 2015. The Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed is the responsibility of the College's management. Our responsibility is to express an opinion on the schedule based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the guidelines of the Illinois Community College Board's *Fiscal Management Manual*, and accordingly, including 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the College's compliance with statutory requirements.

In our opinion, the Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed 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 (the College) for the year ended June 30, 2015, in conformity with the Illinois Community College Board's *Fiscal Management Manual*.

Wipfli LLP

Freeport, Illinois
October 9, 2015

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**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, 2015

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	4,554.0	-	27,882.9	110.6	25,528.0	105.3	57,964.9	215.9
Business Occupational	403.2	-	2,416.4	-	2,342.3	-	5,161.9	-
Technical Occupational	781.3	80.8	6,896.4	256.8	7,087.8	223.3	14,765.5	560.9
Health Occupational	875.1	-	5,009.6	-	3,941.4	-	9,826.1	-
Remedial Developmental	559.0	-	5,086.0	-	3,406.0	-	9,051.0	-
Adult Basic/Secondary Education	2,381.3	257.8	2,974.9	6,999.5	7,465.0	2,672.7	12,821.2	9,930.0
Total	9,553.9	338.6	50,266.2	7,366.9	49,770.5	3,001.3	109,590.6	10,706.8

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	115,710.9	179.0	115,889.9
	Dual Credit	Dual Enrollment	
Reimbursable Semester Credit Hours (All terms)	10,816.0	288.0	
District Prior Year Equalized Assessed Valuation			3,619,964,713

The District Has No Correctional Semester Credit Hours This Year.

Approved: Dr. Bettie C. Truitt
Chief Executive Officer

Approved: Steve Fromm
Chief Financial Officer

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

Reconciliation of Total Semester Credit Hours for the Year Ended June 30, 2015

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	57,964.9	57,964.9	-	215.9	215.9	-
Business Occupational	5,161.9	5,161.9	-	-	-	-
Technical Occupational	14,765.5	14,765.5	-	560.9	560.9	-
Health Occupational	9,826.1	9,826.1	-	-	-	-
Remedial Developmental	9,051.0	9,051.0	-	-	-	-
Adult Basic/Secondary Ed.	12,821.2	12,821.2	-	9,930.0	9,930.0	-
Total	109,590.6	109,590.6	-	10,706.8	10,706.8	-

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	115,710.9	115,710.9	-
Out-of-District on Chargeback or Contractual Agreement	179.0	179.0	-
Dual Credit	10,816.0	10,816.0	-
Dual Enrollment	288.0	288.0	-

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
2014	\$ 3,619,964,713
2013	3,591,336,171
2012	3,556,752,463

Federal Financial Compliance Section

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Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters

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 discretely presented component units of Black Hawk College, Illinois Community College District #503 (the College), as of and for the years ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Black Hawk College, Illinois Community College District #503's basic financial statements, and have issued our report thereon dated October 9, 2015. The financial statements of Black Hawk College Foundation and Black Hawk East College Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Black Hawk College, Illinois Community College District #503'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 Black Hawk College, Illinois Community College District #503'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College'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 the attention of those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control that we consider to be significant deficiencies, which are described in the accompanying schedule of findings and questioned costs as item 2015-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Black Hawk College, Illinois Community College District #503's 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*.

Response to Findings

Black Hawk College, Illinois Community College District #503's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Black Hawk College, Illinois Community College District #503's response was not subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

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

Freeport, Illinois
October 9, 2015



**Independent Auditor's Report on Compliance
For Each Major Program and On Internal Control
Over Compliance**

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 compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Black Hawk College, Illinois Community College District #503's major federal programs for the year ended June 30, 2015. Black Hawk College, Illinois Community College District #503's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for Compliance

Management of Black Hawk College, Illinois Community College District #503 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 Black Hawk College, Illinois Community College District #503'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 Black Hawk College, Illinois Community College District #503'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 Black Hawk College, Illinois Community College District #503's compliance.

Opinion

In our opinion, Black Hawk College, Illinois Community College District #503 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Black Hawk College, Illinois Community College District #503 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Black Hawk College, Illinois Community College District #503's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Black Hawk College, Illinois Community College District #503's internal control over compliance.

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

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

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

The accompanying schedule of expenditures of federal awards on pages 125 through 131 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.



Freeport, Illinois
October 9, 2015

Black Hawk College
Illinois Community College District # 503

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title	Federal CFDA Number	Grant Identifying Number	Federal Expenditures
U.S. Department of Education			
Direct Programs:			
Student Financial Aid - cluster			
Federal PELL Grant Program	84.063	P063P141337	\$7,471,961
Federal Supplemental Educational Opportunity Grant	84.007	P007A141107	96,300
Federal Family Education Loans	84.268	P268K151337	2,707,042
Federal Work-Study Program	84.033	P033A141107	173,316
Total student financial aid			10,448,619
Federal Strengthen Institution Program	84.031	P031A090064	256,221
TRIO - Student Support Services	84.042A	P042A100151	269,778
Total direct programs			\$10,974,618
Passed through Illinois Community College Board:			
Adult Education State Grant Program (Fed Basic)	84.002A	50301	188,800
Adult Education State Grant Program (EL Civics)	84.002A	50301	33,417
			222,217
Vocational Education (Perkins)	84.048	15CTE503	281,810
Local Programs of Study	84.048	15 POS 503	1,481
Special Populations	84.048	15 SPS 503	5,000
CTE Externship	84.048	15 EXT 503	1,691
Dual Credit Enhancement	84.048	15 DCE 503	10,000
			299,982
Total pass through programs from Illinois Community College Board			522,199
Total U.S. Department of Education			\$11,496,817
U.S. Department of Defense			
Passed through Illinois Department of Commerce and Economic Opportunity:			
Procurement Technical Assistance Center	12.002	15-601109	47,000
Total U.S. Department of Defense			47,000
U.S. Department of Transportation			
Passed through Illinois Community College Board			
Highway Construction Careers Training Program	20.205	15 HCCTP 503	100
Total U.S. Department of Transportation			100
U.S. Department of Veteran's Affairs			
Veteran's Educational Assistance	64.120		127,330
VA Rehab	64.116		35,349
Total U.S. Department of Veteran's Affairs			162,679

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

**Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2015**

Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title	Federal CFDA Number	Grant Identifying Number	Federal Expenditures
Small Business Administration			
Passed through Illinois Department of Commerce and Economic Opportunity:			
Small Business Development Center/ITC	59.037	14-561119	84,706
Small Business Development Center/ITC	59.037	15-181119	69,607
Total Small Business Administration:			154,313
 U.S. Department of Labor			
Passed through Illinois Department of Employment:			
WIA - Training Employee Academic Mastery	17.259	#12Y – BHC TEAM	78,064
WIA – Career Link		OOSY Reg 15-#1	34,571
Total U.S. Department of Labor:			112,635
 Total Expenditures of Federal Awards:			 \$11,973,544

See Notes to Schedule of Expenditures of Federal Awards.

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

**Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015**

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, 2015. 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, 2015, the College had no sub-recipients of federal funds.

Note 4. Nonmonetary Assistance

For the year ended June 30, 2015, 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, 2015.

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

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2015**

I. Summary of Independent Auditor's Results

Financial Statements:

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes X No

Federal Awards:

Internal control over major programs:

- Material weakness identified? Yes X No
- Significant deficiency identified that is not considered to be a material weakness Yes X None reported

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

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

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.007	Federal Supplemental Educational Opportunity Grant
84.268	Federal Direct Student Loans
84.033	Federal Work-Study Program
84.063	Federal PELL Grant Program

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

Auditee qualified as low risk auditee? X Yes No

Schedule of Findings and Questioned Costs
Year Ending June 30, 2015

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

2015-001

Condition and Criteria – There is inadequate control over the functions of processing and recording of payroll due to the inadequate segregation of duties. Internal controls should be in place that provide reasonable assurance that not one individual handles a transaction from its inception to its completion.

Cause – Significant turnover in the payroll and human resource departments has made it difficult for the College to implement adequate segregation of duties.

Effects or Potential Effects – Without adequate segregation of duties, the likelihood that unauthorized or false transactions will be prevented or detected in a timely fashion is significantly diminished which may result in misstated financial statements.

Auditor's Recommendation – There should be controls over gross pay adjustments, SURS and other deduction calculations, payroll tax reports are submitted to state and federal agencies correctly and timely. In addition, the College should have human resources enter all employment contracts in the system and have payroll department review.

View of responsible officials – The College acknowledges there are many shared duties and cross-training arrangements between the payroll and human resources departments so no single function is dependent on any one person. In order to provide reasonable assurance on internal controls, a third party reviews payroll. The third party reviewer has no access to payroll entry or processing. This review includes a listing of gross and net payroll by individual; reporting includes the current payroll calculations as well as a comparison to contracts and prior payroll periods.

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, 2015.

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, 2015**

2015-001

Condition - There is inadequate control over the functions of processing and recording of payroll due to the inadequate segregation of duties. Internal controls should be in place that provide reasonable assurance that not one individual handles a transaction from its inception to its completion.

Plan - The College will review existing payroll policies and procedures and strengthen by implementing additional controls over pay adjustments, deduction calculations, and reporting. Further, the College will develop an ongoing plan to maintain adequate segregation of duties over the payroll process. The College acknowledges there are many shared duties and cross-training arrangements between the payroll and human resources departments so no single function is dependent on any one person. In order to provide reasonable assurance on internal controls, a third party reviews payroll. The third party reviewer has no access to payroll entry or processing. This review includes a listing of gross and net payroll by individual; reporting includes the current payroll calculations as well as a comparison to contracts and prior payroll periods.

Anticipated Date of Completion – December 31, 2015

Contact Person – Leanna Bowers, Payroll Manager

Summary Schedule of Prior Audit Findings
June 30, 2014

I. 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

2014-001

Condition and Criteria – There is inadequate control over the functions of processing and recording of payroll due to the inadequate segregation of duties. Internal controls should be in place that provide reasonable assurance that not one individual handles a transaction from its inception to its completion.

Cause – Significant turnover in the payroll and human resource departments has made it difficult for the College to implement adequate segregation of duties.

Effects or Potential Effects – Without adequate segregation of duties, the likelihood that unauthorized or false transactions will be prevented or detected in a timely fashion is significantly diminished which may result in misstated financial statements.

Auditor's Recommendation – There should be controls over gross pay adjustments, SURS and other deduction calculations, and payroll tax reports should be submitted to state and federal agencies correctly and timely. In addition, the College should reinforce policies regarding supervisor approval of timesheets, communicate to supervisors the importance of timely responses to payroll department's questions, have human resources enter all employment contracts in the system and have payroll department review.

View of responsible officials – The College will review existing payroll policies and procedures and strengthen by implementing additional controls over pay adjustments, deduction calculations, and reporting. Further, the College will develop an ongoing plan to maintain adequate segregation of duties over the payroll process.

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, 2014.

Current Status

While a few internal control items have been resolved over the past year, the College continues to work toward addressing the remainder of the findings. The College acknowledges there are many shared duties and cross-training arrangements between the payroll and human resources departments so no one function is dependent on any one person. In order to provide reasonable assurance on internal controls a third party reviews payroll. The third party reviewer has no access to payroll entry or processing. This review includes a listing of gross and net payroll by individual; reporting review includes the current payroll calculations as well as a comparison to contracts and prior payroll periods.

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Management Information

Black Hawk College
Illinois Community College District #503

Combining Balance Sheet
June 30, 2015

	Education Fund	Operations & Maintenance Fund	Auxiliary Enterprises Fund	Restricted Purposes Funds	Audit Fund
Assets					
Cash and cash equivalents	\$ 8,150,158	\$ 1,356,788	\$ 68,965	\$ 732,238	\$ 109,393
Investments	-	-	-	-	-
Receivables, net of allowance for uncollectibles:					
Property Taxes	4,023,316	2,264,508	-	-	18,763
Federal government claims	-	-	-	1,021,300	-
State government claims	1,469,277	62,190	-	282,365	-
Student tuition and fees	6,458,639	-	-	-	-
Other	52,136	3,990	353,425	22,002	-
Due from other funds	1,152,035	3,824	-	789,238	-
Inventory	-	-	572,689	-	-
Prepaid expenses	108,556	27,707	13,996	196,138	-
Capital assets:					
Land	-	-	-	-	-
Construction and Equipment in process	-	-	-	-	-
Building, improvements and equipment net of \$26,423,710 depreciation	-	-	-	-	-
Total assets	<u>\$ 21,414,117</u>	<u>\$ 3,719,007</u>	<u>\$ 1,009,075</u>	<u>\$ 3,043,281</u>	<u>\$ 128,156</u>
Liabilities, Deferred Inflows of Resources and Fund Balance					
Accounts payable	\$ 449,098	\$ 160,111	\$ 53,373	\$ 238,966	\$ -
Accrued expenses					
Payroll	738,136	25,973	2,549	3,169	-
Early retirement	63,963	-	-	-	-
Accrued vacation	608,689	109,277	29,538	32,111	-
Other	-	-	-	-	-
Due to other funds	1,300,138	265,000	395,798	786,390	-
Unearned revenues					
Student tuition and fees	4,888,280	-	68,031	216,006	-
Grants and restricted funds	-	-	-	129,081	-
Other liabilities	51,826	16,460	-	-	-
Bonds payable	-	-	-	-	-
Leases payable	-	-	-	-	-
Total liabilities	<u>8,100,130</u>	<u>576,821</u>	<u>549,289</u>	<u>1,405,723</u>	<u>-</u>
Deferred inflows of resources					
Property taxes	3,111,023	1,751,031	-	-	14,480
Other	-	2,154	1,400	149,842	-
Total deferred inflows of resources	<u>3,111,023</u>	<u>1,753,185</u>	<u>1,400</u>	<u>149,842</u>	<u>14,480</u>
Fund balance					
Net investment in capital assets	-	-	-	-	-
Restricted	-	-	-	487,716	113,676
Unrestricted	10,202,964	1,389,001	458,386	1,000,000	-
Total fund balance	<u>10,202,964</u>	<u>1,389,001</u>	<u>458,386</u>	<u>1,487,716</u>	<u>113,676</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 21,414,117</u>	<u>\$ 3,719,007</u>	<u>\$ 1,009,075</u>	<u>\$ 3,043,281</u>	<u>\$ 128,156</u>

See Note to Management 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
\$ 2,136,794	\$ 13,172,437	\$ 2,228,079	\$ 20,382,482	\$ -	\$ -	\$ 48,337,334
-	-	-	-	-	-	-
1,369,671	-	4,048,036	1,139,830	-	-	12,864,124
-	-	-	-	-	-	1,021,300
-	-	-	1,000,000	-	-	2,813,832
-	-	-	-	-	-	6,458,639
-	-	-	-	-	-	431,553
1,862	-	-	800,750	-	-	2,747,709
-	-	-	-	-	-	572,689
19,973	-	-	699	-	-	367,069
-	-	-	-	927,464	-	927,464
-	-	-	-	16,724,738	-	16,724,738
-	-	-	-	51,669,601	-	51,669,601
\$ 3,528,300	\$ 13,172,437	\$ 6,276,115	\$ 23,323,761	\$ 69,321,803	\$ -	\$ 144,936,052
\$ 4,289	\$ -	\$ -	\$ 3,720,864	\$ -	\$ -	\$ 4,626,701
38,583	-	-	-	-	-	808,410
-	-	-	-	-	-	63,963
39,107	-	-	-	-	-	818,722
-	-	236,046	-	-	-	236,046
383	-	-	-	-	-	2,747,709
-	-	-	-	-	-	-
-	-	-	-	-	-	5,172,317
-	-	-	-	-	-	129,081
-	-	-	-	-	-	68,286
-	-	-	-	-	31,620,000	31,620,000
-	-	-	-	-	-	-
82,362	-	236,046	3,720,864	-	31,620,000	46,291,235
1,059,041	-	3,130,228	881,449	-	-	9,947,252
-	-	-	-	-	-	153,396
1,059,041	-	3,130,228	881,449	-	-	10,100,648
-	-	-	-	69,321,803	(31,620,000)	37,701,803
2,386,897	10,194,190	2,909,841	16,655,854	-	-	32,748,174
-	2,978,247	-	2,065,594	-	-	18,094,192
2,386,897	13,172,437	2,909,841	18,721,448	69,321,803	(31,620,000)	88,544,169
\$ 3,528,300	\$ 13,172,437	\$ 6,276,115	\$ 23,323,761	\$ 69,321,803	\$ -	\$ 144,936,052

Black Hawk College
Illinois Community College District #503

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2015

	Education Fund	Operations and Maintenance Fund	Auxiliary Fund	Restricted Funds	Audit Fund
Revenues:					
Local governmental sources					
Property taxes	\$ 6,192,491	\$ 3,444,467	\$ -	\$ -	\$ 14,440
Personal Property Replacement Tax	1,318,135	146,459	-	-	-
Other	-	-	-	-	-
Total local government sources	7,510,626	3,590,926	-	-	14,440
State governmental sources	6,839,654	612,978	-	2,780,777	-
Federal governmental sources	40,699	-	-	9,249,712	-
Student tuition and fees	15,717,756	94,568	216,263	703,632	-
Sales, services and rental of facilities and equipment	481,298	131,048	2,962,757	292,620	-
Investment earnings	36,427	5,429	503	-	560
Other sources	51,903	18,126	117,727	624,869	-
Additions to buildings and equipment, current funds	-	-	-	-	-
Payment of long-term debt	-	-	-	-	-
SURS contribution provided by state	-	-	-	8,971,695	-
Total revenues	30,678,363	4,453,075	3,297,250	22,623,305	15,000
Expenditures:					
Instruction	13,067,366	-	-	684,210	-
Academic support	3,662,093	-	-	1,153,545	-
Student services	2,698,720	-	-	593,656	-
Public services	809,283	-	-	1,296,580	-
Institutional support	4,877,634	-	-	392,481	36,602
Auxiliary services	-	-	3,316,760	112,132	-
Scholarships, student grants, and waivers	3,534,248	-	-	9,334,814	-
SURS contribution provided by state	-	-	-	8,971,695	-
Depreciation	-	-	-	-	-
Loss on disposal of assets	-	-	-	-	-
Operation of physical facilities	-	4,043,198	-	3,923	-
Total expenditures	28,649,344	4,043,198	3,316,760	22,543,036	36,602
Excess (deficiency) of revenues over expenditures	2,029,019	409,877	(19,510)	80,269	(21,602)
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-
Operating transfers in	-	35,669	-	775,000	-
Operating transfers out	(1,300,000)	(265,000)	-	-	-
Total other financing sources (uses)	(1,300,000)	(229,331)	-	775,000	-
Net change in fund balance	729,019	180,546	(19,510)	855,269	(21,602)
Fund balance					
Beginning	9,473,945	1,208,455	477,896	632,447	135,278
Ending	\$ 10,202,964	\$ 1,389,001	\$ 458,386	\$ 1,487,716	\$ 113,676

See Note to Management 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
\$ 2,044,147	\$ -	\$ 6,166,578	\$ 1,761,184	\$ -	\$ -	\$ 19,623,307
-	-	-	-	-	-	1,464,594
-	-	-	-	-	-	-
2,044,147	-	6,166,578	1,761,184	-	-	21,087,901
-	-	-	-	-	-	10,233,409
-	-	-	-	-	-	9,290,411
-	-	-	-	-	-	16,732,219
-	-	-	-	-	-	3,867,723
12,791	65,685	9,505	128,942	-	-	259,842
-	-	-	19,506	-	-	832,131
-	-	-	-	17,860,779	-	17,860,779
-	-	-	-	-	5,300,000	5,300,000
-	-	-	-	-	-	8,971,695
2,056,938	65,685	6,176,083	1,909,632	17,860,779	5,300,000	94,436,110
-	-	-	48,074	-	-	13,799,650
-	-	-	22,644	-	-	4,838,282
-	-	-	-	-	-	3,292,376
-	-	-	-	-	-	2,105,863
1,165,777	-	6,345,788	693,132	-	-	13,511,414
-	-	-	-	-	-	3,428,892
-	-	-	-	-	-	12,869,062
-	-	-	-	-	-	8,971,695
-	-	-	-	1,830,003	-	1,830,003
-	-	-	-	-	-	-
769,304	-	-	17,891,989	-	-	22,708,414
1,935,081	-	6,345,788	18,655,839	1,830,003	-	87,355,651
121,857	65,685	(169,705)	(16,746,207)	16,030,776	5,300,000	7,080,459
-	-	-	9,355,000	-	(9,355,000)	-
-	-	-	531,274	-	-	531,274
-	-	-	790,000	-	-	1,600,669
-	-	-	(35,669)	-	-	(1,600,669)
-	-	-	10,640,605	-	(9,355,000)	531,274
121,857	65,685	(169,705)	(6,105,602)	16,030,776	(4,055,000)	7,611,733
2,265,040	13,106,752	3,079,546	24,827,050	53,291,027	(27,565,000)	80,932,436
\$ 2,386,897	\$ 13,172,437	\$ 2,909,841	\$ 18,721,448	\$ 69,321,803	\$ (31,620,000)	\$ 88,544,169

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	\$ 88,544,169
Pension expense related to Federal, Trust, Grant and Other Contribution	<u>90,997</u>
Long-term portion of early retirement liability	<u>(1,368,620)</u>
Unamortized bond premium	<u>(1,029,100)</u>
Net Position of Statement of Net Position	<u><u>\$ 86,237,446</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	\$ 7,611,733
Reduction in student tuition and fees	(10,269,133)
Reduction in financial aid	<u>10,269,133</u>
Net Effect	<u>-</u>
Additions to buildings and equipment, current funds	17,860,779
Expended for capital assets	<u>(17,860,779)</u>
Net Effect	<u>-</u>
Long-term debt retired	5,300,000
Additions to general long-term debt fund	<u>(5,300,000)</u>
Net Effect	<u>-</u>
Unamortized 2015 bond premium	(402,194)
Amortization of 2013 bond premium	<u>107,325</u>
Net Effect	<u>(294,869)</u>
Decrease in long-term early retirement liability	<u>385,849</u>
Increase in pension expense related to Federal, Trust, Grant and Other Contribution	<u>(9,058)</u>
Change in Net Position	<u><u>\$ 7,693,655</u></u>

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

See Note to Management Information.

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Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - General Fund by Program
Year ended June 30, 2015

	Education Fund Budget	Education Fund Actual	Actual Over (Under) Budget	Operations & Maintenance Fund Budget	Operations & Maintenance Fund Actual	Actual Over (Under) Budget
Revenues:						
Local governmental sources						
Property taxes	\$ 6,106,000	\$ 6,192,491	\$ 86,491	\$ 3,100,000	\$ 3,444,467	\$ 344,467
Personal property taxes	1,080,000	1,318,135	238,135	120,000	146,459	26,459
Other	-	-	-	-	-	-
Total local government sources	7,186,000	7,510,626	324,626	3,220,000	3,590,926	370,926
State governmental sources	6,813,442	6,839,654	26,212	612,978	612,978	-
Federal governmental sources	36,827	40,699	3,872	-	-	-
Student tuition and fees	16,182,992	15,717,756	(465,236)	100,000	94,568	(5,432)
Sales, services and rental of facilities	634,160	481,298	(152,862)	117,640	131,048	13,408
Investment earnings	25,000	36,427	11,427	5,000	5,429	429
Other sources	7,125	51,903	44,778	20,150	18,126	(2,024)
Contingency	158,457	-	(158,457)	229,496	-	(229,496)
Total revenues	31,044,003	30,678,363	(365,640)	4,305,264	4,453,075	147,811
Expenditures:						
Current						
Instruction	14,267,634	13,067,366	(1,200,268)	-	-	-
Academic support	3,773,657	3,662,093	(111,564)	-	-	-
Student services	2,760,359	2,698,720	(61,639)	-	-	-
Public services	835,755	809,283	(26,472)	-	-	-
Institutional support	5,611,501	4,877,634	(733,867)	-	-	-
Auxiliary services	-	-	-	-	-	-
Scholarships, student grants, and waivers	4,015,000	3,534,248	(480,752)	-	-	-
Operation of physical facilities	-	-	-	4,398,297	4,043,198	(355,099)
Contingency	525,000	-	(525,000)	265,000	-	(265,000)
Total expenditures	31,788,906	28,649,344	(3,139,562)	4,663,297	4,043,198	(620,099)
Excess (deficiency) of revenues over expenditures	(744,903)	2,029,019	2,773,922	(358,033)	409,877	767,910
Other financing sources (uses):						
Operating transfers in	400,000	-	(400,000)	284,098	35,669	(248,429)
Operating transfers out	(86,000)	(1,300,000)	(1,214,000)	-	(265,000)	(265,000)
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
Total other financing sources (uses)	314,000	(1,300,000)	(1,614,000)	284,098	(229,331)	(513,429)
Net change in fund balance	\$ (430,903)	729,019	\$ 1,159,922	\$ (73,935)	180,546	\$ 254,481
Fund balance						
Beginning		<u>\$ 9,473,945</u>			<u>\$ 1,208,455</u>	
Ending		<u>\$ 10,202,964</u>			<u>\$ 1,389,001</u>	

See Note to Management Information.

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - General Fund by Object
Year ended June 30, 2015

	Education Fund Budget	Education Fund Actual	Actual Over (Under) Budget	Operations & Maintenance Fund Budget	Operations & Maintenance Fund Actual	Actual Over (Under) Budget
Revenues:						
Local governmental sources						
Property taxes	\$ 6,106,000	\$ 6,192,491	\$ 86,491	\$ 3,100,000	\$ 3,444,467	\$ 344,467
Personal property taxes	1,080,000	1,318,135	238,135	120,000	146,459	26,459
Other	-	-	-	-	-	-
Total local government sources	7,186,000	7,510,626	324,626	3,220,000	3,590,926	370,926
State governmental sources	6,813,442	6,839,654	26,212	612,978	612,978	-
Federal governmental sources	36,827	40,699	3,872	-	-	-
Student tuition and fees	16,182,992	15,717,756	(465,236)	100,000	94,568	(5,432)
Sales, services and rental of facilities	634,160	481,298	(152,862)	117,640	131,048	13,408
Investment earnings	25,000	36,427	11,427	5,000	5,429	429
Other sources	7,125	51,903	44,778	20,150	18,126	(2,024)
Contingency	158,457	-	(158,457)	229,496	-	(229,496)
Total revenues	31,044,003	30,678,363	(365,640)	4,305,264	4,453,075	147,811
Expenditures:						
Current						
Salaries	20,116,416	18,659,786	(1,456,630)	1,858,473	1,643,420	(215,053)
Benefits	4,255,130	4,034,541	(220,589)	544,114	518,556	(25,558)
Contractual Services	1,023,463	771,020	(252,443)	427,644	401,700	(25,944)
Supplies & Materials	1,615,697	1,382,017	(233,680)	287,805	239,756	(48,049)
Conference & Meetings	169,485	175,294	5,809	29,011	5,602	(23,409)
Fixed Charges	25,670	51,997	26,327	212,000	162,297	(49,703)
Utilities	4,860	2,800	(2,060)	1,038,250	1,066,024	27,774
Capital Outlay	-	-	-	-	5,100	5,100
Other	4,053,185	3,571,889	(481,296)	1,000	743	(257)
Contingency	525,000	-	(525,000)	265,000	-	(265,000)
Total expenditures	31,788,906	28,649,344	(3,139,562)	4,663,297	4,043,198	(620,099)
Excess (deficiency) of revenues over expenditures	(744,903)	2,029,019	2,773,922	(358,033)	409,877	767,910
Other financing sources (uses):						
Operating transfers in	400,000	-	(400,000)	284,098	35,669	(248,429)
Operating transfers out	(86,000)	(1,300,000)	(1,214,000)	-	(265,000)	(265,000)
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
Total other financing sources (uses)	314,000	(1,300,000)	(1,614,000)	284,098	(229,331)	(513,429)
Net change in fund balance	\$ (430,903)	729,019	\$ 1,159,922	\$ (73,935)	180,546	\$ 254,481
Fund balance						
Beginning		\$ 9,473,945			\$ 1,208,455	
Ending		\$ 10,202,964			\$ 1,389,001	

See Note to Management Information.

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Major Special Revenue Funds by Program
Year ended June 30, 2015

	Restricted Purposes Funds Budget	Restricted Purposes Funds Actual	Actual Over (Under) Budget	Audit Fund Budget	Audit Fund Actual	Actual Over (Under) Budget
Revenues:						
Local governmental sources						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 14,440	\$ 14,440
Tuition chargeback	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total local government sources	-	-	-	-	14,440	14,440
State governmental sources	3,160,515	2,780,777	(379,738)	-	-	-
Federal governmental sources	14,267,895	9,249,712	(5,018,183)	-	-	-
Student tuition and fees	728,000	703,632	(24,368)	-	-	-
Sales, services and rental of facilities	-	292,620	292,620	-	-	-
Investment earnings	-	-	-	-	560	560
Other sources	1,256,649	624,869	(631,780)	-	-	-
Contingency	1,186,836	-	(1,186,836)	-	-	-
Total revenues	20,599,895	13,651,610	(6,948,285)	-	15,000	15,000
Expenditures:						
Current						
Instruction	801,428	684,210	(117,218)	-	-	-
Academic support	1,206,622	1,153,545	(53,077)	-	-	-
Student services	703,726	593,656	(110,070)	-	-	-
Public services	1,432,919	1,296,580	(136,339)	-	-	-
Institutional support	1,065,807	392,481	(673,326)	60,000	36,602	(23,398)
Auxiliary services	225,100	112,132	(112,968)	-	-	-
Scholarships, student grants, and waivers	14,302,777	9,334,814	(4,967,963)	-	-	-
Operation of physical facilities	1,510	3,923	2,413	-	-	-
Contingency	1,072,543	-	(1,072,543)	-	-	-
Total expenditures	20,812,432	13,571,341	(7,241,091)	60,000	36,602	(23,398)
Excess (deficiency) of revenues over expenditures	(212,537)	80,269	292,806	(60,000)	(21,602)	38,398
Other financing sources (uses):						
Operating transfers in	86,000	775,000	689,000	-	-	-
Operating transfers out	-	-	-	-	-	-
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
Total other financing sources	86,000	775,000	689,000	-	-	-
Net change in fund balance	\$ (126,537)	855,269	\$ 981,806	\$ (60,000)	(21,602)	\$ 38,398
Fund balance						
Beginning		<u>\$ 632,447</u>			<u>\$ 135,278</u>	
Ending		<u>\$ 1,487,716</u>			<u>\$ 113,676</u>	

See Note to Management Information.

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
\$ 1,800,000	\$ 2,044,147	\$ 244,147	\$ 5,669,404	\$ 6,166,578	\$ 497,174	\$ 11,796,400	\$ 1,761,184	\$ (10,035,216)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>1,800,000</u>	<u>2,044,147</u>	<u>244,147</u>	<u>5,669,404</u>	<u>6,166,578</u>	<u>497,174</u>	<u>11,796,400</u>	<u>1,761,184</u>	<u>(10,035,216)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	12,791	12,791	-	9,505	9,505	95,000	128,942	33,942
-	-	-	-	-	-	-	19,506	19,506
-	-	-	-	-	-	1,200,000	-	(1,200,000)
<u>1,800,000</u>	<u>2,056,938</u>	<u>256,938</u>	<u>5,669,404</u>	<u>6,176,083</u>	<u>506,679</u>	<u>13,091,400</u>	<u>1,909,632</u>	<u>(11,181,768)</u>
-	-	-	-	-	-	21,740	48,074	26,334
-	-	-	-	-	-	21,044	22,644	1,600
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,302,657	1,165,777	(136,880)	5,669,404	6,345,788	676,384	16,830	693,132	676,302
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
834,525	769,304	(65,221)	-	-	-	24,171,382	17,891,989	(6,279,393)
-	-	-	-	-	-	1,200,000	-	(1,200,000)
<u>2,137,182</u>	<u>1,935,081</u>	<u>(202,101)</u>	<u>5,669,404</u>	<u>6,345,788</u>	<u>676,384</u>	<u>25,430,996</u>	<u>18,655,839</u>	<u>(6,775,157)</u>
<u>(337,182)</u>	<u>121,857</u>	<u>459,039</u>	<u>-</u>	<u>(169,705)</u>	<u>(169,705)</u>	<u>(12,339,596)</u>	<u>(16,746,207)</u>	<u>(4,406,611)</u>
-	-	-	-	-	-	-	790,000	790,000
-	-	-	-	-	-	84,098	(35,669)	(119,767)
-	-	-	-	-	-	-	9,355,000	9,355,000
-	-	-	-	-	-	-	531,274	531,274
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,098</u>	<u>10,640,605</u>	<u>10,556,507</u>
<u>\$ (337,182)</u>	<u>121,857</u>	<u>\$ 459,039</u>	<u>\$ -</u>	<u>(169,705)</u>	<u>\$ (169,705)</u>	<u>\$ (12,255,498)</u>	<u>(6,105,602)</u>	<u>\$ 6,149,896</u>
	<u>\$ 2,265,040</u>			<u>\$ 3,079,546</u>			<u>\$ 24,827,050</u>	
	<u>\$ 2,386,897</u>			<u>\$ 2,909,841</u>			<u>\$ 18,721,448</u>	

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Major Special Revenue Funds by Object
Year ended June 30, 2015

	Restricted Purposes Funds Budget	Restricted Purposes Funds Actual	Actual Over (Under) Budget	Audit Fund Budget	Audit Fund Actual	Actual Over (Under) Budget
Revenues:						
Local governmental sources						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 14,440	\$ 14,440
Tuition chargeback	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total local government sources	-	-	-	-	14,440	14,440
State governmental sources	3,160,515	2,780,777	(379,738)	-	-	-
Federal governmental sources	14,267,895	9,249,712	(5,018,183)	-	-	-
Student tuition and fees	728,000	703,632	(24,368)	-	-	-
Sales, services and rental of facilities	-	292,620	292,620	-	-	-
Investment earnings	-	-	-	-	560	560
Other sources	1,256,649	624,869	(631,780)	-	-	-
Contingency	1,186,836	-	(1,186,836)	-	-	-
Total revenues	20,599,895	13,651,610	(6,948,285)	-	15,000	15,000
Expenditures:						
Current						
Salaries	1,596,988	1,615,389	18,401	-	-	-
Benefits	496,615	424,649	(71,966)	-	-	-
Contractual Services	1,614,581	1,159,858	(454,723)	60,000	36,602	(23,398)
Supplies & Materials	640,815	416,545	(224,270)	-	-	-
Conference & Meetings	169,253	149,211	(20,042)	-	-	-
Fixed Charges	60,000	49,941	(10,059)	-	-	-
Utilities	137,692	105,302	(32,390)	-	-	-
Capital Outlay	719,979	402,406	(317,573)	-	-	-
Other	14,303,966	9,248,040	(5,055,926)	-	-	-
Contingency	1,072,543	-	(1,072,543)	-	-	-
Total expenditures	20,812,432	13,571,341	(7,241,091)	60,000	36,602	(23,398)
Excess (deficiency) of revenues over expenditures	(212,537)	80,269	292,806	(60,000)	(21,602)	38,398
Other financing sources (uses):						
Operating transfers in	86,000	775,000	689,000	-	-	-
Operating transfers out	-	-	-	-	-	-
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
Total other financing sources	86,000	775,000	689,000	-	-	-
Net change in fund balance	\$ (126,537)	855,269	\$ 981,806	\$ (60,000)	(21,602)	\$ 38,398
Fund balance						
Beginning		<u>\$ 632,447</u>			<u>\$ 135,278</u>	
Ending		<u>\$ 1,487,716</u>			<u>\$ 113,676</u>	

See Note to Management Information.

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
\$ 1,800,000	\$ 2,044,147	\$ 244,147	\$ 5,669,404	\$ 6,166,578	\$ 497,174	\$ 11,796,400	\$ 1,761,184	\$ (10,035,216)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,800,000	2,044,147	244,147	5,669,404	6,166,578	497,174	11,796,400	1,761,184	(10,035,216)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	12,791	12,791	-	9,505	9,505	95,000	128,942	33,942
-	-	-	-	-	-	-	19,506	19,506
-	-	-	-	-	-	1,200,000	-	(1,200,000)
1,800,000	2,056,938	256,938	5,669,404	6,176,083	506,679	13,091,400	1,909,632	(11,181,768)
794,473	845,414	50,941	-	-	-	-	-	-
801,076	749,367	(51,709)	-	-	-	-	-	-
158,680	122,624	(36,056)	-	-	-	16,830	49,569	32,739
7,163	3,218	(3,945)	-	-	-	171,740	965,389	793,649
11,440	6,629	(4,811)	-	-	-	-	-	-
352,500	168,474	(184,026)	5,669,404	6,345,788	676,384	-	20,155	20,155
11,850	-	(11,850)	-	-	-	-	-	-
-	-	-	-	-	-	24,042,426	17,494,206	(6,548,220)
-	39,355	39,355	-	-	-	-	126,520	126,520
-	-	-	-	-	-	1,200,000	-	(1,200,000)
2,137,182	1,935,081	(202,101)	5,669,404	6,345,788	676,384	25,430,996	18,655,839	(6,775,157)
(337,182)	121,857	459,039	-	(169,705)	(169,705)	(12,339,596)	(16,746,207)	(4,406,611)
-	-	-	-	-	-	-	790,000	790,000
-	-	-	-	-	-	84,098	(35,669)	(119,767)
-	-	-	-	-	-	-	9,355,000	9,355,000
-	-	-	-	-	-	-	531,274	531,274
-	-	-	-	-	-	84,098	10,640,605	10,556,507
<u>\$ (337,182)</u>	<u>121,857</u>	<u>\$ 459,039</u>	<u>\$ -</u>	<u>(169,705)</u>	<u>\$ (169,705)</u>	<u>\$ (12,255,498)</u>	<u>(6,105,602)</u>	<u>\$ 6,149,896</u>
	<u>\$ 2,265,040</u>			<u>\$ 3,079,546</u>		<u>\$ 24,827,050</u>		
	<u>\$ 2,386,897</u>			<u>\$ 2,909,841</u>		<u>\$ 18,721,448</u>		

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Major Special Revenue Funds by Object (continued)
Year ended June 30, 2015

	Working Cash Fund Budget	Working Cash Fund Actual	Actual Over (Under) Budget
Revenues:			
Local governmental sources			
Property taxes	\$ -	\$ -	\$ -
Tuition chargeback	-	-	-
Other	-	-	-
Total local government sources	-	-	-
State governmental sources	-	-	-
Federal governmental sources	-	-	-
Student tuition and fees	-	-	-
Sales, services and rental of facilities	-	-	-
Investment earnings	60,000	65,685	5,685
Other sources	-	-	-
Contingency	-	-	-
Total revenues	60,000	65,685	5,685
Expenditures:			
Current			
Salaries	-	-	-
Benefits	-	-	-
Contractual Services	-	-	-
Supplies & Materials	-	-	-
Conference & Meeting	-	-	-
Fixed Charges	-	-	-
Utilities	-	-	-
Capital Outlay	-	-	-
Other	-	-	-
Contingency	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	60,000	65,685	5,685
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	(600,000)	-	600,000
Bond & Debt Certificate Proceeds	-	-	-
Bond premium	-	-	-
Total other financing sources (uses)	(600,000)	-	600,000
Net change in fund balance	\$ (540,000)	65,685	\$ 605,685
Fund balance			
Beginning		<u>\$ 13,106,752</u>	
Ending		<u>\$ 13,172,437</u>	

See Note to Management Information.

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Proprietary Fund by Program
Year ended June 30, 2015

	Auxiliary Fund Budget	Auxiliary Fund Actual	Actual Over (Under) Budget
Revenues:			
Local governmental sources			
Property taxes	\$ -	\$ -	\$ -
Tuition chargeback	-	-	-
Other	-	-	-
Total local government sources	<u>-</u>	<u>-</u>	<u>-</u>
State governmental sources	-	-	-
Federal governmental sources	-	-	-
Student tuition and fees	238,000	216,263	(21,737)
Sales, services and rental of facilities	2,733,335	2,962,757	229,422
Investment earnings	1,000	503	(497)
Other sources	74,635	117,727	43,092
Contingency	250,000	-	(250,000)
Total revenues	<u>3,296,970</u>	<u>3,297,250</u>	<u>280</u>
Expenditures:			
Current			
Instruction	-	-	-
Academic support	-	-	-
Student services	-	-	-
Public services	-	-	-
Institutional support	-	-	-
Auxiliary services	3,171,695	3,316,760	145,065
Scholarships, student grants, and waivers	-	-	-
Operation of physical facilities	-	-	-
Contingency	250,000	-	(250,000)
Total expenditures	<u>3,421,695</u>	<u>3,316,760</u>	<u>(104,935)</u>
Excess (deficiency) of revenues over expenditures	<u>(124,725)</u>	<u>(19,510)</u>	<u>105,215</u>
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Bond & Debt Certificate Proceeds	-	-	-
Bond premium	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (124,725)</u>	<u>(19,510)</u>	<u>\$ 105,215</u>
Fund balance			
Beginning		<u>\$ 477,896</u>	
Ending		<u>\$ 458,386</u>	

See Note to Management Information.

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Proprietary Fund by Object
Year ended June 30, 2015

	Auxiliary Fund Budget	Auxiliary Fund Actual	Actual Over (Under) Budget
Revenues:			
Local governmental sources			
Property taxes	\$ -	\$ -	\$ -
Tuition chargeback	-	-	-
Other	-	-	-
Total local government sources	-	-	-
State governmental sources	-	-	-
Federal governmental sources	-	-	-
Student tuition and fees	238,000	216,263	(21,737)
Sales, services and rental of facilities	2,733,335	2,962,757	229,422
Investment earnings	1,000	503	(497)
Other sources	74,635	117,727	43,092
Contingency	250,000	-	(250,000)
Total revenues	3,296,970	3,297,250	280
Expenditures:			
Current			
Salaries	557,798	521,269	(36,529)
Benefits	101,652	89,260	(12,392)
Contractual Services	155,985	157,055	1,070
Supplies & Materials	2,123,997	2,276,150	152,153
Conference & Meeting	193,793	178,355	(15,438)
Fixed Charges	14,150	61,707	47,557
Utilities	-	-	-
Capital Outlay	-	7,604	7,604
Other	24,320	25,360	1,040
Contingency	250,000	-	(250,000)
Total expenditures	3,421,695	3,316,760	(104,935)
Excess (deficiency) of revenues over expenditures	(124,725)	(19,510)	105,215
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Bond & Debt Certificate Proceeds	-	-	-
Bond premium	-	-	-
Total other financing sources	-	-	-
Net change in fund balance	\$ (124,725)	(19,510)	\$ 105,215
Fund balance			
Beginning		\$ 477,896	
Ending		\$ 458,386	

See Note to Management Information.

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

Note 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 supplemental information. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified.



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